

MBA
M&I

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

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

July 7-9, 1993

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

July 7-9, 1993

<u>CONTENTS</u>	<u>PAGE</u>
I. Committee Meeting	
A. Committee of the Whole - July 7, 1993 - Open Forum-----	1
II. Committee Meetings	
A. Audit Committee - July 7, 1993-----	6
B. Facilities Committee - July 8, 1993-----	11
C. Financial Operations & Legislative Committee - July 8, 1993-----	15
D. Faculty, Staff & Student Affairs Committee - July 8, 1993-----	21
E. Educational Planning & Policy Committee - July 8, 1993-----	25
F. Committee of the Whole - July 8, 1993-----	29
III. Board of Regents - July 8, 1993	
A. Resolution to Conduct Non-Public Meeting-----	35
IV. Committee Meeting	
A. Committee of the Whole - July 9, 1993-----	36
V. Board of Regents' Meeting - July 9, 1993	
A. Approval of Minutes -----	44
B. Report of the President -----	44
1) 1993-94 Budget	
2) Medical School Management Review and Medical Practice Plan	
3) Justin Morrill Award	
4) External Relations - Council for Advancement & Support of Education (CASE) Awards	
5) University of St. Thomas Distinguished Service Award	
6) NCAA Men's Basketball "Final Four" in 2001	
C. Report of the Chair -----	44
1) Meeting Schedule	
2) Regents' Retreat	
3) Assessment of President Hasselmo a) Approval of four major challenges for 1993-94	
D. Receive and File Reports -----	45
1) Quarterly Summary of Regents' Policy Review Activity	
E. Gifts -----	45
F. Report of the Committee of the Whole - July 8, 1993	
1) Approval of resolution re Private Practice of Medicine at University of Minnesota Medical School-----	45
2) Report on Medical School Management Review-----	47
G. Report of the Committee of the Whole - July 9, 1993	
1) Approval of resolution re Honors Committee Report-----	47
2) Approval of resolution re Summary of Expenditures-----	47
3) Approval of resolution re Report of Nominating Committee/ Hospital Board of Governors-----	47
4) Approval of resolution re 1993-94 Budget for University of Minnesota Hospital & Clinic-----	47
5) Approval of resolution re Budget Plan, including Tuition, Compensation and Student Services Fees-----	47
6) Approval of resolution re Enrollment Policies-----	48
7) Approval of resolution re Strategic Planning and Resource Allocations-----	48
8) Recognition of newly-appointed Regents' Professors-----	49

9)	Reports from President's Minority Advisory Committees-----	49
10)	Reports of Campus American Indian Advisory Committees-----	49
11)	Report on Minority Affairs-----	49
H.	Report of the Faculty, Staff & Student Affairs Committee	
1)	Approval - Senior Vice President's Monthly Report-----	49
a)	Appointment of Dr. Shelley N. Chou as Interim Deputy Vice President for Medical Affairs and Acting Dean of the Medical School	
b)	Resignation of Charles Lawrence as Assistant Vice President for Housing Services and appointment of Laurie Scheich as Acting Assistant Vice President for Housing Services	
c)	Faculty promotions, honors, and awards, including the election of Professor Sue Donaldson to the Institute of Medicine, National Academy of Sciences	
d)	Establishment by the Institute of Agriculture, Forestry and Home Economics of the Siehl Prize for Excellence in Agriculture as a result of a gift from Eldon R. Siehl	
e)	Note of commendation and a plaque be presented to Dr. M. Elizabeth Craig for her efforts on the smoke-free initiative	
2)	Approval of resolution re Regents' Policy on Equal Opportunity-----	49
3)	Approval of resolution re Revised Regents' Policies on Equal Opportunity & Affirmative Action-----	49
a)	Equal Opportunity in Employment	
b)	Equal Opportunity - Facilities	
c)	Prohibition of Employment of Non-Equal Opportunity Contractors, Suppliers, or Services	
d)	Diversity	
4)	Approval to delete as separate policy the Regents' Policy relating to Affirmative Action & Equal Opportunity - Statement on Affirmative Action for Part-Time Recurring Faculty-----	52
5)	Benefit Eligibility for Same Sex Domestic Partners & Children-----	52
6)	Proposed Revisions to Regents' Policy on Nepotism-----	52
I.	Report of the Facilities Committee	
1)	Approval - Senior Vice President's Monthly Report-----	52
2)	Approval - Project Submitted for Review and Action-----	52
a)	Shops Building Renovation, Minneapolis Campus	
3)	Real Estate Transaction for Approval-----	53
a)	Eight-year Lease of 711 East River Road	
4)	Proposal for Purchase of 200 Acres of Land in Waseca-----	53
5)	Proposed Change to Regents' Policy on Delegation of Authority - General Delegation-----	53
6)	Status of Planning for Mississippi National River & Recreation Area-----	53
J.	Report of the Financial Operations & Legislative Committee	
1)	Approval - Senior Vice President's Monthly Report-----	53
2)	Approval of resolution re 1993 Expenditures from General Contingency Fund-----	53
3)	Approval of resolution re Financing or Refinancing of University Debt-----	53
4)	Approval of resolution re Purchase of Goods and Services over \$250,000-----	54
a)	To Boston Mutual to provide student health insurance	
5)	Approval of resolution re University Grove/Expanded Eligibility-----	54
6)	Quarterly Report on Asset and Debt Management-----	54
7)	Quarterly Purchasing Report-----	54
8)	Quarterly Management Report-----	54
9)	Legislative Update-----	54
10)	Approval of resolutions re Debt Restructuring-----	54
K.	Report of the Educational Planning & Policy Committee	
1)	Approval - Senior Vice President's Monthly Report-----	59
a)	Discontinuation of Master of Science (M.S.) and Ph.D. degree program in Cell and Developmental Biology and name change of the M.S. and Ph.D. degree program in	

	Genetics to Molecular, Cellular, Developmental Biology and Genetics	
	b) Submission of proposed Bachelor of Information Networking degree to Higher Education Coordinating Board (HECB)	
	c) Update on implementation of career-oriented baccalaureate programs at the University of Minnesota, Crookston (UMC)	
	d) Program proposals approved by HECB at its meeting on June 17, 1993	
	e) Submission of proposal to HECB to create new external degree-granting institution called Graduate School of America	
	2) Approval of resolution re Appointment of Rochester Center Advisory Committee Members-----	59
	3) Report on Distance Learning Initiative-----	59
L.	Report of the Audit Committee	
	1) Approval of Senior Vice President's Quarterly Report-----	59
	2) Approval of resolution re Director of Audits Quarterly Report-----	59
	3) Approval of resolution re CUFS Schedule of Milestones-----	60
	4) Approval of resolution re Fiscal Year 1994 Expenditures from the General Contingency Fund-----	60
	5) Proposed Regents' Policy on Medical School Practice Plan-----	60
M.	New Business	
	1) Recognition of R. Peter Madel, Jr.-----	60
VI.	Board of Regents - August 16, 1993	
A.	Resolution to Conduct Non-Public Meeting-----	61

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole - Open Forum

July 7, 1993

An Open Forum was held by the Committee of the Whole of the Board of Regents on Wednesday, July 7, 1993, at 6:30 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Keffeler, presiding; Regents Bleyhl, Hogan, Neel, Page, Peterson, Reagan, Rosha, Sahlstrom, and Wynia.

Staff present: President Hasselmo; Chancellor Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Hopkins, Hughes, and Petersen; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Markham, Pfutzenreuter, Tschida, and Vikmanis.

Student Representative present: Rachel Paulose.

Regent Keffeler stated that the Open Forum was scheduled to provide an opportunity for individuals to give input regarding the proposed 1993-94 Budget Plan. She noted that the role of the Regents is to listen and gain understanding of the perspective of the speakers.

The following individuals addressed the Board:

Denise Tolbert
Student Senate Consultative Committee

Ms. Tolbert stated that the student service fee recommendations for the Twin Cities and Duluth campuses are controversial. She noted her opinion that rejection by the administration of Student Fees Committees' recommendations contradicts the intent of the Regents' policy, and stated that students want a student-supported process and recommendations that reflect the best interests of the average student. With respect to tuition, Ms. Tolbert raised concerns regarding the lack of student participation in setting tuition and efforts to make an issue of salaries versus tuition.

Ron Merckling
Christopher Brown
Minnesota Student Association (MSA)

Mr. Merckling spoke in support of the funding request for the University of Minnesota Coalition for Higher Education. He noted that the legislative effort of University students is underfunded compared with the other systems of higher education, and stated that the Coalition would enable students to properly mount a legislative effort. Mr. Merckling expressed concern regarding the proposal to increase tuition, and encouraged the Board to decide whether to maintain accessibility or continue the burdensome policies of the past.

Mr. Brown urged the Board to keep its pledge regarding an average 3.5 percent tuition increase. He reported that MSA and the Graduate and Professional Student Association (GAPSA) are currently reviewing student policies on fees, and he believes the students can resolve outstanding issues without administrative intervention. Mr. Brown expressed concern regarding the administration's budget recommendation for the Gay, Lesbian, Bisexual, and Transgender Programs Office, and asked the Board to carefully consider the original budget request for that office.

Jennifer McKeever
Richard Cushing
Minnesota Student Association (MSA)

Ms. McKeever, MSA Legislative Relations Chair, discussed the importance of the student fees process. She spoke in support of the Fees Committee funding recommendation for the University of Minnesota Coalition for Higher Education, and expressed concern regarding the administration's recommendation not to provide funding. If the administrative recommendation is accepted, she believes that student decision-making will be undermined and will lead to further disempowerment of students.

Mr. Cushing, Speaker of the MSA Forum, spoke in support of the proposed University of Minnesota Coalition for Higher Education. He stated his view that funds collected through fees belong to the students, and advised that the administration not decide how the money is spent. He asked the Board to approve the Fees Committee recommendation.

Aric Nissen

Mr. Nissen also spoke in support of the University of Minnesota Coalition for Higher Education, and he asked the Board to provide funding for the Coalition as recommended by the Fees Committee. He stated that there is wide support for the proposal, noting that the ten student members of the Fees Committee voted to provide funding for the Coalition and the two Student Affairs staff members on the committee opposed the proposal.

Lucy Quinlivan
Editor-in-Chief, Minnesota Daily

Ms. Quinlivan indicated that the funding reduction recommended by the Fees Committee would have a serious impact on the Minnesota Daily. She stated that the Daily exemplifies the type of activity that student fees should support, and it enjoys significant support from the University community. She urged the Board to accept the administration's recommendation to increase funding for the Minnesota Daily.

Stephen Banks
Graffito Magazine

Mr. Banks, a graduate student in creative writing and Editor of Graffito Magazine, stated that the magazine is about democracy of voice, education, and community building. He noted that the University needs a training ground for students interested in pursuing careers in publishing, and the magazine will fulfill that role. Mr. Banks stated that the Fees Committee and the administration recommended funding for Graffito, and he expressed appreciation for that support.

Chris Bakeman
Students Against Fee Excess

Mr. Bakeman stated that the Minnesota Public Interest Research Group (MPIRG) profits from the confusion caused by its current negative check-off funding system. He noted that 60 percent of students who voted in the last campus election supported a proposal to change to a "yes/no" funding system, and he asked the Board to support that proposal.

Cecil Smith
Graduate and Professional Student Association (GAPSA)

Mr. Smith spoke on behalf of the graduate students at the University of Minnesota, stressing two points that are troubling to GAPSA. He stated that the proposed budget plan will implement a 1.3 percent quality improvement increase which includes a number of items. He asked Board members to carefully examine the list of items in terms of immediate impact on the quality of the University's teaching mission. Secondly, he spoke in favor of supporting the Fees Committee recommendation for funding the University of Minnesota Coalition for Higher Education, an item not recommended in the Budget Plan.

Ann Sales
Brenda Johnson
Council of Graduate Students (COGS)

Ms. Sales, President of the Council of Graduate Students, spoke to a resolution approved by the Board of Regents in July 1992 mandating lower student health service fees for students receiving the Graduate Assistant Health Plan. She expressed concern that it took a year to resolve the entire issue. She further stated that a commitment had been made regarding the scheduling of meetings to resolve the problems that precipitated the fee issue and to date no proposals have been made to address the problems.

Ms. Johnson addressed the issue of registration requirements for determining student assistance eligibility. She referred to a University of Minnesota policy, effective Fall 1990, which requires graduate students who need federal student loans or loan deferments to register and pay for credits. She reported that the policy discriminates against the financially strapped advanced students and puts them at risk of not completing their graduate degrees. Ms. Johnson spoke in favor of a mechanism that would satisfy federal requirements and facilitate the administrative needs of the Office of Student Financial Aid and the Registrar's Office.

Pam Wilson
Civil Service Committee

Ms. Wilson, Chair of the Civil Service Committee, asked that all employee groups within the University be treated equitably with regard to salary issues. She reported that Civil Service employees are fully aware of the budget restraints the University is facing this year and are willing to forego salary increases the first year of the biennium if all other employee groups forego salary increases, and if a reasonable salary increase is included in next year's budget. However, if salary step increases or any type of across-the-board increases are negotiated into bargaining unit contracts, Civil Service staff request that they receive the same treatment.

Barbara Nesheim
American Federation of State, County and Municipal Employees (AFSCME)

Ms. Nesheim spoke on behalf of the organized clerical workers at the University and addressed the issue of a proposed pay freeze. She stated that it is unfair to treat all employees equally with regard to salary freezes. A salary freeze would be critical to individuals earning \$12,000 to \$18,000, and could make the difference in whether or not a family's bills are paid. She stressed that clerical staff have not been responsible for the financial problems at the University, yet clerical staff are being asked to sacrifice to correct the problems.

Mary Jo Rawson
Disabled Student Cultural Center

Ms. Rawson spoke on behalf of the Disabled Student Cultural Center. She commended the administration's support, but indicated a current problem with the access of disabled students to computer use at the University. In particular, she requested support for the adaptive technology equipment needed to provide ready computer access for students with disabilities.

Kim Boyce
Minnesota Extension Service

Mr. Boyce spoke on behalf of the Minnesota Extension Service faculty, noting that they strongly support the University's mission and understand the pay freeze, but want to call attention to the fact that Extension field staff, on average, are paid less than other Minnesota educators and that Extension is working hard to deal with stressful effects of a very wet summer. Dealing with these kinds of emergencies will continue to be a priority of the Extension Service.

Mary Sue Simmons
Faculty Consultative Committee (FCC)

Ms. Simmons, a member of the Senate Finance & Planning Committee, spoke of the relationship of the faculty and staff to the University, indicating that morale is the lowest she has seen in 15 years. She expressed the belief that the University can no longer put hope in the Legislature, and suggested it must get smaller. She challenged the Regents to be bold, and concluded with the quote: "Lead us where we want to go."

Irwin Rubenstein
Faculty Consultative Committee (FCC)

Professor Rubenstein, Chair of the Senate Finance & Planning Committee, expressed for the committee a sense of frustration related to the lack of planning to face financial difficulties. At this late date, the committee does not recommend any changes in the proposed budget. However, the Regents and the central administration, through the strategic planning process, are challenged to exercise the political will to carry out the vertical cuts that need to be made. He pointed out that students should recognize that program and quality initiatives hold significant value to them for the long term. He concluded that we must cut the size and "right-size" the University.

At the conclusion of the Open Forum, Regent Keffeler expressed appreciation to everyone who made presentations.

The meeting adjourned at 8:15 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

July 7, 1993

A meeting of the Audit Committee of the Board of Regents was held on Wednesday, July 7, 1993, at 4:00 p.m. in Room 300, Morrill Hall.

Regents present: Regent Hogan, presiding; Regents Bleyhl, Keffeler, and Page.

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice Presidents Markham and O'Connor; and Director of Audits Patrick Spellacy.

Student Representative presents: Narciso Aleman and Brian Swanson.

Others present: Mark Chronister and Miles Everson from the firm of Coopers & Lybrand.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Erickson reported on the current status of the University's actions in response to the Fiscal Year 1992 Management Letter Comments provided by Coopers & Lybrand (C&L). He reported that as of January 1993, 24 comments were to be addressed; as of April 1993, 10 of those 24 had been addressed; as of June 1993, nine more comments had been addressed with five remaining.

Mark Chronister, Coopers & Lybrand, indicated that C&L had reviewed the status report and were in agreement with the letter.

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

**DIRECTOR OF AUDITS' QUARTERLY REPORT
INCLUDING COMPLIANCE REPORT**

A motion was made and seconded to recommend approval of the Director of Audits Quarterly Report.

Patrick Spellacy, Director of Audits, presented the report as contained in the docket materials indicating that the report will consist of three parts each quarter: 1) a review of the present audit plan to determine that overall audit strategy and approach are valid; 2) a Regents' Summary Report of Internal Audit Issues; and 3) a summary report of Internal Audit results and plans for the next period.

With regard to major audit issues currently in progress, Regent Keffeler asked if the audit teams will have access to all information that is needed to perform their audits. Mr. Spellacy responded that regarding the Health Sciences Urologic Surgery audit, the current plan does not provide the auditors access to the private practice records.

Regent Keffeler stated that to the extent the University has an historic agreement that certain records are private, the University wants to honor those past agreements. However, she feels the Audit Committee should be on record as requesting any entity that contracts with the University to provide full and complete access to information that would allow the Regents to ascertain whether or not the University's policies have been met and its interests served.

Committee members agreed with Regent Keffeler, and she amended her original motion for approval of the Director of Audits' Quarterly Report as follows:

RESOLVED, that the Board of Regents approves the Quarterly Report of the Director of Audits as presented to the Audit Committee on July 7, 1993 and the Audit Committee requests full and complete cooperation from the private practice entities contracted with the University of Minnesota in disclosing information appropriate to the audit purposes of our external and internal audit agencies.

The motion was seconded. It was further noted that approval of the proposed Medical School Private Practice Plan, recommended to the Committee of the Whole this month, would provide that records be accessible for auditing purposes in the future .

Mr. Spellacy continued with his quarterly report briefly reviewing the status of the major audit issues.

Dr. Robert Miller, Head of the Physiology Department, addressed the committee regarding the audit of that department, indicating that he was concerned about the mechanism of auditing and the time allowed for response on an audit before public disclosure.

Mr. Spellacy reviewed the procedures that are followed for investigative audits, and indicated that the Audit Department stands behind the report. In response to a question, Mr. Spellacy reported that departments do have an opportunity to correct factual inaccuracies in the report before it is publicly disclosed.

The committee engaged in a short discussion, noting that while it is important that due process is followed with regard to audits, it is equally important that the internal and external auditors be aggressive in bringing these matters to the attention of the Board.

Senior Vice President Erickson stated that it might be beneficial to review the process as it pertains to timelines, and schedule a presentation on the issue for the next regularly-scheduled Audit Committee meeting.

Regent Bleyhl stated her support for the internal audit and investigative process, adding that the Regents do not want audit reports to be negotiated prior to presentation to the Audit Committee.

Associate Vice President Markham then addressed the committee with regard to the Facilities Management report related to compliance with the Regents' policy of hiring outside contractors. The report concluded that there is a problem with departments not getting Facilities Management approval for construction or remodeling projects. Ms. Markham reported that the findings of the audit indicate that Regents' policies are adequate but may be misunderstood by the departments. She stated that consolidation of construction, maintenance and operation policies and better communication with regard to the specific policies are proposed to address the issue.

The committee voted unanimously to recommend approval of the resolution.

CUFS SCHEDULE OF MILESTONES

Associate Vice President Michael O'Connor presented the CUFS Schedule of Milestones to the committee for approval. A brief history of the project, including funding issues, was presented for the new members on the committee.

Mr. O'Connor reviewed the proposed schedule of milestones for the completion of CUFS and clarified cost projections. He added that the administration will provide quarterly program and budget status reports for the duration of the project.

Regent Keffeler stated that the schedule of milestones was excellent and moved approval of the following resolution:

BE IT RESOLVED, that administration be directed to proceed with a program to complete the implementation of the CUFS financial system on the schedule described in the document "CUFS Schedule of Milestones" presented at the July 7, 1993 Audit Committee Meeting.

BE IT FURTHER RESOLVED, that administration provide quarterly program and budget status reports for the duration of the effort.

The motion was seconded and the committee voted unanimously to recommend approval of the proposed resolution.

EXTERNAL AUDITOR'S REPORT UPDATE ON REVENUE PRODUCING UNITS

Senior Vice President Erickson distributed a proposed resolution to authorize an expenditure of \$320,000 from the general contingency for fiscal year 1994 to be used for costs related to risk assessments of revenue producing units within the University.

Mark Chronister, Coopers & Lybrand, explained that due to scope increases in the project, the costs related to the risk assessments have been increased from the preliminary \$100,000 estimate provided in February 1993 to \$320,000. He described the scope increases for the committee.

Regent Keffeler expressed concern about the increased expenditures related to all of the audit activities and investigations at the University. She

asked if the activities are coordinated and negotiated so that the University is not "spending more than it needs to on auditing"?

Senior Vice President Erickson responded that he is comfortable with the scope of the Coopers & Lybrand audit given the issues and the time constraints. He indicated that the auditing tool developed by Coopers & Lybrand will not only be used for this particular audit, but will also be valuable for future auditing.

Mr. Chronister described the tool developed for this project. In answer to a question from Regent Hogan about phasing the process, Mr. Chronister stated that weekly or biweekly meetings will be held with administration to determine if scope and costs could be reduced.

After further discussion, a friendly amendment was suggested for the proposed resolution requesting that the expenditures not exceed \$320,000 and that the Administration be directed to aggressively manage to reduce the aggregate costs to the greatest extent possible. A motion was made and seconded and the committee voted unanimously to recommend approval of the following resolution:

WHEREAS, the University of Minnesota, with the approval of the Board of Regents, has established an annual general contingency budget for the purpose of financing unanticipated expenditures or unforeseen financial opportunities, and

WHEREAS, it is the policy of the Board of Regents that expenditures of \$250,000 or more from the general contingency require the prior approval of the Board of Regents,

NOW, THEREFORE, BE IT RESOLVED; that the Board of Regents approves an expenditure not to exceed \$320,000 from the general contingency for fiscal year 1994 for costs related to risk assessments of revenue producing units within the University and that the Administration is directed to aggressively manage to reduce the aggregate costs to the greatest extent possible.

NEW BUSINESS


Regent Keffeler reported that a proposed Regents' Policy on the Medical School Private Practice Plan will be recommended for action at the Committee of the Whole meeting on Friday, July 9, 1993. She asked for the views of both the internal and external auditors regarding whether or not the proposed plan ensures that the best interests of the University are served.

Mr. Chronister responded that he has reviewed the proposed policy and that it is prudent and proper with respect to contract procedures, audit capabilities, and general business practices in a clinical university relationship. In response to a question from Regent Keffeler, Mr. Chronister stated if properly implemented, the controls in the proposed plan will serve the best interests of the University, whether the model for managing private practice funds is external or internal.

Mr. Spellacy concurred with Mr. Chronister. He further indicated that the key issue in terms of internal auditing is the ability to access records, and the proposed policy provides for that access.

The committee also discussed the importance of coordinating all of the auditing activities currently in process at the University.

The meeting adjourned at 6:00 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

July 8, 1993

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, July 8, 1993, at 10:20 a.m. in Room 300, Morrill Hall.

Regents present: Regent Rosha, Chair; Regents Bleyhl, Peterson, Reagan, and Wynia.

Staff present: Senior Vice President Erickson; General Counsel Rotenberg; Associate Executive Director Janzen; Associate Vice Presidents Hewitt, and Markham.

Student Representatives present: Brian Swanson and Tom Donarski.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for July 1993. A motion was made and seconded to recommend approval of the report.

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

PROJECT SUBMITTED FOR REVIEW AND ACTION

The committee considered the following project submitted for review and action. Recommended approval of the project was moved and seconded:

- a. Shops Building Renovation, Minneapolis Campus
Estimated cost of the project: \$8,509,500
Funding: Repair and Replacement; Fire and Life Safety/Improved Access; Finance and Operations
Estimated completion date: December 1994

Associate Vice President Markham and Linda McCracken-Hunt, Director of Project Development, presented details of the proposed project.

It was noted that this project is presented at the request of the administration in order to consolidate and provide appropriate office space for administrative functions on the Twin Cities campus. Because approval of the plans for this project was delayed so that the project could be included in the University's Capital Improvement Budget process, and due to no August Regents' meetings, it is being requested that the project be reviewed and action requested at this meeting.

Ms. McCracken-Hunt reviewed the scope of the project for the committee which includes renovations to the Minneapolis Shops

Building, St. Paul Shops Building, and the building at 1425 University Avenue SE. The Administrative Services Center at 1919 University Avenue will be vacated and offered for sale, and the Shops Annex building at 1407-1411 University Avenue SE will be vacated and demolished.

In answer to a question from Regent Wynia, Associate Vice President Markham provided information regarding the operating and maintenance costs incurred with the Administrative Services Center at 1919 University Avenue and the savings that will result with the vacation of this property.

The committee voted unanimously to recommend approval of the project .

REAL ESTATE TRANSACTION

Eight-year Lease of 711 East River Road to Minnesota International Center

A motion was made and seconded to recommend approval of the following resolution relating to the lease of 711 East River Road to the Minnesota International Center on the Twin Cities campus:

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute an 8-year lease for the use of the property at 711 East River Road, Minneapolis, by the Minnesota International Center.

The committee voted unanimously to recommend approval of the resolution.

REAL ESTATE TRANSACTION FOR REVIEW

Purchase of 200 Acres of Land Southwest Experiment Station, Waseca

The committee reviewed a proposal for the purchase of 200 acres of land in Waseca located 1-1/2 miles from the Southern Experiment Station.

Associate Vice President Hewitt introduced the item, indicating that Mr. David Walgenbach, Superintendent of the Southern Experiment Station, and Richard Jones, Dean of the College of Agriculture, were present to provide details and respond to questions.

Mr. Walgenbach reported that the University is interested in acquiring the 100 acres for the expansion and upgrading of its swine research facilities and associated waste application at the Southern Experiment Station. A production research facility would be established on the property in order to conduct research intended to aid and inform Minnesota's 14,000 independent swine producers. In addition, small portions of the 200 acres are designated wetland areas which would be intended for use in research projects designed to better understand their role in ground water management and value in southern Minnesota agriculture. Funds presently dedicated to the Southern Experiment Station would be used to fund the purchase of the land. The research facility to be located there would be developed in a two to three year time period and would

be funded through grants from the Minnesota Pork Producers Council and Legislative appropriations.

Regent Bleyhl expressed concern about the proposal, indicating that this issue has been highly controversial with pork producers and asking a number of questions regarding the types of research that would be conducted and how it would tie in with the small producers.

In answer to questions, Mr. Walgenbach reported that the Minnesota Pork Producers Council has not formally approved funding for a research facility but has indicated informal support. He also reported that a legislative appropriation for approximately \$2 million will be requested if the land purchase is approved.

Committee members expressed concern about approving the purchase of the property without the commitment of funding and support for the proposed research project.

Dean Jones commented, emphasizing that the opportunity to purchase this property recently developed and that plans for the research project are in the early stages. He stated that the site location is important and reiterated that funding for the purchase of this property is presently dedicated. It was also noted that in addition to the proposed swine research, the availability of this land would provide for expanded research projects, i.e. wetlands and manure management research.

Regent Wynia stated that it is important to understand all of the implications of this proposed purchase and project before action is requested, including proposed operating costs and how it would relate to the strategic plan, particularly to the College of Agriculture and the Southern Experiment Station.

Regent Bleyhl concurred with Regent Wynia's comments asking that a number of questions regarding the project be answered before the committee is asked to approve the proposed purchase.

It was the consensus of the committee that the administration could proceed with negotiations for the purchase of this property, however, questions that were raised by the committee will need to be addressed before action is taken.

REGENTS' POLICY ON DELEGATION OF AUTHORITY - GENERAL DELEGATION

The committee reviewed a proposed change to the Regents' Policy on Delegation of Authority - General Delegation.

Associate Vice President Markham reported that the change relates to the University of Minnesota, Duluth (UMD) campus and would provide that the authority to retain consultants including architects and engineers for University services on the Duluth campus not exceeding \$2,000 be extended to the Vice Chancellor of Finance and Operations at UMD. She reported that the change is intended to make the policy more responsive to the operating needs of the University.

The item will be on the agenda in September for action.

**MISSISSIPPI NATIONAL RIVER AND RECREATION AREA (MNRRA) DRAFT
COMPREHENSIVE PLAN AND
ENVIRONMENTAL IMPACT STATEMENT**

Associate Vice President Markham presented information on the status of planning for the Mississippi National River and Recreation Area (MNRRA) prepared by the Mississippi River Coordinating Commission and National Park Service. A copy of the draft comprehensive management plan and environmental impact statement was included in the docket materials and Ms. Markham noted that the Superintendent of the National Park Service will be making a presentation on this item at the September committee meeting.

Associate Vice President Markham also distributed a letter for the committee's review that was a response submitted by the U.S. Department of the Interior through the environmental impact statement process to the Environmental Quality Board relating to the steam plant renovation project. Ms. Markham highlighted comments contained in the letter relating to the Environmental Assessment Worksheet and draft scoping decision.

The meeting adjourned at 11:45 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Financial Operations & Legislative Committee

July 8, 1993

A meeting of the Financial Operations & Legislative Committee of the Board of Regents was held on Thursday, July 8, 1993, at 8:30 a.m. in Room 300, Morrill Hall.

Regents present: Regent Page, Chair; Regents Keffeler, Neel, and Reagan.

Staff present: Chancellor Sargeant; Senior Vice President Erickson; Vice President Hughes; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Paschke, and Pfutzenreuter.

Student Representatives present: Tom Donarski and Sara Nienow.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for July 1993. He commented briefly on items contained in the report.

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

Senior Vice President Erickson then submitted the following resolution relating to 1993 expenditures from the General Contingency Fund:

WHEREAS, the University of Minnesota, with the approval of the Board of Regents, has established an annual general contingency budget for the purpose of financing unanticipated expenditures or unforeseen financial opportunities, and

WHEREAS, it is the policy of the Board of Regents that expenditures of \$250,000 or more from the general contingency require the prior approval of the Board of Regents,

NOW, THEREFORE, BE IT RESOLVED; that the Board of Regents approves the following expenditures from the general contingency for fiscal year 1993 of \$478,500 for retirement contributions and \$500,000 for strategic planning. In addition, in order to ensure compliance with the current approval process, the Board of Regents retroactively approves the expenditure of \$450,000 for outside legal fees, \$300,000 for additional support to the women's intercollegiate athletic program and \$514,574 for lease costs and related expenditures for the Minnesota Supercomputer Institute.

Senior Vice President Erickson reported that this item was required to comply with Regents' policy for expenditure approval. He also noted that in the future, Board action will be sought prior to incurring expenses where the administrative threshold is exceeded.

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

Senior Vice President Erickson submitted a second resolution for the committee's consideration relating to financing or refinancing University debt:

WHEREAS, clarification on procedures to be used on issues dealing with the financing or refinancing of University debt is needed.

BE IT RESOLVED, That all interested parties will continue to be encouraged to review the University's debt structure and provide advice on the best alternatives for managing the University's debt to achieve the best possible financial results.

BE IT FURTHER RESOLVED, That any issuance of new debt or refinancing of existing debt will be recommended to the Regents only after a thorough request for proposal (RFP) process has been completed, with any interested party invited to compete.

BE IT FURTHER RESOLVED, That responses to RFP's and Administrative recommendations on financing plans will be reviewed by the Asset and Debt Management Advisory Committee prior to presentation to the Regents. The Asset and Debt Management Committee will communicate results of the review to the Regents.

BE IT FURTHER RESOLVED, That recommendations to the Regents will consider all relevant, objective factors, and sufficient opportunity will be provided to allow the Regents to consider all information prior to acting on a recommendation.

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

PURCHASE OF GOODS/SERVICES OVER \$250,000

Vice President Marvalene Hughes presented information on a proposed contract for services over \$250,000 to be awarded to Boston Mutual to provide student health insurance for the University of Minnesota at an annual premium collection of approximately \$3.7 million.

Vice President Hughes provided background information, indicating that this recommendation comes to the committee as the result of a project completed by the Student Health Insurance Task Force to solicit proposals for a new health insurance plan for students at the University of Minnesota. After submission of a Request for Proposal and consideration of all bids, the Task Force voted to accept the proposal from Boston Mutual. Vice President Hughes introduced Amelious Whyte and Jan Wikstrom, student members of the Student Health Insurance Task Force, who reviewed particulars of the plan and spoke in favor of the recommendation. Dr. Donald Peters, Assistant Vice President, Boynton Health Services, was also present to respond to questions.

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

RESOLVED, that on recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate staff are authorized to award pending purchase/contracts over \$250,000:

- To Boston Mutual to provide student health insurance for an estimated 6,800 students per quarter, involving an annual premium collection of approximately \$3.7 million.

The committee voted unanimously to recommend approval of the resolution.

Senior Vice President Erickson reported that the original item in the docket material relating to a proposed contract for laptop computers for the Crookston campus was being withdrawn at this time.

Chancellor Donald Sargeant addressed the issue, indicating that incorporation of technology in classes is a key factor in the baccalaureate programs contained in the University of Minnesota Crookston strategic plan. Because bids for the computers were not received until mid-June, details of the student technology fee and the financial plan were not available in time for this meeting. He reported that when that information becomes available it will be distributed to the committee by mail with the hope that the item can be on the agenda for action in September.

DEBT RESTRUCTURING

Regent Keffeler excused herself from the discussion and vote on debt restructuring due to a conflict of interest pursuant to the Code of Ethics for members of the Board of Regents.

Associate Vice President Paschke presented the item for action, indicating that the proposed restructuring of 1986A term bonds for the purpose of lowering the debt service costs for the University Hospital was first reviewed by the committee in April. The first portion of the proposal, defeasance of the term bonds, was approved at the May meeting. A financing plan for issuance of new bonds was reviewed by the committee in June and since that meeting, a thorough review of the issue was completed by the Asset and Debt Management Advisory Committee. Mr. Paschke reported that the Asset and Debt Management Advisory Committee is fully supportive of the recommended financing plan which primarily involves the use of derivative bond instruments, and agrees that the approach provides the best opportunities for maximizing the net present value savings to the University. He added that the net present value savings is approximately \$8 million.

Professor Patrick Hess, a member of the Asset and Debt Management Committee, addressed the committee indicating that the Asset and Debt Management Committee has reviewed this issue and concurs with the recommendation of Administration.

In answer to a question from Regent Reagan regarding delaying action on the item until September, Senior Vice President Erickson stated that the risk could be substantial if delayed. Mr. Paschke added that the University Hospital is also waiting to proceed with its capital plan.

Regent Reagan also stressed the importance of giving consideration to Minnesota firms. Mr. Paschke agreed with Regent Reagan but indicated that the alternative firms did not have vast experience with this particular financing plan. Mr. Paschke further reported that approximately half of the University's overall portfolio is held by local firms.

After further discussion, Chair Page reported that this item will be brought to the Board of Regents without recommendation due to the lack of a quorum.

UNIVERSITY GROVE/EXPANDED ELIGIBILITY

Associate Vice President Paschke presented a proposed resolution to expand eligibility standards for residence in the University Grove as contained in the docket materials. Mr. Paschke reported that the revised guidelines are consistent with the intent of the Regents if the University is to remain as owner of the land in the neighborhood. He further reported that the University will continue with a moratorium on any exemptions to eligibility based on hardship until a more explicit direction is defined regarding hardship exemptions.

The committee voted unanimously to recommend approval of the resolution.

QUARTERLY REPORT ON ASSET AND DEBT MANAGEMENT

Associate Vice President Paschke reviewed the Quarterly Report on Asset and Debt Management. The following information for University investments for the period ended March 31, 1993 was included in the report:

- Endowments and reserves on March 31, 1993 were \$973.5 million for the University and \$316.6 million for the University Foundation.
- The Permanent University Fund (PUF) is valued at \$129.9 million and is included in the endowment assets of the University.
- The Consolidated Endowment Fund returned 3.9 percent and 12.7 percent for the past quarter and 12 months respectively vs. the benchmark returns of 4.5 percent and 14.3 percent (60 percent equities/20 percent international equities/20 percent fixed income), and 4.2 percent and 13.9 percent returns for the composite index of endowment and Foundation funds.
- Performance of University Equity Managers for the past 12 months ranged from 15.1 percent to 9.6 percent compared to the Standard and Poors 500 return of 15.2 percent.
- Performance of University Fixed Income Managers for the past 12 months ranged from 36.6 percent to 14.4 percent compared to the Lehman Brothers Government Corporate Index return of 14.3 percent.
- The performance of the Long-Term Reserves was 14.8 percent for the past 12 months compared to the fixed income

benchmark return of 13.4 percent. For all periods, the performance of the long-term reserves exceeded the benchmark returns.

- The average yield for the Short-Term Reserves was 6.2 percent for the past 12 months vs. 3.3 percent for Treasury Bills and 3.3 percent for Money Market Funds.

Mr. Paschke called attention to additional material included in the docket material that outline the individual money managers and their investment group performance, including the investment performance of the basic faculty retirement plan.

QUARTERLY PURCHASING REPORT

The committee reviewed the Quarterly Purchasing Report. Karen Triplett, Director of Purchasing, was present to respond to any questions. The following information was contained in the report:

- A total of 94,412 transactions were processed for a value of \$59,357,495. From this total, 23 were justified sole source awards totaling \$662,581.
- There were no Regents' policy violations.
- Nine change orders exceeded \$100,000.
- 18 purchase awards were made that were over \$100,000 and under \$250,000.

QUARTERLY MANAGEMENT REPORT

Senior Vice President Erickson reported that the quarterly management report as of May 31, 1993 was included in the docket materials. Three schedules are included in the quarterly report: 1) a balance sheet as of May 31, 1993 for all funds, both current and noncurrent, including data for the comparable period last year; 2) a statement of changes in fund balances for the period ending May 31, 1993, including data for the comparable period last year; and 3) budget status reports as of May 31, 1993 for the collegiate units.

Senior Vice President Erickson spoke briefly about the importance of these reports, indicating that they represent the core of oversight responsibility in allowing the Board to monitor the performance of the University.

Associate Vice President Pfitzenreuter and Carol Fleck, Director of Budget Administration and Financial Reporting, presented information on the quarterly reports.

Director Fleck explained details, calling attention to the particular aspects of the reports that will be most beneficial to the Regents in providing oversight.

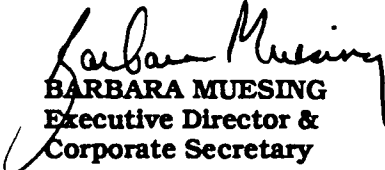
Senior Vice President Erickson stated that this report and the addition of a budget analyst to the staff will be key elements in exercising oversight at the University.

LEGISLATIVE UPDATE

Ms. Donna Peterson, Director of State Relations, reviewed items from the past legislative session that have helped lay a foundation for strengthening support for the University and higher education during the next legislative session. The following was noted:

- Alumni Association has made legislative contacts a priority.
- One-on-one personal visits were made by Administration with legislators.
- A staff person was hired on a temporary basis in the President's Office to create a system of communicating with the larger University community on legislative issues relative to the University. Training sessions were conducted throughout the University on how to contact legislators.
- Faculty lobbying was strengthened throughout the metropolitan area.
- Student lobbying was also strengthened during the past year.
- Legislative tours were scheduled.
- District meetings held by Regents were beneficial.
- The President made numerous community visits.
- A telecommunications linkup was set up via the Minnesota Extension Service throughout the state of Minnesota where legislators could visit and be linked up with the President, Vice President Allen and Dean Borich so that questions could be answered electronically.

The meeting adjourned at 10:14 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

July 8, 1993

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, July 8, 1993, at 10:25 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Neel, presiding; Regents Anderson, Hogan, Keffeler, Page, and Sahlstrom.

Staff present: Chancellor Johnson; Senior Vice President Infante; Vice Presidents Hopkins and Hughes; General Counsel Rotenberg; Executive Director Muesing; Associate Vice President Carrier.

Student Representatives present: Gina Brunko and Rachel Paulose.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Infante presented the Senior Vice President's Monthly Report, which was included in the docket, and noted the following items:

- Appointment of Dr. Shelley N. Chou as Interim Deputy Vice President for Medical Affairs and Acting Dean of the Medical School, effective July 1, 1993;
- Resignation of Charles Lawrence as Assistant Vice President for Housing Services and the appointment of Laurie Scheich as Acting Assistant Vice President for Housing Services;
- Faculty promotions, honors, and awards, including the election of Professor Sue Donaldson to the Institute of Medicine, National Academy of Sciences; and
- Establishment by the Institute of Agriculture, Forestry and Home Economics of the Siehl Prize for Excellence in Agriculture as a result of a gift from Eldon R. Siehl.

Dr. Infante reported that the indoor facilities on the Twin Cities campus will become smoke free on August 2, 1993. He expressed appreciation to everyone who contributed to this endeavor, and particularly Regent Emeritus M. Elizabeth Craig.

A motion was made and seconded to recommend approval of the Senior Vice President's Monthly Report. Regent Keffeler suggested that a note of commendation and a plaque be presented to Dr. Craig for her efforts on the smoke-free initiative, and requested that the motion reflect her suggestion. Dr. Infante noted that August 2, 1993 will be "Peggy Craig Day" on the Twin Cities campus.

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

REGENTS' POLICY ON EQUAL OPPORTUNITY

Senior Vice President Infante noted that Patricia Mullen, Director of the Office of Equal Opportunity and Affirmative Action, could not attend the meeting because she recently had surgery. Committee members extended best wishes to Director Mullen for a speedy recovery.

Dr. Infante and John Felipe, Assistant Director of the Office of Equal Opportunity and Affirmative Action, presented the proposed Regents' Policy on Equal Opportunity to the committee for approval.

In response to Regent Neel, General Counsel Rotenberg stated that the proposed amendments to the policies relating to equal opportunity and affirmative action do not conflict with state or federal law.

Following a brief discussion, a motion was made and seconded, and the committee voted unanimously to recommend approval of the Regents' Policy on Equal Opportunity.

REVISED REGENTS' POLICIES ON EQUAL OPPORTUNITY & AFFIRMATIVE ACTION

Senior Vice President Infante presented the revised Regents' Policies on Equal Opportunity and Affirmative Action to the committee for approval. He noted that the purpose of the proposed revisions is to update the policies and bring them into accordance with federal and state laws.

A motion was made and seconded to recommend approval of the revised Regents' Policies on Equal Opportunity and Affirmative Action.

In response to Regent Hogan, Dr. Infante indicated that Regents' policies are reviewed periodically and revisions are made when necessary. Mr. Felipe reviewed the proposed policy revisions, noting that some of the amendments being recommended at this time were motivated by changes in state and federal legislation. Regent Hogan asked if there will be an opportunity to discuss how vigorously equal opportunity and affirmative action is pursued within the University. Dr. Infante noted that Associate Vice President Johnson is scheduled to report on minority affairs, and Regent Neel stated that issues of concern can be placed on a future agenda.

Following the discussion, the committee voted unanimously to recommend approval of the Regents' Policies on Equal Opportunity and Affirmative Action.

DOMESTIC PARTNERS BENEFITS

Senior Vice President Infante presented recommendations relating to domestic partners benefits to the committee for review. He noted that the recommendations were made by the Select Committee on Gay, Lesbian, and Bisexual Concerns, and are endorsed by the University Senate and the administration.

Associate Vice President Carrier reviewed the proposal to extend benefit eligibility to registered same sex domestic partners and their children. She noted that the spirit of the proposal is to align the University's non-discrimination policy with its employment practices, and stated that a number of higher education institutions have adopted similar policies. Dr. Carrier discussed the implementation process that would be followed if the proposal is approved.

General Counsel Rotenberg reported that subsequent to the work of the Select Committee on Gay, Lesbian, and Bisexual Concerns, the Minnesota Legislature amended the Minnesota Human Rights Act barring discrimination on the basis of sexual orientation. He noted that the legislation creates a potential issue related to the provision of domestic partner benefits on a same sex basis only, and it is appropriate to review the proposal at this time to ensure that the University does not engage in a new effort to remedy an arguable violation of its anti-discrimination policy and create another discrimination problem.

In response to Regent Neel, Mr. Rotenberg stated he will provide the Board with an opinion on the issues related to the proposal well in advance of the September meetings. He noted that it is probable the University will get sued regardless of the action taken, stating that preliminary research shows the Legislature did not discuss the question of how benefit issues should be resolved.

In response to Student Representative Paulose, Dr. Carrier stated that to the extent it is possible to predict the length of any relationship, the expectation is that the domestic partnerships would be long-term commitments. Dr. Marjorie Cowmeadow, Chair of the Select Committee on Gay, Lesbian, and Bisexual Concerns, responded to an issue raised by Ms. Paulose regarding whether the University is recognizing same sex domestic partnerships as the legal or moral equivalent of marriage. She stated that some institutions and corporations use the term "spousal equivalency" rather than "domestic partnership". She indicated that the members of the University's diverse workforce involved in domestic partnerships have no legal status at this time and employee benefits should be available to them, noting that heterosexual couples are eligible for benefits if they exercise their option to marry. Dr. Cowmeadow noted that the Minneapolis City Council and other organizations are addressing the same issue, and suggested that the University should consult with those organizations regarding interpretation of the legislation.

Following the discussion, Regent Neel expressed appreciation to everyone who participated in the presentation and stated that the proposal related to domestic partners benefits will be presented at the September meeting.

REGENTS' POLICY ON NEPOTISM

Senior Vice President Infante and Associate Vice President Carrier presented the proposed revisions to the Regents' Policy on Nepotism to the committee for review. Dr. Carrier noted that the revisions clarify the equal employment opportunity statement in the policy, and accommodate the nature of the University community and the need for accountability and oversight when people who are related work in the same unit.

In response to Regent Neel, Dr. Carrier stated that a number of institutions are addressing the same issue and the proposed policy conforms with policies at other major research institutions.

Regent Neel stated that the proposed Regents' Policy on Nepotism will be presented for approval at the September meeting.

The meeting adjourned at 11:10 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning and Policy Committee

July 8, 1993

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, July 8, 1993, at 8:40 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Sahlstrom, presiding; Regents Bleyhl, Hogan, Peterson, Rosha, and Wynia.

Staff present: Chancellor Johnson; Senior Vice President Infante; Vice Presidents Hopkins and Hughes; Executive Director Muesing; Assistant Vice President Vikmanis.

Student Representatives present: Narciso Aleman and Joan Jensch.

Regent Sahlstrom welcomed Narciso Aleman and Joan Jensch, new Student Representatives from the Twin Cities campus, who will serve on the committee during the next year.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

- Discontinuation of the Master of Science (M.S.) and Ph.D. degree program in Cell and Developmental Biology and name change of the M.S. and Ph.D. degree program in Genetics to Molecular, Cellular, Developmental Biology and Genetics, resulting in the merger of faculty and curricula of both programs under a single, renamed program;
- Submission of the proposed Bachelor of Information Networking degree to the Higher Education Coordinating Board (HECB) in July;
- Update on implementation of career-oriented baccalaureate programs at the University of Minnesota, Crookston (UMC), including a) fall quarter 1993 enrollment of 771 students as of June 17, 1993, which is approximately 10 percent higher than the same time last year; and b) issue related to financing and supporting computational structures at UMC;
- Program proposals which were approved by HECB at its meeting on June 17, 1993; and
- Submission of a proposal to HECB to create a new external degree-granting institution called the Graduate School of America.

Dr. Infante noted that the Graduate School of America has proposed to offer M.S. and Ph.D. degrees throughout the United States for adult students who wish to integrate advanced study with their professional lives. He stated that this is an increasing trend, noting the existence of Walden University in Minnesota and a number of other similar accredited institutions across the country. Dr. Infante indicated that he intends to discuss the proposal with the owner of the institution, noting that it is of significant concern to the University and higher education in general because these institutions use the University's resources, including its libraries and some faculty.

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

Dr. Infante responded to concerns expressed by Regent Hogan regarding the Graduate School of America proposal. He noted that he is concerned about the trend of private sector institutions identifying and developing self-sustaining programs, leaving the public sector to provide the expensive programs.

Dr. Infante responded to Regent Wynia's concerns regarding the quality of programs offered by certain institutions and the participation of University faculty in programs and promotional activities at those institutions. He noted that the Regents' Policy on Consulting and Outside Affiliations governs such activities and as part of the review of external relationships being conducted by Vice President Petersen, he expects there will be a tightening of all activities. Dr. Infante indicated he does not agree with University faculty teaching at such institutions, and noted the situation is different when University faculty participate in cooperative teaching arrangements at the community colleges as is being recommended by the Twin Cities Higher Education Partnership.

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

APPOINTMENT OF ROCHESTER CENTER ADVISORY COMMITTEE MEMBERS

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

RESOLVED, that the following list of 1993-94 committee members, as recommended by the current Rochester Center Advisory Committee and endorsed by central administration, is hereby approved:

Dr. Charles Casey
Elizabeth Cousins
Al Cutala
Al DeBoer
Carol Kamper
John Mulder
Marilyn Stewart
Don Sudor
Gerald C. Wollner

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

A discussion ensued regarding the appointment and composition of the advisory committee. In response to a request by Regent Hogan, Harold Miller, Dean of Continuing Education & Extension, stated that efforts will be made during the next year to increase minority representation on the advisory committee.

In response to issues raised by committee members, Dr. Infante and Dean Miller discussed the advisory committee's role with respect to the Rochester Center and the higher education community in Rochester, and reviewed the course offerings available at the Rochester Center.

The original motion was amended to incorporate Regent Hogan's request. Following the discussion, the committee voted unanimously to recommend approval of the following amended resolution:

RESOLVED, that the following list of 1993-94 committee members, as recommended by the current Rochester Center Advisory Committee and endorsed by central administration, is hereby approved:

Dr. Charles Casey
Elizabeth Cousins
Al Cutala
Al DeBoer
Carol Kamper
John Mulder
Marilyn Stewart
Don Sudor
Gerald C. Wollner

RESOLVED, FURTHER, that efforts will be made to increase minority representation on the Rochester Center Advisory Committee when the 1994-95 nominations are presented to the Board of Regents.

REPORT ON DISTANCE LEARNING INITIATIVE

Senior Vice President Infante led the discussion regarding the University's distance learning initiative. He noted that the University's activities in Rochester are a form of distance education which began 20 years ago, and are now very successful.

Dr. Infante stated that distance education is one of the University's top priorities, noting the appointment of the Distance Education Planning and Policy Committee, which is led by Dr. Harold Miller, Dean of Continuing Education & Extension, and Dr. Patricia Kovel-Jarboe. He indicated that \$500,000 in the 1993-94 University budget is designated for implementation of the distance education plan developed by the committee. He stated that the University will also seek a portion of the \$4.8 million provided by the Legislature to be shared by the higher education systems for the support of distance learning.

Dr. Kovel-Jarboe discussed ways the University will benefit from the \$4.8 million legislative appropriation for distance education, stating that the strategic planning process, the review of outreach activities, and changes in technology will have a significant impact on the initiative. She reviewed the existing delivery infrastructure, and stated the University must play a leadership role in establishing a distance education infrastructure in the metropolitan area. Dr. Kovel-Jarboe discussed partnership opportunities for graduate education and research, and noted opportunities also exist at the undergraduate level with institutions elsewhere in the state, including tribal and historically black institutions.

Dean Miller reported on the activities of the Distance Education Planning and Policy Committee. He reviewed the questions addressed by the committee, and discussed the following recommendations:

- Establish facilities to link campuses and provide for substantial programming between campuses and encourage its use;
- Develop a University-wide focus on distance education;
- Assign overall leadership for the initiative to the Senior Vice President for Academic Affairs;
- Appoint a Policy and Planning Council to advise the Senior Vice President for Academic Affairs, including individuals throughout the University community; and
- Provide funding of \$3 million to connect all campuses with interactive television, build classrooms at each site, and expand the Minnesota Extension Service satellite network.

In response to issues raised by Regent Sahlstrom, Dean Miller discussed the need for coordination of distance education efforts and stated that the University has the technical capacity to connect with any institution that has linkages available. Dr. Kovel-Jarboe stated that as part of the planning process, administrators and faculty must consider the University's mission and program-related issues to determine what types of partnerships are most appropriate.

In response to Regent Hogan, Dr. Infante discussed the importance of the distance education initiative, particularly because the University is a land grant institution. He noted that technology has extended the reach of higher education and is a means of outreach, stating that the University's financial and intellectual well-being is dependent on this initiative.

In response to Student Representative Jentsch, Dr. Infante stated it is necessary for the University to play a significant role in this arena. He expressed disappointment that the University was at the forefront in the 1970's and is not at this time, and he stressed the importance of devoting \$500,000 to this initiative.

In response to Regent Wynia, Dr. Infante and Dean Miller discussed current efforts and plans to assist faculty members improve their ability to teach via telecommunications.

Following the discussion, Regent Sahlstrom thanked those who participated in the presentation and stressed the importance of the University moving forward on this crucial initiative.

The meeting adjourned at 10:20 a.m.


BARBARA MUESING
 Executive Director and
 Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

July 8, 1993

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, July 8, 1993, at 1:30 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Keffeler, presiding; Regents Anderson, Bleyhl, Hogan, Neel, Page, Perlman, Peterson, Reagan, Sahlstrom, and Wyrnia.

Staff present: President Hasselmo; Chancellor Johnson; Senior Vice Presidents Erickson and Infante; Vice Presidents Hopkins and Hughes; Deputy Vice President Chou; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice President Perlmutter; Special Adviser Wallin.

Student Representative present: Rachel Paulose.

Regent Keffeler opened the meeting with comments to establish the context for consideration of the Medical School management review and the Regents' Policy Statement on the Medical School Private Practice Plan. She stated that the Board has the following objectives as it sets the future course of governance of the Medical School:

- To create an excellent and highly competitive Medical School where the best teaching, learning, research, and service can occur;
- To position the Medical School to compete in the future; and
- To create an environment within which the Medical School faculty can bring their best to the University so the objectives of teaching, research, and service can be achieved.

Regent Keffeler stated that the Board has embarked upon a course of reform, and noted that in some cases the weaknesses of the system have been exploited to the detriment of the University and the Medical School. She indicated that the reform will affect University leadership, systems, practices, and culture.

REPORT ON MEDICAL SCHOOL MANAGEMENT REVIEW

President Hasselmo introduced the discussion regarding the Deloitte & Touche management review of the Medical School, and stated that the comprehensive review resulted in a number of recommendations. He indicated that a team has been appointed to review those recommendations and recommend further actions to the Board.

President Hasselmo stated that the private practice plan is an important part of the management changes being recommended, and he believes the proposed plan will position the Medical School to meet future challenges. He indicated that the Medical School administrators and faculty have been extremely cooperative, and he expects

continued cooperation as the recommendations and private practice plan policy are implemented by a team consisting of Senior Vice Presidents Infante and Erickson; Dr. Shelley Chou, Interim Deputy Vice President for Medical Affairs and Acting Dean of the Medical School; Dr. Richard Elzay, Acting Vice President for Health Sciences; and Winston Wallin, Special Adviser.

President Hasselmo expressed appreciation to Deloitte & Touche and Senior Vice President Infante for conducting and overseeing the management review, and to the internal and external committees that participated in this process.

Senior Vice President Infante stated that the Deloitte & Touche management review was a complex process, including extensive internal and external participation. He also acknowledged the assistance of Regent Emeritus M. Elizabeth Craig.

Dr. Infante stated that the report is an evaluation of management within the Medical School. He believes the problems that have been identified can be solved because the faculty and staff of the Medical School are eager to implement appropriate and desirable changes.

Aaron Reynolds from Deloitte & Touche discussed the management review process. He stated that the Medical School faces significant strategic challenges, and immediate steps must be taken to implement the private practice plan policy and re-establish the integrity of the organization. He noted that the renewal process will require organizational commitment and significant financial resources, but stated that the costs of inadequate oversight and controls are even higher. Mr. Reynolds stressed the importance of the organization of the private practice plans. He discussed the advantages of implementing an external model, and stated that the proposal for an external plan including key controls is acceptable to Deloitte & Touche.

Mr. Reynolds reported that Deloitte & Touche received excellent cooperation from the Medical School management and faculty, and he thanked Dr. Infante for his leadership and guidance.

In response to Regent Bleyhl, President Hasselmo offered assurance that the management plan and the private practice plan policy are the foundation for a productive future for the Medical School.

In response to Regent Hogan, Mr. Reynolds stated that short- and long-term activities to be undertaken include approval of the private practice plan policy, review and implementation of the Deloitte & Touche recommendations as deemed appropriate by the interim management team, and a search for permanent leadership of the Medical School.

Regent Reagan asked Mr. Reynolds to explain the recommendation that the Associate Dean for Faculty Affairs should be a woman. Mr. Reynolds stated that the basis for the recommendation was the unique concerns expressed by the young women faculty in the Medical School and the fact that no female faculty members hold significant administrative positions.

In response to Regent Perlman, Mr. Reynolds reviewed the recommendation related to the role of the Dean of the Medical School. He noted that the Dean should have greater financial and personnel resources to administer the Medical School in order to balance the power between the department chairs and the Dean.

Regent Neel stated that the Medical School faculty are willing to move forward, and it is important to send a signal that the Board supports proceeding with the plan. He noted the recommendations in the report relating to organization and governance, and suggested that some areas should be fine-tuned. President Hasselmo stated the

basis for the recommendation to give the title of Provost to the head of the Health Sciences is to indicate greater independence and authority. He expects to present a status report in September, and possibly ask the Board to take action on some organizational issues in October.

Regent Peterson complimented Deloitte & Touche for an outstanding report, and concurred with the recommendation to balance the power of the Dean of the Medical School with that of the department chairs.

Regent Sahlstrom spoke in the support of the Medical School, and noted the excellence of its faculty and staff. He stated that the Board must help move the management plan forward so the School can be managed effectively and continue its great work.

Dr. Chou thanked Regents Neel and Sahlstrom for their positive comments about the Medical School. He stated that the School has experienced some isolated bad incidents in the past, and now it is time to move ahead.

Regent Wynia indicated that people have expressed concerns to her regarding the University Hospital and Clinics because it is not consumer-oriented, noting that it relates to the management of the institution. She suggested that the administrative team should seek reactions from health care consumers before the recommendations are implemented.

Mr. Wallin discussed the seriousness of the situation in the Health Sciences and the Medical School, stating that it is very important to proceed with appropriate changes at this time.

REGENTS' POLICY STATEMENT ON MEDICAL SCHOOL PRIVATE PRACTICE PLANS

Regent Keffeler led the discussion regarding the Regents' Policy Statement on Medical School Private Practice Plans. She introduced Clifford D. Stromberg, Esq. from Hogan & Hartson and Dr. Roby Thompson, who worked with the administration and faculty in preparing recommendations for reforming the practice plans. Regent Keffeler reviewed the proposed resolution, and a motion was made and seconded to recommend approval of the following resolution:

WHEREAS, the University of Minnesota is a publicly supported institution; and

WHEREAS, the professional faculty and staff of the Medical School are encouraged to practice their discipline/specialty as the opportunity presents itself in recognition of the importance of such clinical care as an integral component of the mission of the University; and

WHEREAS, clinical practice by the faculty and staff of the University must be guided by appropriate institutional policies; and

WHEREAS, state, University, external, and practice-related resources must be brought together in support of educational, research, and clinical care missions of the University; and

WHEREAS, practice-related revenues are an essential component of the fiscal structure of the Medical School; and

WHEREAS, the Board of Regents adopted on September 20, 1963 a Health Sciences Private Practice Policy, and that the Board of Regents' resolution of January 8, 1993 calls for the development of a private practice plan policy statement for each component of the Health Sciences;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents' Policy on Health Sciences Private Practice originally adopted in 1963, as it applies to the Medical School, be rescinded and the attached policy governing the private practice plans of the Medical School be adopted.

BE IT FURTHER RESOLVED, that the President develop appropriate contracts, procedures, and accounting practices to implement this policy, and that these be reported to the Board of Regents for review and approval before the December 1993 meeting of the Board.

BE IT FURTHER RESOLVED, that the President is directed to require the Office of the Vice President for Health Sciences to develop private practice plan policy proposals for the non-Medical School components of the Health Sciences as directed in the Board of Regents' resolution of January 8, 1993.

BE IT FURTHER RESOLVED, that the non-Medical School private practice plan policy proposals be presented to the Board of Regents for review in September 1993.

Senior Vice President Infante reviewed changes that were made in the proposal since it was presented to the Board at the June meeting, including an item relating to disclosure of salaries. The proposal has been reviewed by the University's internal and external auditors and the legislative auditor, and he noted that their questions were answered.

Mr. Stromberg stated that the external plan is being recommended because it addresses problems previously identified, it imposes management controls related to each key element of the plan, and it meets the objective that the integrity and resources of the University should be protected on behalf of the public. He indicated that a change to the external model can be done with a minimum of disruption for faculty and administration, it provides ownership and incentive for Medical School faculty, and it achieves all necessary elements of control. Mr. Stromberg noted that the Board will have an opportunity to review and approve the appropriate contracts, procedures, and accounting practices necessary to implement the proposed policy.

Regent Peterson made a motion to amend the proposed resolution as follows, and the motion was seconded:

BE IT FURTHER RESOLVED, that the President be encouraged to consider reducing the number of practice plans with which the University of Minnesota contracts consistent with the recommendations of the Deloitte and Touche report, that the number of administrative units in the School of Medicine be reduced; and

BE IT FURTHER RESOLVED, that the President be directed to further clarify and define the roles and responsibilities of the Dean, the department chairs, and the University of Minnesota Clinical Associates (UMCA) to assure that the University of Minnesota will control the strategic direction of the School of Medicine; and the President be directed to report to the Board by December 1993 regarding plans and

recommendations for ongoing oversight and audit of practice plan compliance.

In response to a concern raised by Regent Neel, Regent Peterson clarified that the amendment does not direct that the number of practice plans or administrative units be reduced, but rather encourages the President to consider a reduction.

Regent Perlman stated that the proposed amendment is consistent with the need to clarify the roles and job description of the department chairs, the Dean, and the Vice President for Health Sciences. He suggested that the Health Sciences Provost/Vice President should be included in the list of individuals in the proposed amendment, and Regent Peterson concurred with the suggestion.

President Hasselmo commented on the proposed amendment, stating that he reads it to mean that the administration should consider the optimal structure and report its findings and conclusions to the Board. He concurred with the discussion regarding clarification of roles, and stated that will be done as part of the implementation process.

Following the discussion, the committee voted unanimously to recommend approval of the amendment.

The committee voted unanimously to recommend approval of the following amended resolution:

WHEREAS, the University of Minnesota is a publicly supported institution; and

WHEREAS, the professional faculty and staff of the Medical School are encouraged to practice their discipline/specialty as the opportunity presents itself in recognition of the importance of such clinical care as an integral component of the mission of the University; and

WHEREAS, clinical practice by the faculty and staff of the University must be guided by appropriate institutional policies; and

WHEREAS, state, University, external, and practice-related resources must be brought together in support of educational, research, and clinical care missions of the University; and

WHEREAS, practice-related revenues are an essential component of the fiscal structure of the Medical School; and

WHEREAS, the Board of Regents adopted on September 20, 1963 a Health Sciences Private Practice Policy, and that the Board of Regents' resolution of January 8, 1993 calls for the development of a private practice plan policy statement for each component of the Health Sciences;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents' Policy on Health Sciences Private Practice originally adopted in 1963, as it applies to the Medical School, be rescinded and the attached policy governing the private practice plans of the Medical School be adopted.

BE IT FURTHER RESOLVED, that the President develop appropriate contracts, procedures, and accounting practices to

implement this policy, and that these be reported to the Board of Regents for review and approval before the December 1993 meeting of the Board.

BE IT FURTHER RESOLVED, that the President is directed to require the Office of the Vice President for Health Sciences to develop private practice plan policy proposals for the non-Medical School components of the Health Sciences as directed in the Board of Regents' resolution of January 8, 1993.

BE IT FURTHER RESOLVED, that the non-Medical School private practice plan policy proposals be presented to the Board of Regents for review in September 1993.

BE IT FURTHER RESOLVED, that the President be encouraged to consider reducing the number of practice plans with which the University of Minnesota contracts consistent with the recommendations of the Deloitte and Touche report, that the number of administrative units in the School of Medicine be reduced.

BE IT FURTHER RESOLVED, that the President be directed to further clarify and define the roles and responsibilities of the Health Sciences Provost/Vice President, the Dean, the department chairs, and the University of Minnesota Clinical Associates (UMCA) to assure that the University of Minnesota will control the strategic direction of the School of Medicine; and the President be directed to report to the Board by December 1993 regarding plans and recommendations for ongoing oversight and audit of practice plan compliance.

Following the vote, Regent Keffeler stated that the University is on a course and the Board looks forward to the September meeting.

The meeting adjourned at 2:50 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

July 8, 1993

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, July 8, 1993, at 3:05 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Anderson, Bleyhl, Hogan, Keffeler, Neel, Page, Perlman, Peterson, Reagan, Sahlstrom, and Wynia. President Hasselmo presided.


Staff present: Senior Vice Presidents Erickson and Infante; Vice President Hopkins; General Counsel Rotenberg; Executive Director Muesing; University Attorneys Bohnhorst and Donohue.

The meeting was called to order and a motion was moved and seconded that the following resolution be approved:

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705 Subd. 1d, a non-public meeting of the Board of Regents be held after the Committee of the Whole meeting on Thursday, July 8, 1993, in 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 3:08 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

July 9, 1993

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, July 9, 1993, at 8:30 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Keffeler, presiding; Regents Anderson, Bleyhl, Hogan, Neel, Page, Perlman, Peterson, Reagan, Sahlstrom, and Wynia. Regent Rosha participated in the meeting via telephone.

Staff present: President Hasselmo; Chancellors Ianni, Johnson, and Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Hopkins, Hughes, and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Brenner, Johnson, and Pfitzenreuter.

Student Representative present: Rachel Paulose.

A motion was made and seconded, and the committee voted unanimously to allow Regent Rosha to participate in the meeting via telephone.

RECOGNITIONS

President Hasselmo introduced Regents' Professors Willard Hartup, Institute of Child Development; Benjamin Y. Liu, Department of Mechanical Engineering; and Ronald L. Phillips, Department of Agronomy and Plant Genetics. Regent Keffeler recognized the new Regents' Professors with a certificate.

Regents' Professors Hartup, Liu, and Phillips addressed the Board, and expressed appreciation for the honor of being appointed as Regents' Professors.

HONORS COMMITTEE REPORT

A motion was made and seconded, and the committee voted unanimously to recommend approval of the recommendations of the All-University Honors Committee.

SUMMARY OF EXPENDITURES

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Summary of Expenditures for the Board of Regents' Office, the Office of the President, and Eastcliff Maintenance for the period July 1, 1992 through May 31, 1993.

**REPORTS OF THE PRESIDENT'S MINORITY ADVISORY COMMITTEES
REPORTS OF THE CAMPUS AMERICAN INDIAN ADVISORY COMMITTEES
REPORT ON MINORITY AFFAIRS**

Associate Vice President Johnson introduced the discussion. Regent Keffeler noted the Board's interest in recruitment and retention of minority faculty, staff, and students, and in the quality of the environment for the University's minority community. In response to an issue raised at a previous meeting by Regent Hogan regarding opportunities for the Board to address these issues in depth, Regent Keffeler stated that considerable opportunity for discussion will be provided in the coming year, particularly at the committee level. Dr. Johnson noted that the issues are extremely complicated, and stated that in future reports she hopes to provide in-depth information to give the Board a reference point from which to make policy decisions regarding these issues.

President's Asian American/Pacific Islander Advisory Committee

Dr. Albert V. de Leon, Chair of the President's Asian American/Pacific Islander Committee, expressed appreciation for the opportunity to address the Board and reported on the efforts of the committee during the 1992-93 academic year. The issues addressed by the committee included strengthening the Asian languages programs, the lack of Asian American Studies courses, financial aid, and concerns regarding reports on Asian American issues in the Minnesota Daily. In summary, Dr. de Leon suggested holding a joint retreat of the four President's minority advisory committees, President Hasselmo, and his executive staff to strengthen working relationships and focus goals on the University's priorities.

President's Chicano/Latino/Hispanic American Advisory Committee

Sandra Vargas, Chair of the President's Chicano/Latino/Hispanic American Advisory Committee, reviewed statistics on the K-12 Hispanic student population in Minnesota and discussed committee activities. She thanked President Hasselmo and other administrators for working with Advisory Committee members to improve their understanding of the University system. In summary, Ms. Vargas raised the following questions, which are based on the idea of creating an accessible, accountable, affordable, just system that will promote and encourage the hopes and dreams of all students:

- What kind of political will does the Board have to recreate the University system so diversity becomes a central part of the whole institution?
- What are the Board and administration willing to do to connect communities of color to participate in the system?
- Are the Board and administration willing to use all the University's resources to create the thoughtful leadership necessary to transform the system?

University of Minnesota, Twin Cities American Indian Advisory Committee

Reid Raymond, Co-chair of the Twin Cities American Indian Advisory Committee, thanked President Hasselmo and the Board for their support and Co-chair Aurolyn Stwyer for her efforts. He reviewed the committee's long-term goals and objectives related to recruitment, undergraduate retention, professional and graduate students, financial aid, American Indian faculty and alumni, American Indian Studies, and racism issues, and said that committee members will meet with key administrators to

address these issues. In summary, Mr. Raymond expressed appreciation to the Board for providing funding for the endowed chair at UMD.

University of Minnesota, Duluth (UMD) American Indian Advisory Committee

Jerrold Ojibway, a member of the UMD American Indian Advisory Committee, asked for Board assistance by October 12, 1993 to amend the government structure of the UMD Student Association (UMDSA) Congress by adding a specific seat for a representative of the Anishnabe Club. Although two American Indian students currently serve on the UMDSA Congress, he stated that the amended structure would ensure greater minority representation. Mr. Ojibway also asked the Board to support funding for the Policy Center for American Indian Law and Social Justice.

In response to Regent Keffeler, Dr. Johnson agreed to respond to specific issues raised by the Advisory Committee representatives at the September meeting of the Faculty, Staff & Student Affairs Committee.

Carol DeVerney, President of the Anishnabe Club, asked that salary funding for the Director of the Center of American Indian and Minority Health become permanent rather than depending on the person holding the position. She noted that the American Indian Learning and Resource Center (AILRC) needs a counselor and clerical support, however, she feels the American Indian students should discuss this issue further with the AILRC before a formal request is made to the Board of Regents.

Regent Keffeler thanked those who participated in the presentations, and acknowledged the efforts of the Advisory Committee members. She stated that the Board will work to improve communications regarding issues of mutual concern.

Dr. Johnson presented the July 1993 Report on Minority Affairs, which focuses on issues related to students of color, for the Board's review and consideration. She stated that her office is in the process of analyzing the University's minority population, its environment, and the elements required for student success. The resulting data is contained in the report. Dr. Johnson reported that progress is being made, and she shared student success stories.

In summary, Dr. Johnson stated that she hopes the Board will have opportunities to address critical student issues in depth the future, and noted that she has plans to ensure that the Board is well-informed about these issues.

Regent Keffeler thanked Dr. Johnson for her report. She indicated that opportunities for Board discussion will be created, because the issues raised by Dr. Johnson are at the core of the educational experience for all University students.

Regent Hogan asked if the University's diversity goals and related systemic issues could be reviewed at the September meeting, and suggested that it would be helpful to schedule an Open Forum regarding diversity issues. Dr. Johnson concurred, and Regent Keffeler suggested that those issues could also be addressed at the Faculty, Staff & Student Affairs Committee meeting in September.

**APPOINTMENT OF MEMBERS OF THE
UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC BOARD OF GOVERNORS**

Regent Anderson, Chair of the Board of Regents' Nominating Committee for the Hospital Board of Governors, expressed appreciation to Regents Roshia and Wynia for serving on the committee. He presented the following resolution to the committee for approval:

RESOLVED, that on the recommendation of the Board of Regents' Nominating Committee for the Board of Governors of the University of Minnesota Hospital and Clinic, the following individuals are appointed for the following terms:

- R. Peter Madel, Jr. - one-year term concluding December 1994
- Thomas F. Madison - two-year term concluding December 1995
- Barbara Neubauer - three-year term concluding December 1996

The committee voted unanimously to recommend approval of the recommendations of the Nominating Committee.

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC (UMHC) BUDGET

Greg Hart, Director of the University of Minnesota Hospital & Clinic (UMHC), presented the 1993-94 UMHC budget to the committee for approval. He introduced John Morrison, Vice Chair of the Board of Governors' Finance Committee.

Regent Keffeler noted that although adoption of the proposed budget will provide funding for continued implementation of UMHC's strategic planning initiatives, it is the Regents' understanding that they will be kept informed regarding any acquisitions or other significant actions. Mr. Hart concurred with Regent Keffeler's statement, noting that it is consistent with assumptions made in the budget and with the UMHC operating protocol for communications between the Board of Governors and the Board of Regents.

A motion was made and seconded to recommend approval of the 1993-94 UMHC budget.

In response to Regent Neel, Mr. Hart and Clifford Fearing, UMHC Finance Director, discussed the amount and sources of funding contained in the UMHC budget for direct and indirect education costs per medical resident. Regent Neel stated he wanted to highlight that budget item because it is a significant part of financing graduate medical education and it underscores the importance of a strong linkage between the Medical School and UMHC.

Following the discussion, the committee voted unanimously to recommend approval of the 1993-94 UMHC budget.

BUDGET PLAN, INCLUDING TUITION, COMPENSATION, AND STUDENT SERVICES FEES

A motion was made and seconded to approve a resolution related to the proposed 1993-94 Budget Plan.

President Hasselmo presented a statement which provided the context for the Board's consideration of the 1993-94 Budget Plan. He noted that the Plan continues the current Restructuring and Reallocation Plan, and he proposed another \$60-100 million Restructuring and Reallocation Plan for FY 1995 and beyond. Dr. Hasselmo reviewed the objectives, and stated that difficult choices will be necessary. He added that it is important to clarify where the University has been, its current status, and what must be done to meet the reallocation challenges and position the University for the future.

Regent Keffeler indicated that the President's statement of direction and resolve is helpful, and stated that the Board fully supports the agenda he outlined.

Associate Vice President Pfutzenreuter presented an historical analysis of the University's budget, noting that state revenues declined approximately \$59 million and tuition revenues increased \$7.5 million from 1990-94. He stated that in real terms the University lost purchasing power of approximately \$51.5 million, which has been recovered through efficiencies, reductions, and wage freezes. He reviewed actual and estimated state appropriations from 1994-97, and noted that the Department of Finance 1996-97 planning estimates project a significant state budget deficit.

Mr. Pfutzenreuter explained modifications made since the June Board meeting in the operations and maintenance and central reserves spending plan components of the 1993-94 Budget Plan.

Student Representative Paulose thanked President Hasselmo, administrators, and the Board for working with students regarding the budget. She raised concerns regarding the recommended tuition increase and the proposed quality improvements, and urged the Board to abide by its pledge to keep tuition increases at the rate of inflation.

In response to Regent Keffeler, Senior Vice President Infante stated that the average tuition increase for undergraduate students is 4 percent on the Twin Cities campus and 3.65 percent on the Duluth campus, noting that the proposals reflect quality improvement increases and the elimination of the graduation and computer fees. He discussed the proposal for significant tuition increases for the College of Pharmacy and the Law School.

Regent Hogan expressed concern regarding the proposed tuition increases and the impact on access to the University. He made a motion to amend the proposed resolution by reducing the proposed tuition increase from 5.2 percent to 3.5 percent. The motion was seconded by Regent Peterson.

The committee engaged in a lengthy discussion regarding the proposal to amend the budget resolution and its impact on the 1993-94 Budget Plan. Regent Keffeler acknowledged the frustrations expressed by Regents regarding the timing of the budget review by the Board, and noted that a new budget process will be in place in 1994. Following the discussion, the motion to amend failed by a vote of 10 to 2.

Regent Anderson emphasized the need for an aggressive, properly funded student legislative effort, and he suggested that Vice President Hughes develop such a proposal. President Hasselmo stated that the University has effective student lobbying, however, there are ways it could be improved. He discussed the reasons for the recommendation not to provide student service fees funding for the Coalition for Higher Education, and stated that efforts will be made to resolve this issue.

Regent Keffeler noted that the Board is concerned that the budget does not include faculty and staff salary increases for the second time in three years. She stated that although the Board wants to support the efforts of the Legislature and the Governor to limit the growth of public sector salaries, it cannot fulfill its constitutional obligation to protect the vitality of the University by foregoing fair and competitive compensation for faculty and staff. Evidence indicates that the University's competitive position relative to other institutions has been eroding, and she indicated that funds must be liberated to meet core needs if the legislative appropriation is not sufficient to finance future compensation increases.

Regent Reagan concurred with Regent Keffeler's comments. He stated that although the Board and administration recognize the importance of increasing salaries to remain competitive and to recognize the work of faculty and staff, it is impossible to

do so at this time. He urged faculty and staff to maintain their morale while the administration resolves the current financial situation.

Regent Anderson suggested that enrollment be increased by 600 students on all campuses as a way to address current budget issues. He made a motion to amend the proposed budget to reflect his suggestion, and the motion was seconded by Regent Reagan.

In response to issues raised by Regent Perlman, President Hasselmo and Dr. Infante commented on the proposed motion to amend. President Hasselmo stated that arbitrary enrollment limits have not been set, and discussed efforts to maximize the number of students that can be served in various programs in order to make the University cost-effective.

Regent Reagan stated that he seconded the motion to amend because administrators at the University of Minnesota, Duluth have indicated that campus could serve additional students.

Regent Anderson reviewed the history of the University's enrollment situation, stating that arbitrary enrollment limits were established as part of Commitment to Focus, and he urged the administration to address the issue at this time. Based on Regent Anderson's explanation, Regent Perlman agreed that the issue of enrollment limits should be addressed. However, he suggested that it would be more appropriate to address the issue as part of the strategic planning process. Regents Anderson and Reagan withdrew the motion to amend.

Following the discussion, the committee voted unanimously to recommend approval of the following resolution related to the 1993-94 Budget Plan:

WHEREAS, the University of Minnesota is committed to maintaining services of high quality, and

WHEREAS, the University of Minnesota wishes to continue to demonstrate accountability to the citizens of Minnesota, and

WHEREAS, the University of Minnesota is committed to providing to its students educational services at a high quality and affordable cost, and

WHEREAS, the University of Minnesota is committed to treating its employees equitably regardless of funding source, and

WHEREAS, the University of Minnesota recognizes that the core academic programs, physical infrastructure, and general support structure must be preserved, and

WHEREAS, the University of Minnesota is committed to improving program quality through reallocation, and

WHEREAS, the Governor and the Minnesota Legislature did not provide sufficient funding for inflationary cost increases.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents approve the University of Minnesota budget for 1993-1994 as follows:

The annual revenue plan including (1) state appropriations as authorized by the 1993 legislative session, (2) tuition plan as proposed, (3) changes to investment distributions as proposed, and (3) student service fees as proposed.

The annual expenditure plan including (1) budget reductions as proposed, (2) authorized allocations including targeted improvements as proposed, (3) provision for contingency funds from central reserves, (4) restructuring and reallocation as proposed, and (5) layoff/nonrenewal policy as proposed.

Regent Anderson made a motion to approve the following resolution, and the motion was seconded by Regent Reagan:

RESOLVED, that the Board of Regents directs the President, as a part of the strategic planning process, to review and recommend appropriate changes to enrollment policies and limits in conjunction with consideration of related issues including tuition.

President Hasselmo agreed with Regent Anderson's suggestion, stating that the University wants to accept as many students as it can provide with a quality education. He noted that students who are accepted must meet the University's preparation requirements in order to be successful and improve graduation rates.

In response to Regent Sahlstrom, President Hasselmo stated that the agreement with the Legislature regarding enrollment targets expires this year and the University will be at liberty to establish new limits. He indicated that the enrollment targets and preparation standards have been beneficial to the University, and it is time to build on that foundation and hone this strategy to serve students with quality education to the greatest extent possible.

Following the discussion, the committee voted unanimously to recommend approval of the motion.

Regent Keffeler reviewed a proposed resolution which would position the University to implement its strategic plan and identify all possible budgetary resources. A motion was made and seconded, and the committee voted unanimously to recommend approval of the following resolution:

WHEREAS, the University of Minnesota has embarked upon an ambitious strategic planning initiative to define the University's mission and strategic course; and

WHEREAS, the University of Minnesota resource allocation decisions must support and advance the implementation of the strategic goals and objectives of the University; and

WHEREAS, the University of Minnesota faces enormous financial pressures due to declining resources in conjunction with an increasing demand for creative and innovative ways of delivering services; and

WHEREAS, University of Minnesota academic and administrative units must maintain adequate budget flexibility to respond to unforeseen financial opportunities as well as fluctuations in revenue and expenditure plans; and

WHEREAS, the University of Minnesota must maximize all available resources regardless of the source of funds in order to meet its mission, goals, and objectives;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents directs the administration to analyze and report to the Board of Regents by January 1994 regarding academic and administrative unit fiscal year end financial operating balances in order to ensure that financial resources are efficiently and effectively leveraged to meet the University's mission and strategic course.

The meeting adjourned at 11:45 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

July 9, 1993

A meeting of the Board of Regents of the University of Minnesota was held on Friday, July 9, 1993, at 11:45 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Anderson, Bleyhl, Hogan, Keffeler, Neel, Page, Perlman, Peterson, Reagan, Sahlstrom, and Wynia. President Hasselmo presided.

Staff present: Chancellors Ianni, Johnson and Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Hopkins, Hughes and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; and Associate Vice Presidents Brenner, Fischer, Johnson, and Pfitzenreuter.

APPROVAL OF MINUTES

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

Audit Committee - June 9, 1993
Board of Regents - June 10, 1993
Facilities Committee - June 10, 1993
Financial Operations & Legislative Committee - June 10, 1993
Faculty, Staff & Student Affairs Committee - June 10, 1993
Educational Planning & Policy Committee - June 10, 1993
Committee of the Whole - June 10, 1993
Committee of the Whole - June 11, 1993
Board of Regents - June 11, 1993

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to the 1993-94 Budget; the Medical School Management Review and Medical Practice Plan; the Justin Morrill Award; External Relations - Council for the Advancement and Support of Education (CASE) awards; the University of St. Thomas Distinguished Service Award; and the National Collegiate Athletic Association (NCAA) Men's Basketball "Final Four" in 2001.

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

REPORT OF THE CHAIR

Chair Keffeler reported there will be no meetings during the month of August and the next scheduled meetings of the Board will be held September 9-10. In addition, there will be a Regents' retreat held September 2-3. The focus of the retreat will be strategic planning.

Chair Keffeler presented the final report on the assessment of the President by the Regents' Assessment Committee. A copy of the report is filed supplement to the minutes, No. 22,327.

Chair Keffeler commented on the report, indicating that the Board was well pleased with the President's efforts and accomplishments during the past very difficult year. She stated that four major challenges for the President were set forth in the report for the coming year:

- Develop a strategic plan to guide the future course of the University of Minnesota;
- Strengthen and clarify the management infrastructure including personnel and systems, to ensure the capability of the organization to execute the strategic plan as well as the policies of the Board and management;
- Improve the operating and capital budgeting processes to provide the Board and management the capability to allocate resources in accord with the strategic priorities set by the Board; and
- Develop an external relations program to provide the Board and management with an ongoing means of ensuring that institutional goals are responsive to the needs of Minnesotans and to enable the University to secure support for critical priorities.

Chair Keffeler moved that the Board of Regents endorse the four priorities as the direction to the President for his major initiatives in the coming year. The motion was seconded and the Board of Regents voted unanimously to endorse the priorities.

RECEIVE AND FILE REPORTS

President Hasselmo noted the receipt and filing of the Quarterly Summary of Regents' Policy Review Activity as presented in the docket material.

GIFTS

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

The Board of Regents voted unanimously to approve the gifts as presented.

REPORT OF THE COMMITTEE OF THE WHOLE

July 8, 1993

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

- a) Approval of a resolution related to the Private Practice of Medicine at the University of Minnesota Medical School, as follows:

WHEREAS, the University of Minnesota is a publicly supported institution; and

WHEREAS, the professional faculty and staff of the Medical School are encouraged to practice their discipline/specialty as the opportunity presents itself in recognition of the importance of such clinical care as an integral component of the mission of the University; and

WHEREAS, clinical practice by the faculty and staff of the University must be guided by appropriate institutional policies; and

WHEREAS, state, University, external, and practice-related resources must be brought together in support of educational, research, and clinical care missions of the University; and

WHEREAS, practice-related revenues are an essential component of the fiscal structure of the Medical School; and

WHEREAS, the Board of Regents adopted on September 20, 1963 a Health Sciences Private Practice Policy, and that the Board of Regents' resolution of January 8, 1993 calls for the development of a private practice plan policy statement for each component of the Health Sciences;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents' Policy on Health Sciences Private Practice originally adopted in 1963, as it applies to the Medical School, be rescinded and the attached policy governing the private practice plans of the Medical School be adopted.

BE IT FURTHER RESOLVED, that the President develop appropriate contracts, procedures, and accounting practices to implement this policy, and that these be reported to the Board of Regents for review and approval before the December 1993 meeting of the Board.

BE IT FURTHER RESOLVED, that the President is directed to require the Office of the Vice President for Health Sciences to develop private practice plan policy proposals for the non-Medical School components of the Health Sciences as directed in the Board of Regents' resolution of January 8, 1993.

BE IT FURTHER RESOLVED, that the non-Medical School private practice plan policy proposals be presented to the Board of Regents for review in September 1993.

BE IT FURTHER RESOLVED, that the President be encouraged to consider reducing the number of practice plans with which the University of Minnesota contracts consistent with the recommendations of the Deloitte and Touche report, that the number of administrative units in the School of Medicine be reduced; and

BE IT FURTHER RESOLVED, that the President be directed to further clarify and define the roles and responsibilities of the

Health Sciences Provost/Vice President, the Dean, the department chairs, and the University of Minnesota Clinical Associates (UMCA) to assure that the University of Minnesota will control the strategic direction of the School of Medicine; and the President be directed to report to the Board by December 1993 regarding plans and recommendations for ongoing oversight and audit of practice plan compliance.

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

Chair Keffeler reported that the committee also received a report on the Medical School Management Review.

REPORT OF THE COMMITTEE OF THE WHOLE
July 9, 1993

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

- a) Approval of resolution re Honors Committee Report, as follows:

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

Documentation is filed supplement to the minutes, No. 22,328.

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

RESOLVED, that the Summary of Expenditures for the period July 1, 1992 to May 31, 1993 for the Board of Regents' Office, the Office of the President, and Eastcliff Maintenance as presented in the docket material is hereby approved.

- c) Approval of resolution re Report of the Nominating Committee/Hospital Board of Governors, as follows:

RESOLVED, that on the recommendation of the Board of Regents' Nominating Committee for the Board of Governors of the University of Minnesota Hospital and Clinic, the following individuals are appointed for the following terms: R. Peter Madel, Jr. - one year term concluding December 1994; Thomas F. Madison - two-year term concluding December 1995; and Barbara Neubauer - three-year term concluding December 1996.

- d) Approval of 1993-94 Budget for the University of Minnesota Hospital and Clinic as presented in the docket materials.

- e) Approval of resolution re Budget Plan, including Tuition, Compensation and Student Services Fees, as follows:

WHEREAS, the University of Minnesota is committed to maintaining services of high quality, and

WHEREAS, the University of Minnesota wishes to continue to demonstrate accountability to the citizens of Minnesota, and

WHEREAS, the University of Minnesota is committed to providing to its students educational services at a high quality and affordable cost, and

WHEREAS, the University of Minnesota is committed to treating its employees equitably regardless of funding source, and

WHEREAS, the University of Minnesota recognizes that the core academic programs, physical infrastructure, and general support structure must be preserved, and

WHEREAS, the University of Minnesota is committed to improving program quality through reallocation, and

WHEREAS, the Governor and the Minnesota Legislature did not provide sufficient funding for inflationary cost increases.

NOW THEREFORE, BE IT RESOLVED; that the Board of Regents approve the University of Minnesota budget for 1993 - 1994 as follows:

The annual revenue plan including (1) state appropriations as authorized by the 1993 legislative session, (2) tuition plan as proposed, (3) changes to investment distributions as proposed, and (3) student service fees as proposed.

The annual expenditure plan including (1) budget reductions as proposed, (2) authorized allocations including targeted improvements as proposed, (3) provision for contingency funds from central reserves, (4) restructuring and reallocation as proposed, and (5) layoff/nonrenewal policy as proposed.

Documentation included in the docket materials.

- f) Approval of resolution re Enrollment Policies, as follows:

RESOLVED, that the Board of Regents directs the President, as a part of the strategic planning process, to review and recommend appropriate changes to enrollment policies and limits in conjunction with consideration of related issues including tuition.

- g) Approval of resolution re Strategic Planning and Resource Allocations, as follows:

WHEREAS, the University of Minnesota has embarked upon an ambitious strategic planning initiative to define the University's mission and strategic course; and

WHEREAS, the University of Minnesota resource allocation decisions must support and advance the implementation of the strategic goals and objectives of the University; and

WHEREAS, the University of Minnesota faces enormous financial pressures due to declining resources in conjunction

with an increasing demand for creative and innovative ways of delivering services; and

WHEREAS, University of Minnesota academic and administrative units must maintain adequate budget flexibility to respond to unforeseen financial opportunities as well as fluctuations in revenue and expenditure plans; and

WHEREAS, the University of Minnesota must maximize all available resources regardless of the source of funds in order to meet its mission, goals and objectives;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents directs the administration to analyze and report to the Board of Regents by January 1994 regarding academic and administrative unit fiscal year end financial operating balances in order to ensure that financial resources are efficiently and effectively leveraged to meet the University's mission and strategic course.

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

Chair Keffeler reported that the committee also recognized newly-appointed Regents' Professors, and reviewed reports from the President's Minority Advisory Committees, reports of the Campus American Indian Advisory Committees, and a report on Minority Affairs.

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Faculty, Staff & Student Affairs Report as presented in the docket material.
- b) Approval of resolution re Regents' Policy on Equal Opportunity, as follows:

RESOLVED, that on the recommendation of the President and the Provost, the Regents' Policy on Equal Opportunity be adopted.

AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY Equal Opportunity

The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, national origin, sex, age, marital status, disability, public assistance status, veteran status, or sexual orientation.

- c) Approval of resolution re Revised Regents' Policies on Equal Opportunity & Affirmative Action, as follows:

RESOLVED, that on the recommendation of the President and the Provost, the revised Regents' Policies on Equal Opportunity and Affirmative Action be adopted.

AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY
Equal Opportunity in Employment

The Regents of the University of Minnesota believe that the provision of equal rights for persons of every race, religion, creed, color, sex, national origin, disability, age, marital status, public assistance status, veteran status or sexual orientation is an important concern of the University of Minnesota and should be reflected in its personnel policies and employment practices in faculty and staff positions. Such policies and practices would include, but are not limited to, employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.

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

AFFIRMATIVE ACTION & EQUAL OPPORTUNITY
Equal Opportunity - Facilities

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

In furtherance of these commitments, the regents pledge their efforts to eliminate discrimination through, but not limited to, the following: the registration procedures of listing and approval of housing facilities with the University; review of alleged discrimination; the maintenance of a grievance mechanism to investigate alleged discriminatory practices and cooperation with federal and state human rights' agencies; and appropriate affirmative educational programs and services.

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

AFFIRMATIVE ACTION & EQUAL OPPORTUNITY
Prohibition of Employment of Non-Equal Opportunity
Contractors, Suppliers, or Services

It is the policy of the Regents of the University of Minnesota to promote equal opportunity of employment without discrimination based on race, religion, creed, color, sex, national origin, disability, age, marital status, public assistance status, veteran status, or sexual orientation. Henceforth, the regents will require that all contractors with the University, including suppliers supplying goods or services to it, regardless of where located or the form of the contractual relationship be equal opportunity employers, whose business is guided by the principle that there shall be no difference in the treatment of persons because of the above-stated characteristics. The regents will also require that the contractor apply every good faith effort to ensure implementation of this policy, such action to include but not to be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.

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

AFFIRMATIVE ACTION & EQUAL OPPORTUNITY
Diversity

WHEREAS, the Regents of the University of Minnesota have adopted policies and programs designed to recognize and foster diversity in our teaching, research and public service;

NOW, THEREFORE, BE IT RESOLVED:

The regents and administration of the University of Minnesota reaffirm their commitment to affirmative action as fully justified and essential to excellence and vitality within the University.

The regents and administration further affirm their commitment to a University community where each individual is treated with dignity, where individual potential is fulfilled and where barriers to attaining personal achievements are removed.

The University of Minnesota as a community -- including the president, central officers, chancellors, deans, department chairs or heads, senate and chairs of search committees are vested with the responsibility to develop and retain a diverse community of faculty, staff and students.

The performance of those responsible will be measured through an annual review of individual and unit goals and performance.

and the results of these evaluations will be the basis for individual rewards and allocations of resources to units.

Programs to increase diversity will be budget priorities for the University.

The regents and administration of the University of Minnesota restate their commitment to existing programs that successfully promote diversity within the University and express the desire to expand and strengthen these current efforts.

Searches shall be fair, open, timely, cost-effective, flexible and respectful of the individuals who offer themselves as candidates and shall be conducted in such a way as to further diversity in the University.

The responsible officers of the University of Minnesota shall maintain aggressive recruitment programs to bring talented individuals to the University, including, but not limited to women and minorities.

- d) Approval to delete as a separate policy the Regents' Policy relating to Affirmative Action & Equal Opportunity - Statement on Affirmative Action for Part-Time Recurring Faculty.

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

Chair Neel reported that the committee also reviewed a proposed resolution relating to benefit eligibility for same sex domestic partners and their children and reviewed proposed revisions to the Regents' Policy on Nepotism.

REPORT OF THE FACILITIES COMMITTEE

Regent Wynia reported that the committee voted unanimously to recommend:

- a) Approval of the Senior Vice President's Monthly Facilities Report as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution regarding project submitted for review and action, as follows:

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

1. Shops Building Renovation, Minneapolis Campus
Estimated cost of the project: \$8,509,500
Funding: Repair and Replacement; Fire and Life Safety/Improved Access; Finance and Operations
Estimated completion date: December 1994

- c) Approval of resolution re Real Estate Transaction previously reviewed, as follows:

1. Eight-year Lease of 711 East River Road to Minnesota International Center:

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute an 8-year lease for the use of the property at 711 East River Road, Minneapolis, by the Minnesota International Center.

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

Regent Wynia reported that the committee also reviewed a proposal for the purchase of 200 acres of land in Waseca for use by the Southwest Experiment Station; reviewed a proposed change to the Regents' Policy on Delegation of Authority - General Delegation; and reviewed information on the status of planning for the Mississippi National River and Recreation Area.

REPORT OF THE FINANCIAL OPERATIONS & LEGISLATIVE COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Financial Operations and Legislative Report including accounts receivable, central reserves, debt management, and miscellaneous items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution re 1993 Expenditures from the General Contingency Fund, as follows:

WHEREAS, the University of Minnesota, with the approval of the Board of Regents, has established an annual general contingency budget for the purpose of financing unanticipated expenditures or unforeseen financial opportunities, and

WHEREAS, it is the policy of the Board of Regents that expenditures of \$250,000 or more from the general contingency require the prior approval of the Board of Regents,

NOW, THEREFORE, BE IT RESOLVED; that the Board of Regents approves the following expenditures from the general contingency for fiscal year 1993 of \$478,500 for retirement contributions and \$500,000 for strategic planning. In addition, in order to ensure compliance with the current approval process, the Board of Regents retroactively approves the expenditure of \$450,000 for outside legal fees, \$300,000 for additional support to the women's intercollegiate athletic program and \$514,574 for lease costs and related expenditures for the Minnesota Supercomputer Institute.

- c) Approval of resolution re Financing or Refinancing of University Debt, as follows:

WHEREAS, clarification on procedures to be used on issues dealing with the financing or refinancing of University debt is needed.

BE IT RESOLVED, That all interested parties will continue to be encouraged to review the University's debt structure and provide advice on the best alternatives for managing the University's debt to achieve the best possible financial results.

BE IT FURTHER RESOLVED, That any issuance of new debt or refinancing of existing debt will be recommended to the Regents only after a thorough request for proposal (RFP) process has been completed, with any interested party invited to compete.

BE IT FURTHER RESOLVED, That responses to RFP's and Administrative recommendations on financing plans will be reviewed by the Asset and Debt Management Advisory Committee prior to presentation to the Regents. The Asset and Debt Management Committee will communicate results of the review to the Regents.

BE IT FURTHER RESOLVED, That recommendations to the Regents will consider all relevant, objective factors, and sufficient opportunity will be provided to allow the Regents to consider all information prior to acting on a recommendation.

- d) Approval of resolution re Purchase of Goods and Services Over \$250,000, as follows:

RESOLVED, that on recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate staff are authorized to award pending purchase/contracts over \$250,000:

- To Boston Mutual to provide student health insurance for an estimated 6,800 students per quarter, involving an annual premium collection of approximately \$3.7 million.

- e) Approval of resolution re University Grove/Expanded Eligibility, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the eligibility guidelines for residence in University Grove as presented in the docket materials are approved.

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

Chair Page reported that the committee reviewed the Quarterly Report on Asset and Debt Management; the Quarterly Purchasing Report; and the Quarterly Management Report. In addition, a legislative update was presented.

Chair Page reported that the committee also considered resolutions related to debt restructuring pertaining to the University of Minnesota Hospital and Clinic Facilities and the refunding of 1986A term bonds. She reported that

due to the lack of a quorum on this issue at the committee meeting, the item is presented without recommendation at this time.

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

**UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC FACILITIES
AND REFUNDING OF 1986 BONDS
BONDING RESOLUTION**

WHEREAS, it has been proposed that the University Hospital undertake certain construction and remodeling projects and acquire certain items of equipment, all as further described in Exhibit A in the docket materials (the "Project");

WHEREAS, to finance all or a portion of the cost of the Project the Regents of the University of Minnesota (the "University") propose to sell and issue general obligation bonds of the University in one or more series (the "Project Bonds");

WHEREAS, it has been further proposed that the University issue and sell general obligation bonds of the University in one or more series (the "Refunding Bonds") to refund a portion of the General Obligation Refunding Bonds, Series 1986A, dated, as originally issued, as of May 1, 1986 (the "1986 Bonds");

WHEREAS, the Refunding Bonds and the Project Bonds are hereinafter collectively referred to as the "Bonds";

WHEREAS, the Bonds in one or more series will be issued pursuant to an Indenture of Trust between the University and a bank or trust company acting as trustee or pursuant to an Order of the University;

WHEREAS, the Indenture of Trust or Order pursuant to which any series of Bonds will be issued will contain the terms of such Bonds and agreements and covenants of the University with respect to the payment of the principal of, premium, if any, and interest on such Bonds;

WHEREAS, Bonds of any series will be sold by the University to one or more investment banking firms, banks or financial institutions which will act as the underwriter of the Bonds, pursuant to an agreement between the University and such investment banking firms, banks or financial institutions;

NOW, THEREFORE, BE IT RESOLVED, by the Regents of the University of Minnesota, as follows:

1. To provide funds to pay part or all of the costs to be incurred for the Project the University hereby authorizes the sale and issuance of the Project Bonds in an aggregate principal amount not in excess of \$71,000,000 (excluding original issue discount, if any, with respect to the Project Bonds). To provide funds to refund a portion of the 1986 Bonds the University hereby authorizes the sale and issuance of the Refunding Bonds in an aggregate principal amount not in excess of \$15,000,000

(excluding original issue discount, if any, with respect to the Refunding Bonds). The Project Bonds and Refunding Bonds may be issued in separate series or together in one or more series. The Bonds shall be general obligations of the University. It is intended that the interest on the Bonds be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended. The interest rate on any series of Bonds authorized herein may be a fixed rate or variable rate, as provided in the Indenture of Trust or Order pursuant to which it is issued; provided that the yield on any series of Bonds which are initially issued with a fixed rate of interest (determined without regard to any original issue discount) may not exceed 7.50% per annum. The Senior Vice President for Finance and Operations is authorized to approve the terms of any series of Bonds; including but not limited to the principal amount thereof, the maturity date or dates thereof, the interest rate or rates thereon, and the provisions with respect to redemption of such Bonds prior to the stated maturity thereof. In no event shall the aggregate principal amount of Bonds (excluding original issue discount, if any, applicable to the Bonds) issued pursuant to the authorization contained in this resolution exceed \$84,000,000, and in no event shall any Bond mature later than 30 years following its date of issuance.

2. The Senior Vice President for Finance and Operations is authorized to negotiate with one or more banks, investment banking firms or financial institutions the terms and conditions upon which one or more series of Bonds shall be sold and issued, and approve the terms of such sale and issuance. The Senior Vice President for Finance and Operations is further authorized to negotiate with one or more commercial banks the terms and condition of any credit support or liquidity facility for any series of Bonds, and approve the terms of such credit support or liquidity facility. The Senior Vice President for Finance and Operations is further authorized to negotiate the terms and conditions of any interest rate swap agreements or other similar agreements with the counterparty to such agreement in connection with hedging techniques with respect to the interest rate on any series of Bonds.

3. In connection with the issuance of any series of Bonds the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order of the University under which the series of Bonds is issued in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the Bonds in accordance with such Indenture of Trust or Order of the University. The signatures of the Secretary and/or Treasurer on the Bonds may be by facsimile.

4. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and General Counsel.

5. The President and Treasurer are authorized to execute and deliver any agreements of the University with the provider of any credit support facility or liquidity facility for any series of Bonds and any agreements of the University with any counterparty to an interest rate swap agreement or other similar agreements in connection with hedging techniques with respect to the interest rate on any series of Bonds. Such agreements shall be in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and General Counsel.

6. The Senior Vice President for Finance and Operations is authorized to approve the Preliminary Official Statement and the final Official Statement to be prepared and distributed by the University to any purchaser or potential purchaser of a series of Bonds, and the President is authorized to execute and deliver the final Official Statement.

7. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate for completion of the issuance and sale of the Bonds and refunding of the 1986 Bonds if the Refunding Bonds are issued.

8. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the Bonds certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the University as to the truth of all statements contained therein.

9. The execution of any document by the appropriate officers of the University herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, final Official Statement, purchase agreement with the initial purchaser or purchasers of any series of Bonds and agreements with the provider of any credit support facility or liquidity facility for any series of Bonds, interest rate swap agreements or any other document to be executed by the President or Treasurer may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer. In the absence of the Senior Vice President for Finance and Operations, all authority granted to the Senior Vice President for Finance and Operations by this resolution may be executed by the Treasurer.

10. All or a portion of the costs of the Project may be paid by the University prior to the issuance of the Bonds to finance the Project, and to the extent such costs are paid by the University prior to the issuance of the Bonds it is the reasonable intent of the University to reimburse all or a portion of the costs of the Project

paid by the University prior to the issuance of the Bonds from the proceeds of the Bonds. This is a declaration of official intent adopted pursuant to Section 1.103-18 of the Income Tax Regulations. As of the date hereof, there are not University funds reserved, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project, other than pursuant to the issuance of the Bonds. This resolution, therefore, is determined to be consistent with the University's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof, all within the meaning and content of Section 1.10318 of the Income Tax Regulations.

11. This resolution shall be filed within 30 days of its adoption in the publicly available official books and records of the University. This resolution shall be available for inspection at the office of the Secretary during normal business hours of the University on every business day until the date of issuance of the Bonds.

**UNIVERSITY OF MINNESOTA
RECOMMENDED FINANCING PLAN FOR
SERIES 1993 GENERAL OBLIGATION BONDS**

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations:

For the purpose of maximizing the net present value savings to the University, the approved bond resolution is authorized to be implemented through a financing plan involving primarily the use of derivative bond instruments, as outlined in the June 8, 1993 recommendation to the Regents.

Regents Keffeler and Perlman excused themselves from the discussion and vote on debt restructuring due to a conflict of interest pursuant to the Code of Ethics for members of the Board of Regents.

Professor Patrick Hess, a member of the Asset and Debt Management Committee, was present and responded to questions from several committee members. In answer to a question, it was reported that due process was followed with regard to the proposed recommendation.

Regent Neel spoke in favor of the resolution, indicating that, in his opinion, the recommendation presented was reviewed fairly and is the one that serves the best interests of the University.

Regent Anderson spoke briefly about future proposals noting with approval the resolution regarding Financing and Refinancing approved by the Regents earlier in the meeting. He recommended that Minnesota financial institutions be given first consideration whenever the process yields relatively equal proposals.

The Board of Regents voted unanimously with two abstentions to approve the above resolutions relating to debt restructuring.

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

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

- a) Approval of the Senior Vice President's Monthly Educational Planning and Policy Report as presented in the docket material.
- b) Approval of resolution re Appointment of Rochester Center Advisory Committee Members, as follows:

RESOLVED, that the following list of 1993-94 committee members, as recommended by the current Rochester Center Advisory Committee and endorsed by central administration, is hereby approved:

Dr. Charles Casey
Elizabeth Cousins
Al Cutaia
Al DeBoer
Carol Kamper
John Mulder
Marilyn Stewart
Don Sudor
Gerald C. Wollner

RESOLVED FURTHER, that efforts will be made to increase minority representation on the Rochester Center Advisory Committee when the 1994-95 nominations are presented to the Board of Regents.

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

Regent Sahlstrom reported that the committee also reviewed the Report on Distance Learning Initiative.

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 Quarterly Report as presented to the committee.
- b) Approval of resolution re Director of Audits Quarterly Report, as follows:

RESOLVED, that the Board of Regents approves the Quarterly Report of the Director of Audits as presented to the Audit Committee on July 7, 1993 and the Audit Committee requests full and complete cooperation from the private practice entities contracted with the University of Minnesota in disclosing information appropriate to the audit purposes of our external and internal audit agencies.

- c) Approval of resolution re CUFS Schedule of Milestones, as follows:

BE IT RESOLVED, that administration be directed to proceed with a program to complete the implementation of the CUFS financial system on the schedule described in the document "CUFS Schedule of Milestones" presented at the July 7, 1993 Audit Committee Meeting.

BE IT FURTHER RESOLVED, that administration provide quarterly program and budget status reports for the duration of the effort.

- d) Approval of resolution re Fiscal Year 1994 Expenditures from the General Contingency Fund, as follows:

WHEREAS, the University of Minnesota, with the approval of the Board of Regents, has established an annual general contingency budget for the purpose of financing unanticipated expenditures or unforeseen financial opportunities, and

WHEREAS, it is the policy of the Board of Regents that expenditures of \$250,000 or more from the general contingency require the prior approval of the Board of Regents,

NOW, THEREFORE, BE IT RESOLVED; that the Board of Regents approves an expenditure not to exceed \$320,000 from the general contingency for fiscal year 1994 for costs related to risk assessments of revenue producing units within the University and that the Administration is directed to aggressively manage to reduce the aggregate costs to the greatest extent possible.

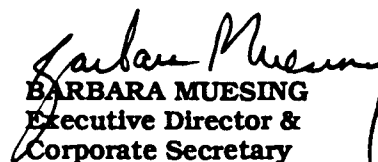
The Board of Regents voted unanimously to approve the recommendations of the Audit Committee.

Chair Hogan reported that the committee also discussed the proposed Regents' Policy on the Medical School Practice Plan as an item of new business.

NEW BUSINESS

Chair Keffeler recognized Mr. R. Peter Madel, Jr., newly-elected member of the University of Minnesota Hospital Board of Governors, who was present at the meeting.

The meeting adjourned at 12:45 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

August 16, 1993

A meeting of the Board of Regents of the University of Minnesota was held on Monday, August 16, 1993, at 1:35 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Bleyhl, Hogan, Keffeler, Page, Peterson, and Sahlstrom.

Regents participating by telephone: Anderson, Neel, Page, Reagan, and Rosha. President Hasselmo presided.

Staff present: Senior Vice Presidents Erickson and Infante; Associate Vice Presidents Carrier and Pfutzenreuter; Associate Executive Director Janzen; University Attorney Donohue; Employee Relations Director Erickson; and John Godfrey, Media Resources.

The meeting was called to order and a motion was moved 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. 1a, a non-public meeting of the Board of Regents be held at 1:30 p.m. on Monday, August 16, 1993, in Room 238, Morrill Hall, for the purpose of considering strategy for labor negotiations and discussion and review of labor negotiation proposals.

The Board of Regents voted unanimously to approve the resolution.

The meeting adjourned at 1:37 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

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

September 8-10, 1993

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

September 8-10, 1993

<u>CONTENTS</u>	<u>PAGE</u>
I. Committee Meetings	
A. Audit Committee - September 8, 1993-----	62
B. Facilities Committee - September 9, 1993-----	66
C. Financial Operations & Legislative Committee - September 9, 1993-----	72
D. Faculty, Staff & Student Affairs Committee - September 9, 1993-----	78
E. Educational Planning & Policy Committee - September 9, 1993-----	84
II. Board of Regents - September 9, 1993	
A. Resolution to Conduct Non-Public Meeting-----	89
III. Committee Meeting	
A. Committee of the Whole - September 10, 1993-----	90
IV. Board of Regents' Meeting - September 10, 1993	
A. Approval of Minutes -----	97
B. Report of the President -----	97
1) University 2000: The University of Minnesota for the 21st Century	
2) The University of Minnesota's Agenda - Quality, Change, & Accountability	
3) Community Building Activities	
4) Personnel Items	
C. Report of the Chair -----	97
1) Open Forum on Crookston Campus	
D. Receive and File Reports -----	97
1) Quarterly Report on Grants and Contracts	
E. Gifts -----	98
1) Approval of resolution - Appreciation to Curtis L. Carlson	
F. Report of the Committee of the Whole	
1) Report on Strategic Planning-----	98
2) Status Report on Health Sciences Strategic Directions and Organizational Structure-----	98
3) Status Report on Medical School Management-----	98
4) Non-Medical School Health Sciences Private Practice Plan Policies---	98
5) Supercomputer Center Annual Report-----	98
6) Recognitions/Introductions-----	98
a) Northern States Power Company - University Energy Conservation Effort	
b) Officer Marianne Olson	
c) Joy Rikala, University Police Chief	
d) Dr. Francis Kulacki, Dean of the Institute of Technology	
7) Follow up on labor negotiations-----	98
G. Report of the Educational Planning & Policy Committee	
1) Approval - Senior Vice President's Monthly Report-----	98
a) Approval of resolution re Oversight & Quality Control of Graduate Programs in State	
b) Approval by HECB of Bachelor of Information Networking degree	
c) Overview of the Midwestern Higher Education Commission's accomplishments and activities during the past year	
d) UMC Official Statement of Affiliation Status	

	e)	Appointment of Dr. Harald Schmid to Hormel Foundation Board of Trustees	
	f)	Appointment of Priscilla Brewster to the Minnesota Landscape Arboretum Foundation Board of Trustees	
	g)	Programs approved by HECB on August 19, 1993, and the University's concerns related to HECB's approval of graduate degree programs proposed by The Graduate School of America	
	h)	July 22, 1993 meeting with Madeleine May Kunin, Deputy Secretary of Education	
	i)	Implementation of the State Postsecondary Review Program	
	2)	Approval of resolution re Twin Cities Higher Education Partnership. Bachelor of Business Studies Degree-----	99
	3)	Approval of resolution re UMC Technology Initiative-----	99
	4)	Annual Plan to Add or Discontinue Academic Programs-----	100
	5)	Proposal for M.S./Ph.D. in Scientific Computation-----	100
H.		Report of the Faculty, Staff & Student Affairs Committee	
	1)	Approval of resignation of Dr. Robert E. Anderson as Vice President for Health Sciences-----	100
	2)	Adoption of Revised Regents' Policy on Nepotism-----	100
	3)	Approval - Senior Vice President's Monthly Report-----	100
	a)	Withdrawal by the Dean-designate of the College of Pharmacy	
	b)	Appointment of Professor Donald Riley as Associate Vice President and Associate Provost for Academic Affairs	
	c)	Appointment of Assistant Professor Clarence Carter as University Grievance Officer	
	d)	Resignation of Professor Elwin Fraley as Chair of the Department of Urologic Surgery and appointment of Professor Pratap Reddy as Acting Director of daily departmental activities and Professor Robert Heros as Acting Chairman with administrative responsibility to the Dean for Urologic Surgery	
	e)	Honors and awards, including presentation of the second annual President's Award to Dr. Ronald Franks, Dean of the UMD School of Medicine and 1993 Justin Morrill Award to University Office of Research and Technology Transfer	
	f)	Programs and events, including University-Community Celebration and the availability of professional development funds for faculty and staff	
	g)	Update on labor relations	
	h)	Implementation of the Smoke-Free Indoor Air Policy for the Twin Cities campus	
	4)	Approval of resolution re Domestic Partners Benefits-----	100
	5)	Approval of resolution re Plan for Reporting Regarding Minority Affairs and Diversity-----	101
	6)	Proposed Regents' Policy on Faculty and Staff Personnel-----	101
I.		Report of the Facilities Committee	
	1)	Approval - Senior Vice President's Monthly Report-----	101
	2)	Approval - Adoption of Modification to Regents' Policy on Delegation of Authority - General Delegations-----	101
	3)	Real Estate Transactions for Approval-----	106
	a)	Purchase of 501 Gold Street, Duluth	
	b)	Sale of Opsahl Trust Property, Duluth	
	c)	Sale of Former Dormitory Building, Waseca Campus	
	d)	Sale of 1.5 Acres at West Central Experiment Station, Morris	
	e)	Sale of 3.14 Acres at West Central Experiment Station, Morris	
	f)	Acquisition of Group Health Property at 2829 University Ave SE	
	4)	Approval of resolution re FY'94 Capital Request Amendment for Archives Facility-----	108
	5)	Approval of resolution re Mississippi National River & Recreation Area-----	108

	6)	Quarterly Report on FY 94 Capital Improvement Budget-----	110
	7)	Capital Improvement Budget Amendment re Remodeling of School of Nursing Laboratory Rooms-----	110
	8)	Report on Minnesota Landscape Arboretum-----	110
J.		Report of the Financial Operations & Legislative Committee	
	1)	Approval - Senior Vice President's Monthly Report-----	110
	2)	Approval of resolution re Purchase of Goods & Services over \$250,000-----	110
	3)	Purchase of Goods & Services over \$250,000-----	110
		a) Contract with Health Partner Inc.	
	4)	Quarterly Purchasing Report-----	110
	5)	Report on Plant Funds-----	110
	6)	Status Report on CUFS-----	110
	7)	Legislative Update-----	110
K.		Report of the Audit Committee	
	1)	Approval of resolution re Legislative Audit Commission-----	110
	2)	Senior Vice President's Report-----	111
		a) Status Report on CUFS	
	3)	Update on Revenue-generating Units Survey-----	111
	4)	Report on Internal Audits-----	111
	5)	Legislative Audit Commission Decision on Supercomputer Audit-----	111
	6)	Legislative Audit of Medical School Discussion-----	111

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

September 8, 1993

A meeting of the Audit Committee of the Board of Regents was held on Wednesday, September 8, 1993, at 3:30 p.m. in Room 300, Morrill Hall.

Regents present: Regent Hogan, presiding; Regents Bleyhl, Keffeler, and Page.

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice Presidents O'Connor and Riley; and Acting Director of Audits Allen Willie.

Student Representatives present: Narciso Aleman and Rachel Paulose.

Others present: Mark Chronister, Miles Everson, and Jon Kilmer from the firm of Coopers & Lybrand.

Regent Hogan noted that Patrick Spellacy is taking a new assignment as Director of Financial Policy Development. He thanked Mr. Spellacy for the service he gave the Audit Committee as Director of Audits. Senior Vice President Erickson commented that the internal audit experience will be particularly valuable in the new financial policy role. Dean Kidwell of the Carlson School will chair the search committee for a new Director of Audits.

SENIOR VICE PRESIDENT'S REPORT

Senior Vice President Erickson said that because this was not a regular quarterly meeting, his report is principally related to CUFS. Associate Vice President O'Connor explained that the CUFS status chart included with the docket showed the project is on schedule and in accord with the milestones approved by the committee in July.

Mr. O'Connor also reviewed expenditures for the project. Although it is early, he said current figures indicate that the project will be completed within budget. His major concern at this time is that too many human resources may be borrowed out of the regular operation without replacement, but he is giving attention to this issue.

UPDATE ON SURVEY OF REVENUE-GENERATING UNITS

Mark Chronister of Coopers and Lybrand reported that in response to the committee discussion in July, he reviewed the fee for the survey of revenue-generating units with Senior Vice President Erickson. The reforecast of the cost is down from \$320,000 to a range of \$175,000 to \$230,000 due to adjustments in the detailed projects.

Mr. Chronister said they have completed questionnaires and risk assessments for 27 departments and are in the process of discussing findings with each department. Three departments in the Medical School are being scheduled. A final report to the Audit Committee is in preparation and it will be discussed with management. In response to a question from Regent Keffeler, Senior Vice President Erickson said management was responding to findings that warrant attention before the final report is issued.

Miles Everson reported on the status of current audit activities noting that a delay has been granted for the 1992 A-133 Report because it was dependent on the first year of CUFS formatted data, and the 1993 A-133 Report is progressing on schedule. The audit of annual financial statements for FY 93 is progressing and a timely completion is anticipated.

Mr. Chronister reported on special auditing activities stating that the preliminary report of the Urology private practice plan audit, for which the monitor engaged Coopers & Lybrand, is incomplete because agreed upon information was not forthcoming. Mr. Chronister indicated that the situation will improve, but several committee members expressed skepticism. After discussion it was agreed that the committee will wait for General Counsel Rotenberg to report progress before deciding if further action is necessary.

Miles Everson described the special audit of financial aid at the University being conducted by the Department of Education. The audit, which is focused on the award process, is nearly complete and a positive outcome is anticipated. Mr. Everson noted the Office of Naval Research Contractor Procurement is doing its regular review of compliance with federal purchasing requirements and he anticipated a positive result in this review also.

INTERNAL AUDIT REPORTS

Senior Vice President Erickson introduced Acting Director of Audits Allen Willie. Mr. Willie referred to the summary report contained in the docket noting, in particular, that progress on response to the external auditor's management letter "essential" recommendations has been slow because of dependence on the completion of CUFS. Other items were reviewed as reported in the docket. Discussion focused on what triggers follow-up action on an issue rather than just discussion with the department involved. Regent Keffeler indicated that, valuable as education of a department is, there is a need for less discussion and more action when compliance with recommendations is slow.

Regarding investigations, Mr. Willie noted that the docket indicated four investigations. Because of recent events three more will be added: one in Kinesiology, one in the Medical School, and a small issue on the St. Paul campus. In response to questions about the promptness of the University's response to the federal inquiry about the grant to Kinesiology, Associate General Counsel William Donohue said the University received the federal subpoena late in August and immediately worked with the department to supply the documents requested. At the same time, President Hasselmo ordered an audit of the grant project. Mr. Donohue, in response to questions, said that the issue under investigation is not clear.

A question was asked about the Medical School investigation. Regent Hogan said the matter just surfaced and was under discovery. Regent Keffeler noted for the record that the University's approach should be vigilant and aggressive. However, she cautioned that this approach not convey the idea that an audit implies wrong-doing, often it does not.

An abbreviated review of the follow-up audit on Bank Reconciliations of Centralized University Bank Accounts was given. Mr. Willie introduced Jim McDonnell and Mike Schwab, the auditors on the project. They noted that the original audit reported this area as one of significant risk to the University. The follow-up indicates that all of the earlier recommendations have been met. Regent Keffeler suggested that talking with the line officers of departments involved is as important as talking with an auditor. Senior Vice President Erickson introduced Michael Volna of Business Services who was responsible for a significant portion of the compliance activity.

LEGISLATIVE AUDIT COMMISSION DECISION ON SUPERCOMPUTER AUDIT

Senior Vice President Erickson called attention to the material in the docket regarding the Legislative Auditor's discussion with the Legislative Audit Commission concerning alternatives for auditing the Minnesota Supercomputer Center (MSC). Alternative A was to evaluate whether the University receives good value for the funds the Legislature appropriates for supercomputing at MSC. This evaluation would take place before the end of 1993. Alternative B was to conduct a financial audit of MSC beginning February 1994. The Legislative Audit Commission decided to proceed with both alternatives.

Senior Vice President Erickson noted that these alternatives were based on the agreement between the Legislative Auditor and the MSC Board wherein the Legislative Auditor will have complete access to MSC financial information. In response to the question as to whether this left any remaining issues to be settled between MSC and the Legislative Auditor, Mr. Erickson replied there are no issues regarding access by the Legislative Auditor. The responsibility for deciding how information will be publicly reported in accord with legal requirements on protecting private information is in the hands of the Legislative Auditor. In addition, Mr. Erickson noted that the working relationship between the Supercomputer Institute and MSC is undergoing further review.

Regent Keffeler stated that the Regents' Audit Committee should have a more direct relationship with the Legislative Auditor. When the Legislative Auditor issues an audit on a University department, the committee should invite the Legislative Auditor to discuss the audit findings. In the spirit of cooperation with the Legislative Audit Commission in the management of public funds, Regent Keffeler offered the following motion:

RESOLVED, that the administration be directed to promptly bring to the attention of the Audit Committee any matters of concern or disagreement between the Legislative Auditor, Legislative Audit Commission and the Supercomputer Center during the current audit process and in subsequent operations.

The motion was seconded, and the committee unanimously approved its recommendation to the Board of Regents.

LEGISLATIVE AUDIT OF THE MEDICAL SCHOOL

Regent Hogan opened the discussion asking whether committee members had questions about the Legislative Auditor's report. Regent Keffeler noted that

the audit said, essentially, that there are concerns about financial controls in the Medical School, that the University has taken steps to deal with those concerns, and that the question is whether these steps will be sufficient to provide the controls needed. Senior Vice President Erickson indicated further that the University responded in writing by agreeing with the Legislative Auditor's recommendations.

The meeting adjourned at 5:20 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

September 9, 1993

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, September 9, 1993, at 8:00 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Rosha, Chair; Regents Bleyhl, Reagan, and Wynia.

Staff present: Chancellor Sargeant; Senior Vice President Erickson; Vice President Allen; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Hewitt, and Markham.

Student Representatives present: Tom Donarski and Joan Jensch.

QUARTERLY REPORT ON FY94 CAPITAL IMPROVEMENT BUDGET

Associate Vice President Markham presented the quarterly report on the FY94 Capital Improvement Budget.

Ms. Markham reported that since approval of the FY Capital Improvement Budget in June, Facilities Management has mobilized to implement the approved projects. The mobilization effort consisted of:

- verification with departments as to project priorities and implementation plans;
- verification of project revenues;
- assignment of project managers and establishment of project accounts;
- initiation of process soliciting proposals for professional services required to undertake projects; and
- prioritization of various planning studies and programming efforts included in the approved budget.

Ms. Markham also provided a listing of new projects and scope increases with a value of \$100,000 or less which have been incorporated into the FY 1994 Capital Budget. She reported that Facilities Management is also in the process of developing a standardized Quarterly Report format that will focus on exception and progress reporting.

In addition, Ms. Markham noted that the American Institute of Architects recently applauded the University of Minnesota for efforts in updating its architectural and engineering contracts to industry standards.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for September 1993. A motion was made and seconded to recommend approval of the report.

Senior Vice President Erickson called attention to the following items:

- a) request for adoption of the modification to the Regents' Policy on Delegation of Authority - General Delegations as contained in the docket material;
- b) status update on the Urology Clinic Remodeling projects; and
- c) modifications to the administrative process for dealing with surplus real estate will be on the agenda in October for review. Senior Vice President Erickson indicated that the sale of 1919 University Avenue will be conducted according to the new process.

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

REAL ESTATE TRANSACTIONS FOR ACTION

The following real estate transactions were reviewed for approval:

Purchase of 501 Gold Street, Duluth

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 purchase of the property at 501 Gold Street, Duluth, for the sum of \$40,000 from Gary and Kelly Kniep.

Sale of Opsahl Trust Property, Duluth

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 sale of the Opsahl Trust Property, Duluth, for the sum of \$33,000 to James M. and Suzanne M. Ross.

Sale of Former Dormitory Building Waseca Campus

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 sale of the former dormitory buildings in Waseca to Wayzata Properties, Inc., for the sum of \$450,000.

**Sale of 1.5 Acres at West Central Experiment Station, Morris
to Stevens County Developmental Achievement Center**

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 sale of approximately 1.5 acres of land at Morris to the Stevens County Developmental Achievement Center for the sum of \$3,500.

Sale of 3.14 Acres at West Central Experiment Station, Morris

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 sale of approximately 3.14 acres of land at Morris to Riley Bros. Properties for the sum of \$6,113.71.

In answer to a question from Regent Wynia, Associate Vice President Hewitt reported that the subject property abuts a residential area in Morris and the proposed buyers have indicated the land will be conveyed to the owners of the adjacent homes. Regent Wynia asked if the sale of this land will eliminate any potential trail development in the area on the property. Associate Vice President Hewitt responded that he would report back to Regent Wynia regarding her concern before action is taken on the item at the Board meeting.

**Acquisition of Group Health Property at 2829
University Avenue SE, Minneapolis**

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 purchase of the property at 2829 University Avenue SE and 2721 Fourth Street SE for the sum of \$3 million.

A motion was made and seconded to approve the above resolutions. The committee voted unanimously to recommend approval of the resolutions relating to real estate transactions.

**MISSISSIPPI NATIONAL RIVER AND RECREATION AREA (MNRRA) DRAFT
COMPREHENSIVE PLAN AND
ENVIRONMENTAL IMPACT STATEMENT**

Associate Vice President Markham introduced Joann Kyril and Michael Madell, from the local National Park Service, who presented the National Park Service position relating to the Mississippi National River and Recreation Area and the University's authority to plan for and control development under its jurisdiction.

Ms. Kyril provided background information, indicating that MNRRA was established by Congress as a unit of the national park system in 1988 and includes 72 miles of Mississippi River and four miles of Minnesota River. It encompasses approximately 54,000 acres of public and private land and water in five Minnesota counties. She reported that the area was established to (1)

protect, preserve, and enhance the significant values of the Mississippi River corridor through the Twin Cities metropolitan area, (2) encourage coordination of federal, state, and local programs, and (3) provide a management framework to assist the state of Minnesota and units of local government in the development and implementation of integrated resource management programs and ensure orderly public and private development in the area. Congress also mandated that a Mississippi River Coordinating Commission be appointed to assist in developing an integrated resource management plan for the national river and recreation area. The commission has worked in partnership with the National Park Service and many other agencies and groups to develop the draft Comprehensive Management Plan and the Environmental Impact Statement.

She stated that a 60-day public review will be concluded September 10 and the commission will be reviewing the comments. The document will be sent to the Governor and then the Secretary of the Interior for final approval.

Mr. Madell reviewed key issues contained in the Comprehensive Management Plan. He indicated that the plan is more policy oriented than specific, focusing on access, maintaining wetlands, and the use of historic buildings. With regard to land use, the intent is to keep local control with existing uses not to be affected by the plan.

In answer to a question, Mr. Madell reported that while the National Park Service has no control over the use of any land not owned by the Service, it is the hope that landowners will work with the Service regarding use of the area compatible with the Comprehensive Plan priorities. He further reported with respect to the University's steam plant, the National Park Service would like to work with the University to provide access around the facility, to encourage landscaping and possibly provide recreation opportunities in the area.

A proposed resolution was distributed endorsing the original intent of the Congressional Legislation. A motion was made and seconded to recommend approval of the resolution.

In answer to a question from Regent Wynia, Ms. Kyril indicated that she had not reviewed the resolution prior to the meeting. Regent Wynia asked if action could be delayed on the resolution until the representatives from the National Park Service had an opportunity to review the resolution. Committee members agreed with Regent Wynia's request and withdrew the motion and second.

Chair Rosha asked that the action be delayed until the Board of Regents' meeting on Friday.

FY '94 CAPITAL REQUEST AMENDMENT FOR ARCHIVES FACILITY

The committee reviewed the following proposed resolution:

WHEREAS, the \$30 million FY 1994 Capital Request approved by the Board of Regents for the Archives Facility identified Construction Costs only; and

WHEREAS, it is essential that the request submitted to the Legislature reflect the total project cost of \$41,286,000;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents authorizes the Administration to seek state bonding for the Archives Facility in the amount of \$41,286,000; and

BE IT FURTHER RESOLVED, that approval is conditional on the Administration receiving from the executive and legislative branches exemption from the one-third debt service obligation.

Associate Vice President Markham reported that in order to provide adequate funding for the development of the Archives Facility, it is necessary that the project request amount be revised to include total project costs in current dollars.

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

CAPITAL IMPROVEMENT BUDGET (FY94) AMENDMENT NEW PROJECT

Linda McCracken-Hunt, Director of Project Development, presented information on a capital improvement project for incorporation into the FY 1994 Capital Improvement Budget. She indicated that the proposed project, remodeling of School of Nursing Laboratory Rooms 2-131 and 3-139 in Health Science Unit F, is being presented at the request of the Health Sciences Administration in order to provide appropriate laboratory space for the School of Nursing. She reported that the estimated cost of the project is \$175,000 with funding to be provided from the School of Nursing State Operating Appropriation. The estimated completion date is February 1994. The item will be on the agenda in October for approval.

REPORT ON LANDSCAPE ARBORETUM

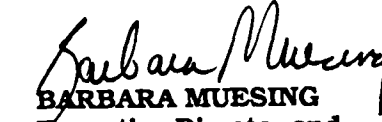
Mr. Peter Olin, Director of the Minnesota Landscape Arboretum, presented a report on Arboretum accomplishments and challenges.

He provided a brief overview, indicating that the Minnesota Landscape Arboretum is one of the University's most successful programs of direct community outreach. It provides outreach education through its named plant collections and gardens and through model landscape settings. It gives the visiting public information on how to improve both home and community environment and promotes sound environmental values. Research projects at the Arboretum and Horticultural Research Center started in 1908 and have produced much of the hardy fruit grown in Minnesota today. Future research will focus on ecological change at the fringe of urban development and the selection and propagation of native plants appropriate for the urban environment.

Mr. Olin summarized the immediate challenges facing the Arboretum in the 1990s, focusing on land development at the borders of the Arboretum. He reported that encroaching development, both proposed and potential, could have a detrimental impact on the integrity of the site and environmental, educational and research programs. He presented information on a proposed perimeter protection plan which identifies and ranks specific parcels for purchase; outlines funding strategies; identifies a buffer district to protect the visual and environmental integrity of the Arboretum; creates overall design

guidelines for the design district; and advocates a long-term strategy for the Arboretum to help preserve valuable visual, ecological and farming assets in the larger three-town region.

The meeting adjourned at 9:35 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Financial Operations & Legislative Committee

September 9, 1993

A meeting of the Financial Operations & Legislative Committee of the Board of Regents was held on Thursday, September 9, 1993, at 9:50 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Page, Chair; Regents Anderson, Keffeler, Neel, and Reagan.

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice Presidents Markham, O'Connor, Paschke, Pfutzenreuter, and Riley; and State Relations Director Peterson.

Student Representative present: Tom Donarski.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

A motion was made and seconded to recommend approval of the Senior Vice President's Monthly Report for September 1993.

Senior Vice President Erickson called on Associate Vice President Pfutzenreuter who introduced Robert Super, Julie Tonneson, Liz Eull, and Michael Berthelsen, newly-hired budget analysts in the Finance Department.

Senior Vice President Erickson called attention to the Central Reserves section of the monthly report, indicating with regard to Central Reserves that the projected ending balance at the end of the fiscal year has been added as a part of the report each month.

Associate Vice President Paschke presented a brief update on the completion of the bond sale related to the restructuring of the 1986A bonds. He reported that the bonds were offered for sale August 3 at a rate of 4.80 percent. The entire issue was sold in less than one hour and settlement of the issue occurred on August 1. The total net present value savings from the transaction as a whole was \$13.7 million.

Senior Vice President Erickson also informed the committee on the status of negotiations on advertising packages for the new/newly-remodeled athletic facilities on the Twin Cities campus. He reported that two beer companies are in negotiation for a major advertising package that would include placement on the scoreboards. He stated there is a precedence for this type of advertising at the University, that beer advertisements have been included in game programs, and radio and television broadcasters have run beer commercials during broadcasts of University athletic events. In addition, he reported that the administration is exploring the possibility of selling beer and wine in the clubs, indicat-

ing that any administrative recommendation on this issue will be brought to the Board of Regents for policy approval.

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

PURCHASE OF GOODS/SERVICES OVER \$250,000

A motion was made and seconded to recommend approval of a resolution authorizing the awarding of purchase/contracts over \$250,000 to the following:

- Boston Mutual/Higham Whitridge for University of Minnesota Duluth Student Health Insurance from 9/1/93 to 8/31/94 estimated at \$400,000.
- Furniture and Equipment Inventories, Inc. for \$865,640 for capital equipment inventory and reconciliation for University of Minnesota Inventory Services Department.
- Harlen Sprague Dawley for lab animals estimated at \$1 million to be ordered by University of Minnesota Inventory Services Department.
- Hennepin County for \$673,000 for Minneapolis Campus solid waste disposal from 9/15/93 to 6/30/94 estimated at \$673,000.
- IBM for 781 Notebook Computers at \$1,553,400 for Crookston campus for distribution to students.
- IBM for \$325,557 for Mainframe Software Maintenance for University of Minnesota Administrative Information Services (AIS) from 10/1/93 to 6/30/94.
- Jackson Labs for lab animals estimated at \$280,000 to be ordered by University of Minnesota Research Animal Resources from 9/1/93 to 6/30/94.
- Professional Food Service Management for \$1,500,000 for Food Service Management at the University of Minnesota Morris from 9/1/93 to 6/30/94.
- Xerox for Xerox supplies to be ordered by University Stores between 9/1/93 and 6/30/94, estimated at \$300,000.

Senior Vice President Erickson called attention to the purchase of Notebook Computers for the University of Minnesota Crookston campus. He indicated there have been protests regarding the purchase from a vendor. Purchasing Director Karen Triplett explained the rationale for choosing the IBM bid.

The committee voted unanimously to recommend approval of the resolution.

PURCHASE OF GOODS AND SERVICES OVER \$250,000

The committee reviewed for information a proposed contract over \$250,000 for the extension of the current contract with Health Partners Inc. to

provide health care for the University of Minnesota graduate assistants. The annual cost of the plan is approximately \$3.5 million.

Dr. Donald Peters, Boynton Health Service and Dennis Clayton, Graduate School, were present to answer any questions. In answer to a question from Regent Anderson, Mr. Clayton reported that, under the plan, individuals seeking treatment may go to the University of Minnesota Hospital and Clinic.

QUARTERLY PURCHASING REPORT

Karen Triplett, Director of Purchasing Services, presented the Quarterly Purchasing Report for April, May and June, 1993, highlighting the following:

A total of 107,232 transactions were processed for a value of \$28,228,283. Of the total, 28 were justified sole source awards totaling \$1,715,395.

- There were no Regents' policy violations.
- Thirteen change orders exceeded \$100,000.
- Fifteen purchase awards were made that were over \$100,000 and under \$250,000.
- Annual Small Business Report shows University of Minnesota awarded \$29.4 million to Minnesota Small Businesses in FY 92-93.
- Annual Report on Purchasing Services' University-wide contracts over \$250,000 was included in this quarterly report.

REPORT ON PLANT FUNDS

Associate Vice Presidents Markham and Pfutzenreuter led the discussion relating to the report on Plant Funds. She reported as part of the FY '94 Capital Improvement Plan resolution approved by the Board of Regents in June 1993, the Administration was directed to report regarding the status of the Plant Fund and advise the Board about potential opportunities for reallocation of funds.

Through the use of visual aids, Associate Vice President Pfutzenreuter reported that Plant Funds consist of:

- Funds used for the acquisition of physical properties for institutional purposes but unexpended at the date of reporting.
- Funds set aside for the renewal and replacement of institutional properties.
- Funds set aside for debt service charges and retirement of indebtedness on properties.
- Funds invested in properties minus accumulated depreciation.

He further reported that in response to the directive to review the funds, Facilities Management conducted a review of the Plant Funds accounts following the parameters listed below:

- All Plant Fund project accounts were reviewed.
- Only projects completed, inactive, or in a pre-bid status were considered for reallocation.
- Projects included in the FY '94 Capital Budget including prior year capital expenditure authorizations reaffirmed by the Board were not considered for reallocation.
- Reallocation recommendations return balances to the funding source campus, department, or agency where applicable. Other reallocation recommendations reallocate balances centrally for further reallocation.
- Hospital projects and auxiliary services funded depreciation balances were not considered for reallocation.

Associate Vice President Markham continued the presentation, indicating that the Administration is recommending the reallocation or return to source of \$3.6 million of Plant Funds and explained the proposed distribution of those reallocated funds.

In addition, the Administration is proposing that two Plant Fund policies be approved that would:

- 1) require projects to be fully funded and credited to a plant fund account or have a financial resources agreement executed before contractual obligation is incurred, and
- 2) require review of inactive project accounts semiannually and close and reallocate unexpended balances.

The committee engaged in discussion focusing on the funds proposed for central reallocation and building improvements. Regent Anderson stated that he would like to see the monies used to make the campus more "user-friendly" with emphasis on the construction of building connections.

Senior Vice President Erickson concurred with Regent Anderson regarding his concern for making the campus more "user friendly, indicating that Assistant Vice President Paul Tschida has been charged with focusing attention to this issue, particularly as it relates to the building connections.

Regent Keffeler stated that she agreed with Regent Anderson about the importance of a user-friendly campus. She further stated that an objective of the review of Plant Funds was to be assured that the University is maximizing the amount of funds available for central reallocation. She asked for reassurance on this objective.

Senior Vice President Erickson responded that a second part of this review is still in process which includes a comprehensive review of departmental balances including any restrictions on funds that a department may have received. Completion of that review will indicate the maximum amount of dollars available for central reallocation. This will be reported on in January 1994.

Regent Anderson asked if the Administration could report back to the committee by November with a specific plan, including funding, for making the campus more user friendly.

Regent Reagan stated support for Regent Anderson's concern and raised the question of which committee should appropriately address the issue as it also relates to the Capital Improvement Plan. He suggested that the chairs of the Financial Operations & Legislative Committee and the Facilities Committee along with Senior Vice President Erickson and Associate Vice President Markham meet to decide the best means to address the issue.

STATUS REPORT ON CUFS

Associate Vice President O'Connor presented a status report on the College and University Financial System (CUFS). Mr. O'Connor provided the committee with a brief explanation of the definition of CUFS and how it provides a platform for the University to achieve its critical financial management objectives. He also provided a brief history of the project and illustrated major milestones and deliverables. He reported that a program strategy and plan has been developed that will reduce risk by conducting many small projects rather than one large project. The emphasis is on University participation and involvement with the focus on educating people with system knowledge and management skills. Program management structures are in place and initial projects have started. Some start dates are slipping due to difficulties in breaking team members away from other duties, however, once the projects are launched, the teams are meeting or exceeding their targets and under-running initial cost estimates.

Regent Page thanked Associate Vice President O'Connor for his presentation, noting that quarterly updates are also presented at the Audit Committee meetings. Regent Keffeler requested that a special effort be made to update those members of the Board who serve neither on the Audit or Financial Operations & Legislative Committee. Senior Vice President Erickson responded that meetings will be scheduled.

LEGISLATIVE UPDATE

Regent Page introduced Mr. Tom Etten, Director of Federal Relations, who presented an update on the Director of Federal Relations position and federal legislative activity.

Mr. Etten reported that he has been the Director of Federal Relations at the University of Minnesota since November 1992. He works with University administration regarding federal legislative initiatives that the University has to react and respond to on a national level and in terms of projects and programs that relate specifically to the University.


He briefly reviewed specific projects that he has worked on since assuming his position and indicated that active participation by University administration in the development of national legislation is a key priority. He is also encouraging members of Congress to visit the University of Minnesota campus.

Regent Page thanked Mr. Etten for his presentation and noted that she has asked Regent Reagan if he will coordinate an effort to communicate with Mr. Etten and the administration in providing direction on legislative issues.

Mr. Etten stated that he is looking forward to working with the members of the Board and also expressed appreciation to Donna Peterson, Director of State Relations, for her assistance since he assumed his position.

Regent Reagan stated that Mr. Etten has been well accepted by the Congressional Delegation, adding that it is vital for the University to have an individual working in this capacity with the federal delegation.

The meeting adjourned at 11:15 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

September 9, 1993

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, September 9, 1993, at 8:00 a.m. in Room 300, Morrill Hall.

Regents present: Regent Neel, presiding; Regents Anderson, Hogan, Keffeler, Page, and Sahlstrom.

Staff present: Chancellor Johnson; Senior Vice President Infante; Vice Presidents Hopkins and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Vice Presidents Carrier and Johnson.

Student Representatives present: Gina Brunko and Rachel Paulose.

Regent Neel recognized Barb Nesheim, President of the AFSCME clerical union, and members of the AFSCME negotiating committee. Ms. Nesheim stated that contract negotiations are underway, and reported that the committee has received postcards from citizens across the state expressing support for economic justice for University employees and opposing the salary freeze.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Infante presented the Senior Vice President's Monthly Report, which was included in the docket, and noted the following item:

- Resignation of Dr. Robert E. Anderson as Vice President for Health Sciences, effective August 11, 1993.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the resignation of Vice President Anderson.

Dr. Infante reported on the following items:

- Withdrawal by the Dean-designate of the College of Pharmacy;
- Appointment of Professor Donald Riley as Associate Vice President and Associate Provost for Academic Affairs with special responsibility for Academic Computing and Information Technologies, effective September 16, 1993;

- Appointment of Assistant Professor Clarence Carter as University Grievance Officer, effective September 15, 1993;
- Resignation of Professor Elwin Fraley as Chairman of the Department of Urologic Surgery, effective September 1, 1993, and appointment of Professor Pratap Reddy as Acting Director of daily departmental activities and Professor Robert Heros as Acting Chairman with administrative responsibility to the Dean for Urologic Surgery;
- Honors and awards, including presentation of the second annual President's Award to Dr. Ronald Franks, Dean of the UMD School of Medicine, from the Minnesota Academy of Family Physicians; and the 1993 Justin Morrill Award to the University Office of Research and Technology Transfer from the Technology Transfer Society;
- Programs and events, including a University-Community Celebration featuring Garrison Keillor on September 15, 1993, and the availability of professional development funds for faculty and staff;
- Update on labor relations, including the recent determination by the University Hospital nurses not to be represented by the Minnesota Nurses Association;
- Revised Regents' Policy on Nepotism, which was presented for review at the July 1993 meeting; and
- Implementation of the Smoke-Free Indoor Air Policy for the Twin Cities campus, effective August 2, 1993.

A motion was made and seconded to recommend approval of the Senior Vice President's Monthly Report. At the suggestion of Chair Neel, the motion was amended to exclude the Regents' Policy on Nepotism.

Regent Page spoke in support of the University providing professional development funds for its faculty and staff. Dr. Infante noted that he will present a report to the committee at the end of the year regarding the distribution of these funds.

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

A motion was made and seconded to recommend adoption of the Regents' Policy on Nepotism.

In response to Regent Keffeler, Dr. Infante stated that the proposed policy revisions address issues related to nepotism in the academic community, including situations where a husband and wife team are working on the same research grant and one partner is the principal investigator. Associate Vice President Carrier reported that many of the Big 10 institutions have revised their nepotism policies, and stated that she will compare the University's revised policy with those of other institutions at the Fall meeting of Big 10 personnel managers.

In response to an issue raised by Regent Sahlstrom, Dr. Carrier stated that nepotism situations have existed in the past, and the revised policy will tighten the monitoring process and improve accountability.

Regent Hogan asked how the revised nepotism policy would apply to the private practice plans in the Medical School. General Counsel Rotenberg stated that because Minnesota law does not prohibit this type of employment relationship, such a condition would have to be made a part of a private practice entity's organizational structure.

Following the discussion, the committee voted unanimously to recommend adoption of the Regents' Policy on Nepotism.

REGENTS' POLICY ON FACULTY AND STAFF PERSONNEL

Senior Vice President Infante introduced the discussion regarding the Regents' Policy on Faculty and Staff Personnel. He noted that if approved, the proposed policy would delegate responsibility to the President or his designee for minor revisions in policies related to faculty and academic staff personnel.

Associate Vice President Carrier expressed dissatisfaction with the current status of the academic personnel policies. During this academic year, she stated that umbrella policies related to significant aspects of personnel management will be developed and presented to the Board for approval. In addition, she noted that administrative procedures and guidelines will be developed to support each overall policy.

Dr. Carrier concurred with Regent Keffeler's assessment that adoption of the proposed policy would signal conceptual approval by the Board of the development of broad policies.

Committee members discussed the proposed policy. Numerous concerns were expressed regarding the potential elimination of information resulting from the process of developing broad policies and streamlining current administrative guidelines and procedures. To help the committee understand the proposed process, Regent Keffeler asked Dr. Carrier to revise one of the current policies related to faculty and staff and provide the committee with the example at the October meeting.

Following the discussion, Regent Neel noted the committee's expectations and stated that the proposed policy will be presented for adoption in October.

DOMESTIC PARTNERS BENEFITS

Senior Vice President Infante and Associate Vice President Carrier introduced the discussion regarding the recommendation to extend benefit eligibility to registered same sex domestic partners and their children consistent with eligibility for spouses and children of married employees and students.

General Counsel Rotenberg provided an assessment of legal issues, stating that litigation is probable regardless of the action taken by the Board. He added that he believes such litigation can be successfully defended. Mr. Rotenberg indicated that an affidavit is being developed that would be executed by individuals who wish to qualify for these benefits, which will clarify what is meant by "consistent with the eligibility for spouses of married employees/students and the children of these spouses."

In response to Regents Hogan and Keffeler, Dr. Carrier stated that extending this benefit to heterosexual domestic partners was considered. However, a determination was made to limit the recommendation to same sex domestic partners because of the financial implications and the fact that heterosexual domestic partners have the option to marry, which would result in access to such benefits. Regent Hogan asked about the legal ramifications of excluding heterosexual domestic partners, and Mr. Rotenberg

stated that the proposed recommendation is rational and he believes action by the Board could withstand an equal protection challenge.

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

WHEREAS, the Board of Regents' existing policy "Equal Opportunity in Employment" was amended on May 9, 1986 to expressly forbid discrimination in programs, facilities, and employment policies and practices related to an employee's sexual orientation;

WHEREAS, benefits, including health care, are now extended to the spouses of married employees/students and to the children of these spouses, but not to same sex domestic partners nor to the children of these domestic partners;

WHEREAS, same sex domestic partners do not have the opportunity to "marry" under current State of Minnesota law;

WHEREAS, the University desires to maintain a workplace that is equitable for all employees;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents supports the extension of eligibility for benefits coverage, including health care, to same sex domestic partners and their children consistent with the eligibility for spouses of married employees/students and the children of these spouses.

BE IT FURTHER RESOLVED, that the Board of Regents authorizes the administration to pursue coverage under the Minnesota State Employee Group Insurance Program as the first choice but, failing to secure this option, pursue other options for this group of employees.

In response to Student Representative Paulose, Mr. Rotenberg stated that the amendment of the Human Rights Act by the Minnesota Legislature during the last session does not bar the Regents from providing the type of benefit package being proposed because the resolution does not explicitly condone or permit same sex marriage under Minnesota law.

Concerns were expressed regarding implementation, monitoring status, and potential fraud. Dr. Carrier commented on the documents that are being developed related to policy implementation and monitoring status. Mr. Rotenberg indicated that he has not completed a review of all documents related to clarification of status, monitoring of status changes, and consequences for false statements, however, he believes those issues will be resolved.

In response to concerns raised by Regent Keffeler, Mr. Rotenberg stated that his opinion with regard to the lawfulness of the proposed policy is based on his judgment that the University could successfully prevail in a claim that a policy which provides benefits only for same sex domestic partners is not unlawful under state law or the 14th Amendment of the Constitution. He noted that issues raised by the committee related to qualifying for same sex domestic partner status and monitoring eligibility are important administrative questions. Mr. Rotenberg concurred with Regent Keffeler that President Hasselmo is recommending this action from a policy standpoint and he is recommending that it is a reasonable and prudent action for the Board to take.

Dr. Infante stated that the President and administration are recommending the proposed benefits to the Board for approval, conscious of the fact that there might be legal difficulties, because it is the right thing to do.

If the proposed program is approved, Dr. Carrier stated that benefits under the University's control that are available to the spouses and children of married employees and students will be extended to same sex domestic partners and their children. With respect to health care benefits, she noted that the state and unions negotiate those benefits and they are not currently extended to domestic partners. She stated that other options for providing health care coverage have been explored without success.

Dianne Mulvihill, Director of Employee Benefits, stated that since the University is unable to provide health care benefits to same sex domestic partners, a proposal has been developed to reimburse employees for premiums for outside coverage for domestic partners on a quarterly basis up to the amount the University would pay for dependent coverage.

Regent Neel suggested that the University should explore the possibility of becoming self-insured. Dr. Infante stated that the 1991 Health Care Task Force made such a recommendation, and noted that a decision was made in March 1992 not to proceed with establishing a separate plan and to remain a part of the state plan for at least three years.

Regent Sahlstrom reiterated his concerns regarding monitoring status and penalties for fraud. Regent Anderson suggested that people who apply for this benefit should be required annually to affirm their qualification, and penalties for providing false information should be clear.

Following the discussion, the committee voted unanimously to recommend approval of the proposed resolution.

Regent Neel stated that this is a pioneering effort by the University, and he recognized the extensive efforts that resulted in the proposed policy. He urged the members of the community to join in the spirit of what the University is attempting to accomplish through the policy.

PLAN FOR REPORTING REGARDING MINORITY AFFAIRS AND DIVERSITY

Associate Vice President Johnson reviewed a plan for presenting future reports to the Regents regarding minority affairs and diversity. She indicated that she will present a report regarding the status of students of color at the December meeting and a report regarding the status of faculty of color in July.

Dr. Johnson discussed the efforts of the President's Minority Advisory Committees to assist the University meet its goals, and noted that the University has not made effective and efficient use of their involvement. She stated that the process is being reassessed, and a new plan for advisory committee participation will be presented in December.

Dr. Johnson emphasized the need for an opportunity to meet with the Regents for an in-depth discussion of minority issues, and suggested the possibility of a retreat. Regent Hogan made a motion in support of Dr. Johnson's suggestion, and the motion was seconded. Following a brief discussion, the committee voted unanimously to recommend approval of the following resolution:

RESOLVED, that the Board of Regents supports Associate Vice President Johnson's recommendation regarding the need for dedicated time for the Board and the administration to discuss diversity issues and asks that President Hasselmo and the Board officers arrange such an opportunity.

Regent Neel expressed appreciation to Dr. Johnson for her presentation.

The meeting adjourned at 9:45 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning and Policy Committee

September 9, 1993

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, September 9, 1993, at 10:00 a.m. in Room 300, Morrill Hall.

Regents present: Regent Sahlstrom, presiding; Regents Bleyhl, Hogan, Rosha, and Wynia.

Staff present: Chancellor Sargeant; Senior Vice President Infante; Vice Presidents Hopkins and Petersen; Executive Director Muesing; Associate Provost Cabral; Associate Vice Presidents Johnson and Riley.

Student Representatives present: Narciso Aleman, Tom Donarski, and Joan Jensch.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

- Approval by the Higher Education Coordinating Board (HECB) of the Bachelor of Information Networking degree, a cooperative program offered by the University and North Hennepin Community College, which is the first experimental baccalaureate program proposed by the Twin Cities Higher Education Partnership;
- Overview of the Midwestern Higher Education Commission's accomplishments and activities during the past year;
- University of Minnesota, Crookston received the Official Statement of Affiliation Status as a baccalaureate institution, effective July 15, 1993, by the Commission of Institutions on Higher Education of the North Central Association of Colleges and Schools;
- Appointment of Dr. Harald Schmid, Director of the Hormel Institute, to the Hormel Foundation Board of Trustees for a one-year term;
- Appointment of Priscilla Brewster to the Minnesota Landscape Arboretum Foundation Board of Trustees for a one-year term;
- Programs approved by HECB on August 19, 1993, and the University's concerns related to HECB's approval of graduate degree programs proposed by The Graduate School of America; and

- July 22, 1993 meeting with Madeleine May Kunin, Deputy Secretary of Education, hosted by the University of Minnesota and the Humphrey Institute of Public Affairs; and
- Implementation of the State Postsecondary Review Program, which was authorized through a 1993 amendment of the Higher Education Act of 1965.

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

In response to an issue raised by Regent Rosha, Dr. Infante stated that programs being developed through the Twin Cities Higher Education Partnership respond to needs in the community. He indicated that it may be necessary for the University to reshape itself to respond to needs and discontinue programs that are not needed.

Student Representative Aleman distributed a copy of the testimony that the President of the Graduate and Professional Student Association (GAPSA) presented to HECB in opposition to The Graduate School of America program proposals.

Committee members expressed concerns regarding HECB's approval of The Graduate School of America program proposals. Dr. Infante and Dr. Darwin Hendel, one of the University's representatives on the HECB Program Advisory Committee, discussed the HECB approval program approval process and the University's position regarding The Graduate School of America programs.

In response to Regent Sahlstrom, Chancellor Sargeant stated that in addition to UMC's recent designation as a baccalaureate institution, a site visit by the North Central Association of Colleges and Schools is scheduled in 1994-95 as part of the ten-year cycle of accreditation visits.

As a result of an issue raised by Regent Hogan, a discussion ensued regarding the appropriate way for the Board to express concerns regarding the HECB program approval process. Regent Hogan made a motion to amend the proposed resolution to ask that Regent Keffeler place an item on the agenda of the Intersystem Council related to the University's concern about the process to ensure appropriate oversight and quality control of graduate programs offered in the state. The motion was seconded, and the committee voted unanimously to recommend approval of the proposed amendment.

Dr. Infante concurred with Regent Wynia's concerns regarding University administrators, faculty, and staff participating in institutions like The Graduate School of America. He noted that the Regents' Policy on Consulting and Outside Affiliations - Outside Consulting, Service Activities, and Other Work would govern such activities, and agreed to provide the Board with a list of individuals who choose to participate.

Student Representative Jensch asked if HECB's approval of The Graduate School of America programs could be viewed as criticism of the University's Ph.D. programs. Dr. Infante stated that his sense is that HECB approved the programs to respond to needs in the market not satisfied by the University. In response to Regent Sahlstrom, Dr. Infante discussed the University's internal program review process.

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

RESOLVED, that the Senior Vice President's Monthly Report is hereby approved.

RESOLVED, FURTHER, that Chair Keffeler be encouraged to place an item on the agenda of the Intersystem Council related to the University's concern about the process to ensure appropriate oversight and quality control of graduate programs offered in the state.

TWIN CITIES HIGHER EDUCATION PARTNERSHIP

Bachelor of Business Studies Degree

Senior Vice President Infante presented the proposal to establish a Bachelor of Business Studies Degree to the committee for approval. He introduced Dr. Steven Wallace and Dr. Cheryl Frank, President and Dean of Instruction, respectively, of Inver Hills Community College; and Dr. Mary Nichols, Associate Dean of the Carlson School of Management.

A motion was made and seconded to recommend approval of the proposed Bachelor of Business Studies Degree.

Associate Provost Cabral stated that the proposed program combines the strongest assets of the University and the Community College System, and is responsive to a specific need in the community. He noted that the program will be offered on an experimental basis, and a decision will be made in four or five years regarding whether or not to proceed. Dr. Cabral reported that the program budget has been adjusted, and the net increase is approximately \$11,000. He also noted that the program will receive faculty endorsement after Board approval, and every effort will be made to ensure the program does not go forward without proper review by the faculty governance structure.

In response to issues raised by Regents Sahlstrom and Hogan, Dr. Cabral, Dr. Wallace, and Dr. Nichols discussed how tuition will be charged to students, the collaborative nature of the program, how program quality will be monitored, and the governance structure that will provide oversight for the program.

In response to Student Representative Aleman, Dr. Cabral discussed the role of graduate research and teaching assistants in the proposed program. In further response to Mr. Aleman, Dr. Wallace and Dr. Franks discussed diversity initiatives at Inver Hills Community College, including the Minority Intern Program.

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

WHEREAS, the Chancellors of the Minnesota Community College System, the Minnesota Technical College System, and the State University System, the President of the University of Minnesota, and the Executive Director of the Minnesota Higher Education Coordinating Board, have agreed to commit their organizations, especially those components located in the Twin Cities metropolitan area, to the development of an effective and efficient Higher Education Partnership in the Twin Cities area;

WHEREAS, the Board of Regents recognizes the importance of collaboration in making the most effective and efficient use of existing resources in higher education and endorses this partnership endeavor;

WHEREAS, the University of Minnesota and the Minnesota Community College System have entered into a collaborative arrangement for developing and offering an experimental practitioner-

oriented bachelor's degree program in the area of general business studies;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents of the University of Minnesota approves the Bachelor of Business Studies degree program described in the attached Academic Program Proposal Summary and directs the administration to forward this program to the Minnesota Higher Education Coordinating Board for review and approval.

BE IT FURTHER RESOLVED, that following review by the Minnesota Higher Education Coordinating Board, the Bachelor of Business Studies degree program will be presented for the usual consideration by the Board of Regents, in the context of continuing review of the University's financial situation.

UNIVERSITY OF MINNESOTA, CROOKSTON TECHNOLOGY INITIATIVE

Senior Vice President Infante presented the following resolution related to the University of Minnesota, Crookston (UMC) technology initiative to the committee for approval:

RESOLVED, that the Administration is authorized to establish a mandatory technology access fee of \$235 per quarter for full-time students beginning in Fall 1993 to provide notebook computers bundled with software and access to other site licensed software available through ports on the campus local area network (LAN), and access to printers, Internet, Gopher, and on-line catalogs.

Dr. Infante and Chancellor Sargeant spoke in support of the proposed resolution. Dr. Sargeant reviewed the process by which the fee was deemed necessary, and he discussed the value that will be added to the educational experience as a result of the technology access fee.

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

Regent Hogan expressed concern about charging additional fees to students beyond tuition and regular student services fees, and asked about the vendor selected. Dr. Sargeant stated that technology changes and increases in the operations and maintenance budget may result in a lower fee over time. He noted that IBM was selected as the vendor because of resale and available service and support for faculty and students.

Regent Sahlstrom expressed concern about students who may not be able to afford the proposed fee. Chancellor Sargeant indicated that because the fee is mandatory, it qualifies as part of the financial aid package.

In response to Regent Wynia, Dr. Sargeant stated that the equipment will be owned by the University, noting that the intent is to provide the computer to students at the end of four years.

Student Representative Donarski spoke in support of the proposal, and commended Chancellor Sargeant and the UMC administration for their initiative in this area.

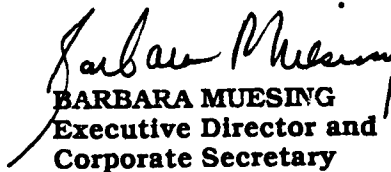
Following the discussion, the committee voted unanimously to recommend approval of the proposed resolution.

ANNUAL PLAN TO ADD OR DISCONTINUE ACADEMIC PROGRAMS

Senior Vice President Infante presented a report on programs added, modified, and discontinued from September 1992 through July 1993, and reviewed a proposal for an M.S./Ph.D. in Scientific Computation.

Regent Sahlstrom indicated that the program proposal will be presented for approval at the October meeting.

The meeting adjourned at 11:20 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

September 9, 1993

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, September 9, 1993, at 1:40 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Anderson, Bleyhl, Hogan, Keffeler, Neel, Page, Perlman, Reagan, Rosh, Sahlstrom, and Wynia. President Hasselmo presided.

Staff present: Senior Vice Presidents Erickson and Infante; Vice President Chou; General Counsel Rotenberg; Executive Director Muesing; University Attorneys Bohnhorst, Donohue and Gildea; Special Assistant to the President Wallin; Associate to the President O'Brien; University Relations Director Fluor.

Others present: Jan Symchych, Dorsey and Whitney; Jonathan Kahan, Hogan & Hartson; and Lorie Gildea.

The meeting was called to order and a motion was moved and seconded that the following resolutions be approved:

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705 Subd. 1d, a non-public meeting of the Board of Regents be held at 1:40 p.m. on Thursday, September 9, 1993, in Room 238, Morrill Hall, for the purpose of discussing attorney-client privileged matters.

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705 Subd. 1a, a non-public meeting of the Board of Regents be held following the non-public meeting to discuss attorney-client privileged matters on Thursday, September 9, 1993, in Room 238, Morrill Hall for the purpose of considering strategy for labor negotiations and discussion and review of labor negotiation proposals.

The Board of Regents voted unanimously to approve the resolutions.

The meeting adjourned at 1:45 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

September 10, 1993

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, September 10, 1993, at 8:35 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Keffeler, presiding; Regents Bleyhl, Hogan, Neel, Page, Perlman, Reagan, Roshka, Sahlstrom, and Wynia.

Staff present: President Hasselmo; Chancellors Ianni, Johnson, and Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Hopkins, and Petersen; Deputy Vice Presidents Chou and Elzay; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Johnson, Markham, O'Connor, Paschke, Perlmutter, and Potami; Assistant Vice President Vikmanis; Special Adviser Wallin.

Student Representative present: Rachel Paulose.

RECOGNITIONS/INTRODUCTIONS

Northern States Power Company - University Energy Conservation Effort

Senior Vice President Erickson introduced David Grimsrud, Director of the University Building Energy Efficiency Project (UBEEP), Associate Vice President Markham, and Ed Theisen, President of Northern States Power Company (NSP). Mr. Theisen presented a \$1.5 million rebate check resulting from the University's investment in energy-efficient lighting on the Twin Cities campus. In addition, savings in excess of \$1 million per year are being generated from this project. Mr. Theisen stated that it has been a pleasure working in cooperation with the University, and noted this is the largest single rebate check NSP has presented.

Officer Marianne Olson

Associate Vice President Tschida introduced University Police Officer Marianne Olson. Regent Keffeler presented a Certificate of Appreciation to Officer Olson for her successful efforts to save the life of an individual on August 7, 1993.

Joy Rikala, University Police Chief

Associate Vice President Tschida introduced Joy Rikala, the new University Police Chief. He stated that she has excellent credentials, and noted that she is the first female head of a police department of this size within the State of Minnesota.

Dr. Francis Kulacki, Dean of the Institute of Technology

Vice President Hopkins introduced Dr. Francis Kulacki, the new Dean of the Institute of Technology. She noted that he received his Ph.D. in Mechanical

implemented to ensure diverse excellence in both programs. She indicated that the Board will help the President communicate this plan and listen to feedback.

President Hasselmo concurred with comments that the Board and the administration remain committed to excellence and diversity in implementation of the plan.

With regard to the proposed two-prong approach for the Twin Cities campus, Regent Sahlstrom stressed the importance of ensuring the quality of instruction in both units. President Hasselmo agreed, stating that the plan rests squarely on students' needs and how those needs can best be served.

Regent Wynia questioned the term "Research University", stating that she has heard concerns that the research component of the mission has been elevated. She noted that research should be preserved and strengthened, but not at the expense of instruction and service to the community. President Hasselmo stated that the University has been a research institution throughout its history, and high quality graduate, professional, and undergraduate education are important components. He noted that unique intellectual resources are created through research, scholarship, and artistic activities, and the proposal encompasses all those elements in a harmonious relationship. Regent Keffeler suggested that as discussions are held regarding "University 2000," it is important to clarify the University's commitment to improve the undergraduate experience.

Regent Neel expressed the belief that "University 2000" may be viewed historically as the most comprehensive strategic plan brought before a land grant institution, noting that the proposed changes and improvements are welcome.

Regent Perlman stated he believes it is important not to dilute President Hasselmo's message. He noted that the President is articulating a vision of the University as one of the leading research institutions in the world, and that the proposal for cooperative ventures with other institutions would put the University at the forefront of what is happening in higher education.

STATUS REPORT ON HEALTH SCIENCES STRATEGIC DIRECTIONS AND ORGANIZATIONAL STRUCTURE

President Hasselmo introduced the status report on Health Sciences strategic directions and organizational structure, noting that he chairs a Steering Committee comprised of Senior Vice Presidents Erickson and Infante, Deputy Vice Presidents Chou and Elzay, and Mr. Winston Wallin, which is implementing management changes in the Health Sciences.

Mr. Wallin led the discussion, and noted that he has received excellent cooperation from people in the Health Sciences. He indicated that the Competitive Issues Task Force, which included representatives from across the Health Sciences, addressed strategic and organizational issues for the institution and came to total consensus on how to proceed.

Mr. Wallin discussed the teaching, research, and patient care components of the mission of the Health Sciences. He stated that the Health Sciences must be good at all three components, and the importance of patient care must be elevated.

Mr. Wallin stated that the structure of the Health Sciences has resulted in a lack of strong leadership, adding that the biggest challenge to those providing leadership in the future will be to compete in an intensely competitive market. Mr. Wallin stated that

with proper organization, the University's unique strengths should enable it to provide the best medical care available.

Mr. Wallin stated that the worst case scenario would be the collapse of the University Hospital and Clinic. To avoid that outcome, he stressed the urgency of implementing a new organization plan for the Health Sciences and hiring individuals to serve as Provost, who would report directly to the President; Dean of the Medical School, whose role would be strengthened; President of the University of Minnesota Health System, a new entity which would join the doctors and the Hospital; and Chief Financial Officer. He stated that individuals must be hired as soon as possible to fill those positions. Mr. Wallin also noted that the role of the Board of Governors has been discussed, but it has not been resolved.

President Hasselmo noted that the proposed plan involves a reorganization of central administration in general. He stated that he will present a broader context for the reorganization at the October meeting, and intends to begin implementation of key appointments in the Health Sciences immediately after that meeting.

In response to an issue raised by Regent Bleyhl, Mr. Wallin stated he believes that support of medical research at the federal level will continue to be strong in the future.

Regent Perlman thanked Mr. Wallin and Deputy Vice Presidents Chou and Elzay for their efforts on behalf of the Health Sciences. He concurred with the conclusion that the Health Sciences must compete within a managed care system, but noted that the state has an obligation to provide continued funding so that the Health Sciences can fulfill its teaching and research missions. He stated that the role of the Chief Financial Officer must be addressed, and that the individual in this position must be given strong authority in areas including the private practice plans.

Regent Wynia expressed concern regarding whether implementation of an organizational structure that further separates the Health Sciences from the rest of the University is the right direction to move. She conveyed that the Board of Regents will not be in a position to exercise oversight if this vital element of the institution is redirected. Mr. Wallin stated that if the proper relationship is established between the Health Sciences and central administration, the Board will have more knowledge and better control than currently exists.

In response to Regent Reagan, President Hasselmo stated that the proposed organization includes essential linkages between the Health Sciences and central administration. He noted that the underlying philosophy of the proposal is that more clarity in the Health Sciences organization will result in more effective controls.

Regent Keffeler stated that the new structure must give the Health Sciences organization flexibility to compete and achieve excellence, while providing administrative controls that allow the Board and the President to exercise effective governance. She indicated that the Board needs specific information regarding the relationship between the Health Sciences and plans to organize the overall University.

In response to Regent Hogan, Mr. Wallin noted that the state is putting integrated service networks on line July 1, 1994. For this and other reasons, he stated that the University must move quickly to implement organizational changes in the Health Sciences.

In response to Regent Neel, Mr. Wallin stated that job descriptions for the proposed positions will be developed by October. President Hasselmo stated that on the assumption that the proposed organizational structure will be approved by the Board in October, he intends to proceed with the searches immediately.

with proper organization, the University's unique strengths should enable it to provide the best medical care available.

Mr. Wallin stated that the worst case scenario would be the collapse of the University Hospital and Clinic. To avoid that outcome, he stressed the urgency of implementing a new organization plan for the Health Sciences and hiring individuals to serve as Provost, who would report directly to the President; Dean of the Medical School, whose role would be strengthened; President of the University of Minnesota Health System, a new entity which would join the doctors and the Hospital; and Chief Financial Officer. He stated that individuals must be hired as soon as possible to fill those positions. Mr. Wallin also noted that the role of the Board of Governors has been discussed, but it has not been resolved.

President Hasselmo noted that the proposed plan involves a reorganization of central administration in general. He stated that he will present a broader context for the reorganization at the October meeting, and intends to begin implementation of key appointments in the Health Sciences immediately after that meeting.

In response to an issue raised by Regent Bleyhl, Mr. Wallin stated he believes that support of medical research at the federal level will continue to be strong in the future.

Regent Perlman thanked Mr. Wallin and Deputy Vice Presidents Chou and Elzay for their efforts on behalf of the Health Sciences. He concurred with the conclusion that the Health Sciences must compete within a managed care system, but noted that the state has an obligation to provide continued funding so that the Health Sciences can fulfill its teaching and research missions. He stated that the role of the Chief Financial Officer must be addressed, and that the individual in this position must be given strong authority in areas including the private practice plans.

Regent Wynia expressed concern regarding whether implementation of an organizational structure that further separates the Health Sciences from the rest of the University is the right direction to move. She conveyed that the Board of Regents will not be in a position to exercise oversight if this vital element of the institution is redirected. Mr. Wallin stated that if the proper relationship is established between the Health Sciences and central administration, the Board will have more knowledge and better control than currently exists.

In response to Regent Reagan, President Hasselmo stated that the proposed organization includes essential linkages between the Health Sciences and central administration. He noted that the underlying philosophy of the proposal is that more clarity in the Health Sciences organization will result in more effective controls.

Regent Keffeler stated that the new structure must give the Health Sciences organization flexibility to compete and achieve excellence, while providing administrative controls that allow the Board and the President to exercise effective governance. She indicated that the Board needs specific information regarding the relationship between the Health Sciences and plans to organize the overall University.

In response to Regent Hogan, Mr. Wallin noted that the state is putting integrated service networks on line July 1, 1994. For this and other reasons, he stated that the University must move quickly to implement organizational changes in the Health Sciences.

In response to Regent Neel, Mr. Wallin stated that job descriptions for the proposed positions will be developed by October. President Hasselmo stated that on the assumption that the proposed organizational structure will be approved by the Board in October, he intends to proceed with the searches immediately.

Regent Keffeler noted that the Board sent a signal in the President's annual assessment that it understands the urgency of the situation in the Health Sciences. She stated that after the broad governance issues are addressed, the Board will enthusiastically support an expedited search process.

Regent Sahlstrom suggested that lines of consultation and clarification of roles should be clearly delineated on the organizational chart. In response, Mr. Wallin stated that there will be consultation with other public institutions regarding the changing health care system.

In response to Regent Wynia, Mr. Wallin stated he believes that the Provost should be a medical doctor or have a Ph.D. in a scientific pursuit related to the medical arena, the Dean of the Medical School must be a medical doctor, and the President of the University Health System could be a medical doctor or a business person.

Regent Keffeler noted that the Board is generally supportive of the proposed organizational structure, and stated that the nature of the questions raised related specifically to issues of governance and the relationship of the Health Sciences to the University.

STATUS REPORT ON MEDICAL SCHOOL MANAGEMENT

Deputy Vice President Chou presented a status report on the Medical School management review. He noted that he has received good support within the Medical School and central administration, in addition to support from the external medical community. As a result of the Deloitte Touche study and direction by the Board of Regents, Dr. Chou noted that progress has been made as follows:

- Development of a first draft of recommendations for the structure and management of the Medical School;
- Appointment of a Task Force to study and improve communication within the Medical School by changing the current governance structure by amending the Medical School Constitution and Bylaws;
- Evaluation of all department heads during 1993-94, including anonymous input from faculty;
- Initiation of external reviews of selected departments, including Neurology, Family Practice and Community Health, and Obstetrics and Gynecology;
- Development of policies to assure accountability of gifts and contributions and individual faculty members, and efforts to improve the relationship between the Medical School and the Minnesota Medical Foundation; and
- Review of policies regarding University relationships with industry to prevent ambiguity and to assure accountability.

Regent Keffeler asked that the next status report include a timetable for completing the actions under review. She stated it is clear that the Medical School and Board have a common view of the questions, concerns, and opportunities facing the Medical School.

Regents Page and Keffeler acknowledged the efforts of Dr. Chou, and Regent Keffeler thanked Dr. Chou for his presentation.

NON-MEDICAL SCHOOL HEALTH SCIENCES PRIVATE PRACTICE PLAN POLICIES

Senior Vice President Infante and Deputy Vice President Elzay indicated that the material related to non-Medical School Health Sciences private practice plan policies was removed from the docket because it needed further clarification. It was noted that practice plan policies for the School of Dentistry and the School of Nursing will be presented for review at the October meeting.

Dr. Elzay noted that the School of Dentistry has clinical income and an associated private practice. The School of Nursing does not currently have clinical income or private practice, but a policy will be presented because the school intends to create a private practice. The activities of other non-Medical School Health Sciences colleges currently operate under the Regents' consulting policy.

Regent Keffeler thanked Dr. Infante and Dr. Elzay for the explanation, noting that this item will be reviewed at the October meeting.

ANNUAL REPORT OF THE MINNESOTA SUPERCOMPUTER CENTER, INC.

President Hasselmo introduced the discussion, and indicated that the Minnesota Supercomputer Center, Inc. (MSCI) is an example of an innovative way for the University to interact with the private sector. He noted that several problems associated with the establishment of a new organization have been resolved, and acknowledged the efforts of the MSCI Board of Directors and its Chair, Stephen Pflaum.

Mr. Pflaum reviewed the MSCI Annual Report of MSCI. He reported that the Center had net income of approximately \$1.8 million, which has been reinvested in working capital of the company. He noted that marketplace uncertainty related to MSCI's role in the University community and the economic impact on corporate research and development activities may significantly affect future revenues and profits. However, Mr. Pflaum stated that MSCI management believes the company has found a special niche that has been profitable in the past and provides potential for future success.

Mr. Pflaum reported that MSCI will give the Legislative Auditor complete access to all the information under its control. He noted that the Legislative Auditor will have responsibility for determining what information is required by law to be treated as trade secret information. He stated that the Legislative Auditor has been asked by the Legislative Audit Commission to perform two audits of MSCI.

Mr. Pflaum discussed efforts by MSCI management and the Chair of the University Supercomputer Institute to amend the current contract in order to clarify what is being provided to the University and the terms and conditions of that obligation.

In response to Regent Hogan, Senior Vice President Infante and Mr. Pflaum discussed efforts to resolve the issues raised by the external review panel. Regent Hogan noted that the Regents' Audit Committee passed a resolution directing the administration to notify the committee regarding matters of concern or disagreement between the Legislative Auditor, the Legislative Audit Commission, and MSCI during the current audit process and in subsequent operations. Mr. Pflaum stated that the MSCI Board will communicate any issues of concern or disagreement related to the legislative audit to the Audit Committee.

Regent Keffeler stated that the Board of Regents must have assurance that the mission of MSCI is understood to be that of serving the best interests of the University of Minnesota. She stated that the Board needs to be informed of any issues of concern to the Legislative Audit Commission, and that those issues must be resolved quickly.

President Hasselmo stated that he has been working with Mr. Pflaum and the MSCI Board to implement recommendations made in his June 1993 report, and noted that substantial progress has been made. He has asked Vice President Petersen to enter into a supervisory role related to MSCI's relationship with the University and the Supercomputer Institute. He reported that the two Senior Vice Presidents no longer will serve on the MSCI Board, and will be replaced by Professor Stephen LeRoy, Department of Finance in the Carlson School of Management, and Professor Ahmed Sameh, Department of Computer Science.

Following the discussion, Regent Keffeler thanked Mr. Pflaum for his report and offered the Board's assistance if there are ways it can help the MSCI Board achieve its objectives.

The meeting adjourned at 11:15 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

September 10, 1993

A meeting of the Board of Regents of the University of Minnesota was held on Friday, September 10, 1993, at 11:25 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Bleyhl, Hogan, Keffeler, Neel, Page, Perlman, Reagan, Rosha, Sahlstrom, and Wynia. President Hasselmo presided.

Staff present: Chancellor Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Hopkins, and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; and Associate Vice Presidents Carrier, Fischer, and Paschke.

APPROVAL OF MINUTES

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

Committee of the Whole - July 7, 1993
Audit Committee - July 7, 1993
Facilities Committee - July 8, 1993
Financial Operations & Legislative Committee - July 8, 1993
Faculty, Staff & Student Affairs Committee - July 8, 1993
Educational Planning & Policy Committee - July 8, 1993
Committee of the Whole - July 8, 1993
Board of Regents - July 8, 1993
Committee of the Whole - July 9, 1993
Board of Regents - July 9, 1993

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to "University 2000: The University of Minnesota for the 21st Century"; the University of Minnesota's Agenda - Quality, Change, and Accountability; community building activities; and personnel items.

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

REPORT OF THE CHAIR

Chair Keffeler reported that the Regents will be holding an open forum on the Crookston Campus on September 30.

RECEIVE AND FILE REPORTS

President Hasselmo noted the receipt and filing of the Quarterly Report on Grants and Contracts.

GIFTS

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

He noted the gift commitment from Curtis L. Carlson of \$10 million to the Curtis L. Carlson School of Management to build a state of the art facility for undergraduate, graduate and lifelong business education of entrepreneurs, managers and executives.

Regent Perlman moved that a resolution be sent to Mr. Carlson on behalf of the Board expressing its profound and heartfelt appreciation for his latest gift and especially his abiding friendship and extraordinary support of his alma mater.

The motion was seconded and the Board of Regents voted unanimously to approve the motion.

The Board of Regents voted unanimously to approve the gifts as presented.

REPORT OF THE COMMITTEE OF THE WHOLE September 10, 1993

Regent Keffeler, Chair of the committee, reported that the committee received a report on Strategic Planning; reviewed status reports on Health Sciences Strategic Directions and Organizational Structure and on Medical School Management. The committee also briefly discussed the Non-Medical School Health Sciences Private Practice Plan policies and reviewed the annual report of the Supercomputer Center. In addition, the committee also recognized several individuals and received a check from Northern States Power Company in the amount of \$1.5 million as a rebate resulting from the University's investment in energy-efficient lighting on the Twin Cities campus.

Regent Keffeler noted as follow up to the non-public meeting relating to labor negotiation strategies, that the Regents' Policy on Board Operation and Agenda Guidelines includes a provision for negotiating parameters to be reviewed by the Chair of the Board during the negotiating process. The Policy also states that the Regents must approve all negotiated labor agreements.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

- a) Approval of resolution re Senior Vice President's Monthly Educational Planning and Policy Report as presented in the docket material and amended as follows:

RESOLVED, that the Senior Vice President's Monthly Report is hereby approved.

RESOLVED, FURTHER, that Chair Keffeler be encouraged to place an item on the agenda of the Intersystem Council related to the University's concern about the process to ensure appropriate oversight and quality control of graduate programs offered in the state.

- b) Approval of resolution re Twin Cities Higher Education Partnership, Bachelor of Business Studies Degree, as follows:

WHEREAS, the Chancellors of the Minnesota Community College System, the Minnesota Technical College System, and the State University System, the President of the University of Minnesota, and the Executive Director of the Minnesota Higher Education Coordinating Board, have agreed to commit their organizations, especially those components located in the Twin Cities metropolitan area, to the development of an effective and efficient Higher Education Partnership in the Twin Cities area;

WHEREAS, the Board of Regents recognizes the importance of collaboration in making the most effective and efficient use of existing resources in higher education and endorses this partnership endeavor;

WHEREAS, the University of Minnesota and the Minnesota Community College System have entered into a collaborative arrangement for developing and offering an experimental practitioner-oriented bachelor's degree program in the area of general business studies;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents of the University of Minnesota approves the Bachelor of Business Studies degree program described in the attached Academic Program Proposal Summary and directs the administration to forward this program to the Minnesota Higher Education Coordinating Board for review and approval.

BE IT FURTHER RESOLVED, that following review by the Minnesota Higher Education Coordinating Board, the Bachelor of Business Studies degree program will be presented for the usual consideration by the Board of Regents, in the context of continuing review of the University's financial situation.

- c) Approval of resolution re University of Minnesota, Crookston Technology Initiative, as follows:

RESOLVED, that the Administration is authorized to establish a mandatory technology access fee of \$235 per quarter for full-time students beginning in Fall 1993 to provide notebook computers bundled with software and access to other site licensed software available through ports on the campus local area network (LAN), and access to printers, Internet, Gopher, and on-line catalogs.

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

Regent Sahlstrom reported that the committee also reviewed an annual plan to add or discontinue academic programs and reviewed a proposal for a M.S./Ph.D. in Scientific Computation.

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

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

- a) Approval of resignation of Dr. Robert E. Anderson as Vice President for Health Sciences, effective August 11, 1993.
- b) Approval of adoption of revised Regents' Policy on Nepotism, as follows:

FACULTY AND STAFF

Nepotism

The University of Minnesota acts in accord with the public policy to encourage and foster, to the fullest extent practicable, the employment of properly qualified persons regardless of their age, race, religion, creed, color, disability, sex, marital status, public assistance, veterans status, sexual orientation or national origin.

Except as authorized in writing by the Senior Vice President for Academic Affairs, the University does not permit persons who are related through blood, marriage or other committed relationships to participate in decisions to hire, retain, promote or determine the salary of the other person, or to be responsible for the evaluation, supervision or assignment of the work of the other person. Any employment relationship which contravenes the requirements of the previous sentence must be identified and submitted in writing to the Senior Vice President for Academic Affairs.

The Senior Vice President for Academic Affairs may authorize reporting arrangements which prevent violations of this policy and/or authorize exceptions from this policy when s/he determines in writing that it is in the best interest of the University, that there is no reasonable alternative, enters into a written agreement with the involved persons, and provides for annual monitoring.

- c) Approval of the Senior Vice President's Monthly Faculty, Staff & Student Affairs Report as presented in the docket material.
- d) Approval of resolution re Domestic Partners Benefits, as follows:

WHEREAS, the Board of Regents' existing policy "Equal Opportunity in Employment" was amended on May 9, 1986 to expressly forbid discrimination in programs, facilities, and employment policies and practices related to an employee's sexual orientation;

WHEREAS, benefits, including health care, are now extended to the spouses of married employees/students and to the children of these spouses, but not to same sex domestic partners nor to the children of these domestic partners;

WHEREAS, same sex domestic partners do not have the opportunity to "marry" under current State of Minnesota law;

WHEREAS, the University desires to maintain a workplace that is equitable for all employees;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents supports the extension of eligibility for benefits coverage, including health care, to same sex domestic partners and their children consistent with the eligibility for spouses of married employees/students and the children of these spouses.

BE IT FURTHER RESOLVED, that the Board of Regents authorizes the administration to pursue coverage under the Minnesota State Employee Group Insurance Program as the first choice but, failing to secure this option, pursue other options for this group of employees.

- e) Approval of resolution re Plan for Reporting Regarding Minority Affairs and Diversity, as follows:

RESOLVED, that the Board of Regents supports Associate Vice President Johnson's recommendation regarding the need for dedicated time for the Board and the administration to discuss diversity issues and asks that President Hasselmo and the Board officers arrange such an opportunity.

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

Chair Neel reported that the committee also reviewed a proposed Regents' Policy on Faculty and Staff Personnel that will be presented in October for adoption.

REPORT OF THE FACILITIES COMMITTEE

Regent Roshia, 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 in the docket material and filed in the Regents' Office.
- b) Adoption of the modification to the Regents' Policy on Delegation of Authority - General Delegations as follows:

DELEGATION OF AUTHORITY

General Delegations

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

Corporate Officers

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

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

The president and his/her designee are hereby authorized and empowered to establish the position of the University regarding all representation, collective bargaining and dispute resolution issues involving unions, including those representing Hospital employees in any University-wide bargaining units established under the Public Employee Labor Relations Act ("PELRA"), and shall consult with the UMHC Board of Governors and appropriate Hospital officials relative to issues affecting Hospital employees, provided, however, that pursuant to the Board of Regents' Policy on Board Operation and Agenda Guidelines, the Regents shall approve all labor agreements, and negotiating parameters shall be reviewed with the Chair of the Board of Regents before and during the negotiating process.

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

1. Execute all contracts, agreements, and all other documents and instruments relating to research, training and public service programs with the Government of the United States, or its agencies or subdivisions, and with nonfederal sponsors.
 - a) This authority is also extended to: the associate vice president of the Office of Research and Technology Transfer Administration; the director of patents and licensing, and the assistant directors, of the Office of Research and Technology Transfer Administration.

2. Submit proposals for research, development, service and training contracts, subcontracts, and grants and execute same.
 - a) This authority is also extended to: the associate vice president of the Office of Research and Technology Transfer Administration; the director of patents and licensing; the assistant directors of the Office of Research & Technology Transfer Administration; and the chancellor, vice chancellor for finance and operations, assistant to the vice chancellor for finance and operations, and director of the Business Office, vice chancellor for academic administration, and associate vice chancellor for academic administration of the University of Minnesota, Duluth.
3. Accept gifts offered without unusual conditions or restrictions.
4. Accept low bids, within available funds, for the construction of University facilities.
 - a) This authority is also extended to the assistant vice president for facilities management.
5. Negotiate and consummate real estate transactions within policies established by the Board of Regents.
6. Designate and commission architects, engineers, and consultants as needed for University purposes.
 - a) This authority is also extended to the associate vice president for facilities management and the associate vice president for campus planning and real estate for activities related to that function.
 - b) The authority to retain consultants other than architects and engineers for University services is extended to the assistant vice president of business services and director of purchasing services.
 - c) The authority to retain consultants other than architects and engineers for University services not exceeding \$25,000 is extended to the chancellors and the provost of the Twin Cities campus, and the associate vice president of the Office of Research & Technology Transfer Administration.

- d) The authority to retain consultants other than architects and engineers for University services not exceeding \$2,000 is extended to the deans of all University colleges and equivalent administrative officers.
 - e) The authority to retain consultants including architects and engineers for University services on the Duluth campus not exceeding \$2,000 is extended to the Vice Chancellor, Finance and Operations for the Duluth campus.
7. Execute contracts, agreements, and all other instruments relating to:
- a) New building construction, building and equipment alterations, and improvements.
 - 1) This authority is also extended to the assistant vice president for facilities management.
 - b) Purchase, sale and lease of supplies, goods, furniture, fixtures and equipment.
 - 1) The authority to purchase equipment and supplies is also extended to the assistant vice president of business services and director of purchasing services.
 - c) Trusts, gifts, grants, bequests and donations and the correct assignments of such.
 - d) Intercollegiate athletics.
 - e) Lease and rental of equipment and facilities for University purposes.
 - 1) The authority to lease and rent equipment for University purposes is also extended to the assistant vice president of business services and director of purchasing services.
 - f) Fringe benefit program for University employees. The authority to execute administrative documents required for the operation of the fringe benefit programs is extended to the assistant director for employee benefits, the employee benefits operations manager, and the employee benefits program manager.
 - g) Corporate liability and property insurance.

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

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

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

3. The correct assignment and transfer of gift funds made to the University of Minnesota to the appropriate foundation or group so that the intended purpose of the donor is achieved.

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

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

Secretary

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

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

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

Titles modified in November 1991 and January 1993 pursuant to Regents' Policy on Policies adopted March 8, 1991.

- c) Approval of resolutions re Real Estate Transactions previously reviewed, as follows:

1. Purchase of 501 Gold Street, Duluth:

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 purchase of the property at 501 Gold Street,

Duluth, for the sum of \$40,000 from Gary and Kelly Kniep.

2. Sale of Opsahl Trust Property, Duluth:

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 sale of the Opsahl Trust Property, Duluth, for the sum of \$33,000 to James M. and Suzanne M. Ross.

3. Sale of Former Dormitory Building, Waseca Campus:

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 sale of the former dormitory buildings in Waseca to Wayzata Properties, Inc., for the sum of \$450,000.

4. Sale of 1.5 Acres at West Central Experiment Station, Morris to Stevens County Developmental Achievement Center:

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 sale of approximately 1.5 acres of land at Morris to the Stevens County Developmental Achievement Center for the sum of \$3,500.

5. Sale of 3.14 Acres at West Central Experiment Station, Morris:

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 sale of approximately 3.14 acres of land at Morris to Riley Bros. Properties for the sum of \$6,113.71.

6. Acquisition of Group Health Property at 2829 University Avenue SE, Minneapolis:

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 purchase of the property at 2829 University Avenue SE and 2721 Fourth Street SE for the sum of \$3 million.

- d) Approval of resolution re FY '94 Capital Request Amendment for Archives Facility, as follows:

WHEREAS, the \$30 million FY 1994 Capital Request approved by the Board of Regents for the Archives Facility identified Construction Costs only; and

WHEREAS, it is essential that the request submitted to the Legislature reflect the total project cost of \$41,286,000;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents authorizes the Administration to seek state bonding for the Archives Facility in the amount of \$41,286,000; and

BE IT FURTHER RESOLVED, that approval is conditional on the Administration receiving from the executive and legislative branches exemption from the one-third debt service obligation.

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

Regent Perlman noted for the record that he abstained from voting on the acquisition of the Group Health Property due to a conflict of interest pursuant to the Code of Ethics for members of the Board of Regents.

Regent Rosha reported that the committee also received a presentation from representatives of the National Park Service regarding its position on the Mississippi National River and Recreation Area and the University's authority for development. A proposed resolution had been presented by administration for approval at the committee and at the request of committee members action had been delayed until this meeting to give the representatives from the National Park Service time to review the resolution.

Regent Rosha called on Associate Vice President Markham for further details.

Ms. Markham reported that the following resolution had been reviewed by representatives of the National Park Service and the following is presented for the Board's approval:

WHEREAS, the Mississippi National River and Recreation Area (MNRRA) was established by Congress to (1) protect, preserve, and enhance the significant values of the Mississippi River Corridor through the Twin Cities metropolitan area, (2) encourage coordination of federal, state and local programs, and (3) provide a management framework to assist the state of Minnesota, and units of local government in the development and implementation of integrated resource management programs and ensure orderly public and private development in the area; and

WHEREAS, the University of Minnesota is a land grant educational institution created by territorial charter and perpetuated in the constitution of the State of Minnesota with powers

and rights granted by the State Legislature including but not limited to the authority to plan for and control the development of land under its jurisdiction; and

WHEREAS, the Regents of the University are empowered to act on behalf of the University regarding matters of land use development; and

WHEREAS, the intent of the Congressional Legislation was to develop an integrated resource management plan for the Mississippi National River and Recreation Area; and

WHEREAS, the University of Minnesota is committed to developing policies and programs, and taking actions that: (1) preserve and enhance the environmental values of the campus including that portion along and adjacent to the river, (2) enhance the public recreational opportunities, both passive and active, on the campus including that portion along and adjacent to the river, (3) conserve and protect the scenic, historical, cultural, and natural values of the campus including that portion along and adjacent to the river, and (4) use the campus including that portion along and adjacent to the river for instructional, research, service, and support activities (including the generation of steam and electricity) consistent with the protection of the regentally adopted values that guide campus development and the preservation of natural resources for which the legislation was intended; and

WHEREAS, the Critical Areas Act passed by the 1973 Minnesota Legislature, provides "a process for planning and managing an area of regional and statewide public interest," and allows local units of government, regional development commissions and state agencies to designate, plan for and manage an area of "more than local significance containing or affecting important historic, cultural, or aesthetic values or natural systems," and

WHEREAS, the Long Range Development Plan (LRDP) for the Minneapolis Campus and the Mississippi River Corridor Critical Area Plan developed by the University as an addendum to the Minneapolis Campus LRDP, was adopted by the Regents and accepted by the Metropolitan Council, as the coordinating agency, following a determination of consistency with the provisions of the Order of Designation, by the Environmental Quality Board (EQB), and

WHEREAS, the Facilities Committee of the Board of Regents was advised by representatives of the National Park Service that the legislation creating MNRRA clearly states that the National Park Services has no regulatory authority over lands within a 300 foot corridor on either side of the Mississippi River that it does not own in fee title, that continued operation of the Southeast Steam Plant is not believed to be an inappropriate use within this corridor, and that the University's Master (Campus) Plan is the guiding document for major development on campus; and

WHEREAS, the University is in support of those actions by the State of Minnesota pertaining to Sustainable Development Initiatives and would support any plan that ensures the implementation of these initiatives;

NOW, THEREFORE, BE IT RESOLVED THAT, the Regents of the University of Minnesota embrace the original intent of the Mississippi National River and Recreation Area (MNRRA) Congressional Legislation to provide a framework to balance "use" and "preservation" needs without waiving any of the powers or rights constitutionally granted or otherwise bestowed on the University.

The Board of Regents voted unanimously to approve the resolution as presented.

Regent Rosha reported that the committee also reviewed the quarterly report on the FY94 Capital Improvement Budget; reviewed a proposed capital improvement budget amendment relating to remodeling of School of Nursing Laboratory rooms; and received a report on the Minnesota Landscape Arboretum.

REPORT OF THE FINANCIAL OPERATIONS & LEGISLATIVE COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Financial Operations and Legislative Report including accounts receivable, central reserves, debt management, and miscellaneous items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution re Purchase of Goods/Services Over \$250,000, as follows:

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

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

Chair Page reported that the committee also reviewed a proposal for the extension of a contract with Health Partner Inc., as the provider of health care for the University of Minnesota graduate assistants; reviewed the Quarterly Purchasing Report; received a report on Plant Funds and a status report on CUFS. In addition, the committee received a legislative update from Mr. Thomas Etten, Director of Federal Relations.

REPORT OF THE AUDIT COMMITTEE

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


- a) Approval of resolution re Legislative Audit Commission, as follows:

RESOLVED, that the administration be directed to promptly bring to the attention of the Audit Committee any matters of concern or disagreement between the Legislative Auditor, Legislative Commission and the Supercomputer Center during the current audit process and in subsequent operations.

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

Chair Hogan reported that the committee also received a Senior Vice President's Report which included a status report on CUFS. The committee also received an update on the revenue-generating units survey; reviewed a report on internal audits; reviewed information regarding the Legislative Audit Commission Decision on the Supercomputer Audit; and engaged in discussion relating to the Legislative Audit of the Medical School.

The meeting adjourned at 12:45 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

11/28/93

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

BOARD OF REGENTS' MEETING

AND

REGENTS' COMMITTEE MEETINGS

**October 7-8, 1993
October 18, 1993
October 26, 1993**

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

October 7-8, 1993

October 18, 1993

October 26, 1993

CONTENTS

	<u>PAGE</u>
I. Committee Meetings	
A. Facilities Committee - October 7, 1993-----	112
B. Financial Operations & Legislative Committee - October 7, 1993-----	117
C. Faculty, Staff & Student Affairs Committee - October 7, 1993-----	122
D. Educational Planning & Policy Committee - October 7, 1993-----	125
E. Committee of the Whole - October 7, 1993-----	128
II. Board of Regents - October 7, 1993	
A. Resolutions to Conduct Non-Public Meetings-----	135
III. Committee Meeting	
A. Committee of the Whole - October 8, 1993-----	136
IV. Board of Regents' Meeting - October 8, 1993	
A. Approval of Minutes -----	141
B. Report of the President -----	141
1) Campus Activities	
2) Recognition of Professor Jo-Ida Hansen, Faculty Representative for Women's Intercollegiate Athletics	
3) Institute of Technology Report/"I.T. 1000 Companies"	
4) Accountability and Change	
5) State of the University 1993	
C. Report of the Chair -----	141
1) Regents' meetings on November 8-10, 1993, including "University 2000" Forums	
2) Regent Sahlstrom's report on Minnesota <u>Daily</u> Open House	
D. Receive and File Reports -----	142
E. Gifts -----	142
F. Report of the Committee of the Whole - October 7, 1993	
1) Approval of resolution re Reorganization of the Health Sciences and Appointment of Senior Health Sciences Officers-----	142
2) Non-Medical School Health Sciences Private Practice Plan Policies	143
3) Report on 1993-94 Budget Reduction Impact-----	143
G. Report of the Committee of the Whole - October 8, 1993	
1) Approval of resolution re Appointment of University of Minnesota Foundation Trustees-----	143
2) Approval of resolution re Honors Committee Report-----	144
3) Regents' Policy on Tuition-----	144
4) Report on "University 2000" Strategic Plan-----	144
5) Annual Report on Asset and Debt Management-----	144
6) Recognitions/Introductions-----	144
a) Professor Jo-Ida Hansen and Professor Maria Snyder, outgoing and new Faculty Representatives for Women's Intercollegiate Athletics	
b) Dr. Alfred Sullivan, Dean of the College of Natural Resources	

H.	Report of the Faculty, Staff & Student Affairs Committee	
1)	Approval - Senior Vice President's Monthly Report-----	144
a)	Internal search for a new Dean of the College of Pharmacy	
b)	Appointment of Mary McEvoy as Acting Director of the Center for Early Education and Development, effective September 16, 1993	
c)	Appointment of Patrick Spellacy as Director of Financial Policy Development	
d)	Appointment of Allen Willie as Interim Director of Internal Audits	
e)	Appointment of Joy Rikala as Chief of the University Police Department, effective September 8, 1993	
f)	Appointment of Mei-ling Hsu as Acting Director of the University of Minnesota China Center, effective June 1, 1993	
g)	Appointment of Thomas Peacock to the endowed Chair in American Indian Education at the University of Minnesota, Duluth	
h)	Appointment of LeeAnn Melin as Director of New Student Programs, effective September 13, 1993	
i)	Promotions, honors, and awards, including the selection of Dean Mary Heltsley to participate in the 1993-94 Leadership Saint Paul community leadership program; appointment of Professor Matthew Tirrell to the Bakken Chair; and selection of Dr. N. L. Gault as a finalist for the 1993 International Citizen Award from the City of Minneapolis	
j)	Campus programs and events, including U FEST '93 on October 23, 1993, a celebration of the University community	
2)	Approval of amendment of the University Senate Constitution-----	144
3)	Adoption of Regents' Policy on Faculty and Academic Staff Personnel-----	144
4)	Regents' Policy on Mandatory Faculty Retirement-----	145
I.	Report of the Facilities Committee	
1)	Approval - Senior Vice President's Monthly Report-----	145
2)	Approval of resolution re Capital Improvement Budget (FY 94) Amendment, New Project-----	145
3)	Real Estate Transactions for Approval-----	146
a)	Sale of Friedell Building, Rochester	
b)	Sale of 50 percent interest in 80 acres, Elberg Trust Property, Mountrail County, North Dakota	
4)	Approval of resolutions re Transfer of Waseca Campus Property-----	146
5)	Review of Capital Improvement Budget (FY 94) Amendments, New Projects-----	148
6)	Proposed Real Estate Disposition Procedures-----	148
J.	Report of the Financial Operations & Legislative Committee	
1)	Approval - Senior Vice President's Monthly Report-----	148
2)	Approval of resolution re Purchase of Goods & Services over \$250,000-----	148
3)	Approval of resolution re Plant Fund Accounts-----	148
4)	Legislative Update-----	149
5)	Report on ALG Forward-----	149
K.	Report of the Educational Planning & Policy Committee	
1)	Approval - Senior Vice President's Monthly Report-----	149
a)	Approval by HECB of the offering of the Master of Science in Nutrition at the Rochester Center	
b)	Update on the status of efforts to increase the retention and graduation rates of students of color	
c)	Programs approved by HECB at its September 17, 1993 meeting	
d)	Designation by the Governor of HECB as the state agency responsible for conducting and coordinating reviews under the State Postsecondary Review Program	

	2) Approval of resolution Annual Plan to Add or Discontinue Academic Programs-----	149
	3) Academic Report Series: University of Minnesota, Duluth-----	150
V.	Board of Regents' Meeting - October 18, 1993	
	A. Resolution to Conduct Non-Public Meeting-----	151
VI.	Board of Regents' Meeting - October 26, 1993	
	A. Appointment of Gregory Hart as President for the University of Minnesota Health System-----	152

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

October 7, 1993

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, October 7, 1993, at 10:10 a.m. in the Faculty Room, Radisson Metrodome Hotel.

Regents present: Regent Rosha, Chair; Regents Peterson, Reagan, and Wynia.

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

Student Representatives present: Tom Donarski and Sara Rogers.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for October 1993. A motion was made and seconded to recommend approval of the report.

Senior Vice President Erickson noted the letter in his report from Associate Vice President Sue Markham regarding the Morrill Hall elevator. Ms. Markham remarked that the problem with the elevator brings home the need for facility renewal.

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

**CAPITAL IMPROVEMENT BUDGET (FY 94) AMENDMENT,
NEW PROJECT**

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 1994 Capital Improvement Budget is hereby amended to incorporate the following project:

- Health Science Unit F, School of Nursing Laboratory Rooms 2-131 and 3-139 Remodeling, Twin Cities Campus
Estimated cost of the project: \$175,000
Funding: School of Nursing State Operating Appropriation
Estimated completion: February 15, 1994

The committee voted unanimously to recommend approval of the resolution.

**CAPITAL IMPROVEMENT BUDGET (FY 94) AMENDMENTS,
NEW PROJECTS**

Chair Rosha noted that agenda items B and C under Capital Improvement Budget Amendments are withdrawn at this time to gather additional information. They will return to the agenda at a subsequent meeting.

The committee reviewed the following new project proposed as a Capital Improvement Budget Amendment:

**Boynton Health Service Addition and Remodeling, Phase I
Twin Cities Campus**

Senior Vice President Erickson recognized Assistant Vice President Donald Peters, who is responsible for the administration of Boynton Health Service. Dr. Peters has accepted a position as Vice President for Student Affairs at the University of Mississippi. Committee members expressed appreciation for Dr. Peters' work at the University of Minnesota.

Linda McCracken-Hunt reported that this project consists of the general, mechanical, and electrical work to construct a four-floor 6,800 square foot addition to the north side of the existing Boynton Health Service Building and internal remodeling to relocate the pharmacy, registration, patient accounting, cashier, and insurance functions at the entry level, as well as provide for handicapped accessibility. It was reported that once the project is approved by the Board of Regents, it is scheduled to be bid as an addendum to the Basic Science/Bio-Medical Engineering Building project allowing the project, with its limited site constraint, to be executed jointly. Estimated cost of the project was reported to be \$2.1 million, with funding to be provided by Boynton Health Service. Estimated completion is April 1995.

Ms. Hunt also reported, in connection with the Boynton and Basic Sciences buildings, that Facilities Management is doing a feasibility and financing study regarding a tunnel connection between Coffman Union and Boynton. This would connect a large part of the campus through the Hospital and new Washington Avenue parking ramp. She plans an additional report on the subject when the Boynton project is presented for action in November.

In response to a question from Regent Reagan, Dr. Peters indicated that the Boynton construction project is more appropriate than renovating Hospital space. Most of the Boynton project is not new space, but renovated space to make the facility more functional.

TRANSFER OF WASECA CAMPUS PROPERTY

A motion was made and seconded to recommend approval of the following resolution relating to the transfer of the Waseca Campus property:

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the Regents authorize the following addition to the resolution approved on March 13, 1992 for the conveyance of the Waseca Campus to the State of Minnesota or the City of Waseca:

1. \$100,000 per year for two years to support maintenance costs. This results in aggregate support of \$200,000.
2. Increase the land to be transferred by up to 15 acres over the land currently designated in the Board of Regents' resolution for transfer.
3. Transfer the land and buildings as previously outlined within the Ring Road to the City of Waseca for \$1.

Senior Vice President Erickson opened the discussion by noting the receipt of recent information indicating that the use of the Waseca facilities for a federal prison is again a strong option. At Mr. Erickson's suggestion, Regent Rosha described background events, including the federal interest in using the campus for a prison and the negotiations with the state regarding the bonding remaining on some of the facilities.

Regent Reagan noted the positive impact for the community of the federal prison utilizing air base facilities in Duluth, and Regent Peterson noted the same positive results of the federal prison using former hospital facilities in Rochester.

Regent Reagan suggested that the Regents recognize Regent Rosha's efforts to resolve issues related to the future use of the Waseca campus in cooperation with community interests, and that encourages the administration to facilitate the transfer of the campus to the City of Waseca. There was general agreement in the committee for such a resolution.

The committee voted unanimously to recommend approval of the original resolution.

REAL ESTATE TRANSACTIONS FOR ACTION

Sale of Friedell Building, Rochester, Minnesota

A motion was made and seconded to recommend approval of the following resolution relating to the sale of the Friedell Building in Rochester, Minnesota:

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 sale of the Friedell Building property located at 1200 South Broadway in Rochester, Minnesota, to Independent School District 535, for the sum of \$1,000,345.28.

A question was raised about the wide variance among the appraisals on the property. Associate Vice President Hewitt noted that the job reductions at IBM in Rochester occurred during the process and affected property values in the area. The third appraisal was made as a check on more current value, and it is closer to the proposed price of the sale.

The committee voted unanimously to recommend approval of the resolution.

**Sale of 50 Percent Interest in 80 Acres
Elberg Trust Property
Mountrail County, North Dakota**

A motion was made and seconded to recommend approval of the following resolution relating to the sale of property in Mountrail County, North Dakota:

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 sale of the following described property to John H. Bartelson, Jr., for the sum of \$31,500:

An undivided 1/2 interest in and to
the S1/2 of the SE 1/4 of
Section 35, Township 152 North, Range 90 West
Mountrail County, North Dakota,
containing 80 acres, more or less,
according to the United States government survey thereof.

The committee voted unanimously to recommend approval of the resolution.

REAL ESTATE DISPOSITION PROCEDURES

The committee reviewed planned modifications to the Policy regarding Sale of Surplus University of Minnesota Real Estate.

Senior Vice President Erickson distributed a document (filed with docket materials) noting proposed changes in an administrative policy regarding the sale of surplus property. He reported that the current administrative policy has been in place since 1981. The planned modifications will 1) allow the sale of certain parcels of real estate through a real estate broker without first offering the property for sale by public bid; 2) increase the value of surplus property requiring two appraisals to \$50,000, and require one appraisal for property between \$20,000 and \$50,000; and 3) provide for reserving minerals and mineral rights from real property sales, which is standard procedure though not specified in the real property sale policy.


In response to a question from Regent Wynia, Associate Vice President Hewitt described the process by which appraisers are selected.

Senior Vice President Erickson said the primary reason for bringing this item to the committee was to note the proposed modifications of administrative policy, but that another issue is whether the Board of Regents prefers this to be Regents' policy.

Following committee discussion, Chair Rosha said the sense of the committee was that the policy should remain an administrative policy, but that the Regents will consider approval of the proposed modifications as a means of supporting the administration's procedures in the sale of property.

Senior Vice President Erickson indicated the modifications will be brought back to the committee in November for approval.

The meeting adjourned at 11:20 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Financial Operations & Legislative Committee

October 7, 1993

A meeting of the Financial Operations & Legislative Committee of the Board of Regents was held on Thursday, October 7, 1993, at 8:00 a.m. in the Faculty Room, Radisson Metrodome Hotel.

Regents present: Regent Page, Chair; Regents Keffeler, Neel, and Reagan.

Staff present: Chancellor Sargeant; Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice Presidents Markham, Paschke, and Pfitzenreuter; and State Relations Director Peterson.

Student Representative present: Tom Donarski and Sara Nienow.

LEGISLATIVE UPDATE

Donna Peterson, Director of State Relations, presented an update on current legislative issues and a brief overview of proposed strategy for the next legislative session. She indicated that a more extensive presentation will be made in November. She reported that the 1994 session will begin in late February and is traditionally a short session focusing on capital bonding. In addition to the capital request, it is expected that the Medical School, steam plant, supercomputer audit, and "University 2000" will also be items of interest.

Ms. Peterson also reported the following:

- Deputy Vice Presidents Chou and Elzay recently met with legislators to clarify issues relating to the Medical School;
- The Minnesota House of Representatives Capital Investment Committee has toured the Twin Cities, Duluth, and Crookston campuses;
- The Senate Higher Education Committee will tour the outstate campuses;
- Senate staff for Higher Education will be invited to the Twin Cities campus to discuss the Capital Request;
- The Administration recently hosted the Hennepin County Administrator and Commissioners;
- A new position has been added in the Office of State Relations to work on outreach with county and city governments throughout Minnesota; and

- Mr. Tom Triplett will be developing a program of action to work on short- and long-range plans for promoting the University as a resource for problem solving.

With regard to the Legislative Request, Regent Keffeler stated it is important that both internal and external lobbying groups understand that this year's request is focused on rebuilding the University's infrastructure.

Ms. Peterson agreed with Regent Keffeler that this is a major issue. She said every effort will be made to ensure that both internal and external groups understand the University's priorities in the Legislative Request.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

A motion was made and seconded to recommend approval of the Senior Vice President's Monthly Report for October 1993.

Senior Vice President Erickson called attention to several items contained in the report:

- updates on the search for the Controller and Assistant Vice President for Housing and Food Services positions;
- the need to increase the University of Minnesota's allocation to international investments;
- the restructuring of the University's workers' compensation program;
- the current status of residence hall occupancy;
- the 1994 UMD summer session student activity fee; and
- the transfer of the Waseca campus to the City of Waseca.

Associate Vice President Paschke explained the need to increase the University's international investments. Mr. Paschke stated that as a result of extensive discussion with the Asset and Debt Management Advisory Committee regarding the University's non-U.S. dollar securities, a recommendation is presented to increase allocations to international securities. He reported that the committee recognized the U.S. equity market has declined to less than 40 percent of the world market. There is also potential for greater returns in the future from investments in international securities versus investments in U.S. securities. He reported that this change in Regents' Policy will be included in the docket material for action in November.

Mr. Ryan Johnson, Assistant to the Treasurer, presented information regarding the restructuring of the University's workers' compensation program. He reported on major actions over the past 15 months in response to recommendations made by the University's external auditors. The following actions were noted:

- In July 1992, the University took over from the State of Minnesota the actual administration of its workers' compensation claims.
- In July 1992, the University hired a third party administrator for all workers' compensation claims.

- In August 1992, Ryan Johnson was hired with responsibility for risk management and oversight for the overall workers' compensation program.
- At the beginning of the last fiscal year, a procedure for review of all medical bills related to workers' compensation claims was introduced for the purpose of correcting billing errors and reducing related costs.
- The University Hospital and Facilities Management assumed responsibility for the costs of claims in their respective areas.
- Facilities Management implemented a safety incentives program to recognize and reward employee groups for practicing work procedures that result in fewer injuries and claims.

Mr. Johnson reported that these actions resulted in a reduced number of claims and a substantial reduction in the costs of workers' compensation at the University. Incurred costs for fiscal year 1993 declined by \$1.7 million.

Laurie McLaughlin, Acting Associate Director of Housing Services, presented information on the current status of residence hall occupancy. She reported a decline in residence occupancy for the past two years and described a number of new marketing strategies and initiatives to address the shortfall. The new initiatives were developed to attract students to the campus and to make a positive impact on the quality of life for students. As a result of those initiatives, the Twin Cities campus residence hall occupancy reached full capacity as of the first day of fall quarter, 1993.

In answer to questions from Regent Keffeler regarding residence hall needs, Senior Vice President Erickson reported that currently 40 percent of the University's students live within three miles of the campus, adding his view that the dynamic of the community on campus could be improved by increasing that to 50 percent or more. He stated that the administration is exploring the type of housing to meet student needs, noting that funding is available from Housing Services for this purpose.

Regent Reagan stated that he favors expanded housing, indicating that during any planning process, consideration be given to possibilities for connecting links with other campus buildings.

To answer a question regarding a possible public/private partnership venture for housing, Senior Vice President Erickson reported that he has explored some options, however, as long as funding is available internally, the University's tax exempt status makes it more cost effective to develop housing with University resources.

To answer a question from Student Representative Nienow, Ms. McLaughlin spoke briefly about programs and training regarding diversity provided by Housing Services.

Senior Vice President Erickson reported that the 1993-94 University Budget Plan did not include the 1994 University of Minnesota, Duluth Summer Session student activity fee. He stated that the fee of \$37.65 as recommended by the Campus Fees Committee and the Chancellor, and increased by \$.20 to \$37.85, will be included in the 1994-95 Budget which will be presented to the Regents for review in April and approval in May 1994. For planning purposes,

the Duluth campus is working under the assumption that the fee will be approved.

There were no objections by committee members regarding that assumption.

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

PURCHASE OF GOODS/SERVICES OVER \$250,000

A motion was made and seconded to recommend approval of a resolution authorizing the awarding of purchase/contracts over \$250,000 to the following:

- JEOL USA, Inc. for electron microprobe at \$633,460 (of which \$318,460 is from sponsored funds) for Geology for supplying quantitative wavelength dispersive analysis.

The committee voted unanimously to recommend approval of the resolution.

PLANT FUND ACCOUNTS

A motion was made and seconded to recommend approval of the following resolution relating to Plant Fund Accounts:

WHEREAS, the Administration has been directed to report to the Board of Regents in September regarding the status of the plant fund, and to advise the Board about potential opportunities for reallocation of funds; and

WHEREAS, the Administration recognizes the need to establish policies and procedures for insuring that plant fund expenditures are matched with plant fund revenues at the time of or prior to the incurrence of the plant fund expenditure; and

WHEREAS, the Administration recognizes the need to establish timely plant fund project closeout procedures to insure appropriate use and reallocation of plant fund dollars;

NOW, THEREFORE, BE IT RESOLVED, that based upon the review of the plant funds conducted by Facilities Management Administration, the following unobligated plant fund balances be reallocated as follows:

State Capital Appropriation balances to Fire/ Life Safety/Access Projects	\$ 367,500
State Capital Appropriation balance for Experiment Station purposes to other Experiment Station purposes	10,637
State Capital Appropriation balance return to State	12,510
Unrestricted balances to Capital Improvement Advisory Committee for Reallocation & subsequent Board approval	889,888

Duluth Repair & Replacement (R&R) balance to Duluth for reallocation to other Duluth R&R projects	470,640
Return to the funding department operating account	255,877
Return to Auxiliary Services operating accounts	1,512,265
Return to the City of Minneapolis	<u>88,218</u>
Total	\$3,606,534; and

BE IT FURTHER RESOLVED, that plant fund project accounts only be contractually obligated once financial reserves equal to the value of the project are credited to the project account or a contractual financial resource agreement is executed consistent with the cash flow needs for the project; and

BE IT FURTHER RESOLVED, that the plant fund project accounts be reviewed semi-annually for the purpose of closing out the project accounts and reallocating any unexpended balances.

The committee voted unanimously to recommend approval of the resolution.

REPORT ON ALG FORWARD

Senior Vice President Erickson provided an update on the MALG Program.

He reported that a meeting was held between representatives of the Federal Drug Administration (FDA) and the MALG Program on September 2, 1993. An update on the status of compliance was provided and concerns raised by the FDA in January were answered. The major portion of the meeting focused on clinical trial issues. He stated that the meeting was productive and based on comments from FDA representatives during the meeting, detail documentation is being developed for the clinical trials, focusing on compliance issues. Another meeting is scheduled for October 13, 1993.

In addition, Senior Vice President Erickson provided an update on investment banking activities, indicating that November 1 has been set by which all interested parties will be required to submit proposals. The proposals will be evaluated and a determination made regarding definitive negotiations.

Committee members did not pose any questions.

The meeting adjourned at 9:15 a.m.

Barbara Muesing
BARBARA MUESING
 Executive Director and
 Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

October 7, 1993

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, October 7, 1993, at 10:05 a.m. in the Nolte Room, Radisson Metrodome Hotel.

Regents present: Regent Neel, presiding; Regents Hogan, Keffeler, Page, and Sahlstrom.

Staff present: Chancellor Johnson; Senior Vice President Infante; Vice Presidents Hopkins, Hughes, and Petersen; Executive Director Muesing; Associate Vice Presidents Carrier and Johnson.

Student Representatives present: Gina Brunko and Rachel Paulose.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Infante presented the Senior Vice President's Monthly Report, which was included in the docket, and noted the following items:

- The search for a new Dean of the College of Pharmacy will be conducted as an internal search within the College;
- Appointment of Mary McEvoy as Acting Director of the Center for Early Education and Development, effective September 16, 1993;
- Appointment of Patrick Spellacy as Director of Financial Policy Development;
- Appointment of Allen Willie as Interim Director of Internal Audits;
- Appointment of Joy Rikala as Chief of the University Police Department, effective September 8, 1993;
- Appointment of Mei-ling Hsu as Acting Director of the University of Minnesota China Center, effective June 1, 1993;
- Appointment of Thomas Peacock to the endowed Chair in American Indian Education at the University of Minnesota, Duluth;
- Appointment of LeeAnn Melin as Director of New Student Programs, effective September 13, 1993;
- Promotions, honors, and awards, including the selection of Dean Mary Heltsley to participate in the 1993-94 Leadership Saint Paul community leadership program; appointment of Professor Matthew

Tirrell to the Bakken Chair; and selection of Dr. N. L. Gault as a finalist for the 1993 International Citizen Award from the City of Minneapolis;

- Campus programs and events, including U FEST '93 on October 23, 1993, a celebration of the University community; and
- Amendment of the University Senate Constitution changing the eligibility requirements for academic professional representation on the Senate.

A motion was made and seconded to recommend approval of the Senior Vice President's Monthly Report, with the exception of the University Senate Constitution amendment. The committee voted unanimously to recommend approval of the report.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the proposed University Senate Constitution amendment.

REGENTS' POLICY ON FACULTY AND STAFF PERSONNEL

Associate Vice President Carrier presented the Regents' Policy on Faculty and Staff Personnel to the committee for approval. She stated that umbrella policies are being developed and will be recommended to the Board for approval related to compensation and professional responsibility; professional development; hiring and retention; review and evaluation of staff; and benefits. She noted that some policies which currently exist will be included under these umbrella policies.

A motion was made and seconded to recommend adoption of the Regents' Policy on Faculty and Staff Personnel.

Regent Neel concurred with Regent Keffeler's assessment that adoption of the proposed policy will establish an approach for formulating and approving umbrella policies in the areas outlined by Dr. Carrier. Regent Keffeler noted that matters that significantly affect the University's relationship with its employees will be within the context of the umbrella areas. With regard to interpretation of "minor" revisions, Regent Neel stated that the administration will defer to the Board on policy changes and that interpretation will be strictly followed.

Following the discussion, the committee voted unanimously to recommend adoption of the Regents' Policy on Faculty and Staff Personnel.

REGENTS' POLICY ON MANDATORY FACULTY RETIREMENT

Regent Neel introduced the discussion regarding the proposed Regents' Policy on Mandatory Faculty Retirement. He noted that Joseph Nierenberg, a Minneapolis attorney, requested an opportunity to address the committee, and that he directed Mr. Nierenberg to contact General Counsel Rotenberg. However, he was unable to contact Mr. Rotenberg or Associate University Attorney Donohue, and Regent Neel stated that he decided to deviate from normal procedure and allow Mr. Nierenberg to briefly address the committee.

Senior Vice President Infante led the discussion regarding the recommendation to rescind the Regents' Policy on Mandatory Faculty Retirement, effective January 1, 1994. He noted that there is considerable concern about the impact of the recommendation.

Associate Vice President Carrier stated that past practice allowed tenured faculty to complete the academic year in which they observed their 70th birthday. Under the proposed action, tenured faculty who turn 70 between July 1, 1993 and December 31, 1993, have been asked to retire by December 31, 1993. She noted that a special contract has been created for the 15 individuals affected by the proposed action, whereby they may continue with their current appointment, pay, and benefits through this academic year. She indicated that 11 of the 15 tenured faculty have signed such contracts. Beyond the current academic year, post-retirement contracts may also be available to those individuals.

In response to Regent Hogan, Dr. Carrier discussed the concerns of faculty who are affected by this change.

In response to Regents Page and Sahlstrom, Associate University Attorney Sweitzer stated that the recommended policy change is due to a change in federal law eliminating mandatory retirement effective January 1, 1994. Dr. Infante noted that confusion has resulted because the effective date falls in the middle of the academic year.

Attorney Joseph Nierenberg stated that he has been retained by tenured faculty affected by the proposal. He asked for an opportunity to address the committee to inform the Board of Regents that he believes there are significant legal and policy issues related to proposal; to learn the timetable for Board action on the proposal; and to request time to make a presentation to clarify this complicated issue. Following his comments, Regent Neel directed Mr. Nierenberg to contact General Counsel Rotenberg regarding this issue.

Dr. Infante agreed with Regent Keffeler that the matter before the committee in November will bring the University's policy into compliance with federal law, and the issues relate to implementation and relationships with faculty caught in the transition period.

In response to Regent Page, Ms. Sweitzer stated that the General Counsel will inform the Board if there are any new developments before the November meeting.

Following the discussion, Regent Neel stated that this item will be presented for adoption in November.

The meeting adjourned at 10:40 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning and Policy Committee

October 7, 1993

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, October 7, 1993, at 8:10 a.m. in the Nolte Room, Radisson Metrodome Hotel.

Regents present: Regent Sahlstrom, presiding; Regents Hogan, Peterson, Rosha, and Wynia.

Staff present: Chancellors Ianni, Johnson, and Sargeant; Senior Vice President Infante; Vice Presidents Hopkins and Petersen; Executive Director Muesing; Associate Vice President Johnson.

Student Representatives present: Narciso Aleman and Joan Jensch.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

- Approval by Higher Education Coordinating Board (HECB) of the offering of the Master of Science in Nutrition at the Rochester Center;
- Update on the status of efforts to increase the retention and graduation rates of students of color;
- Programs approved by HECB at its meeting on September 17, 1993; and
- Designation by the Governor of HECB as the state agency responsible for conducting and coordinating reviews under the State Postsecondary Review Program.

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

ANNUAL PLAN TO ADD OR DISCONTINUE ACADEMIC PROGRAMS

Senior Vice President Infante reviewed a report on programs added, modified, and discontinued from September 1992 through July 1993. He presented a proposal for an M.S./Ph.D. in Scientific Computation on the Twin Cities campus.

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

BE IT RESOLVED, that the Board of Regents of the University of Minnesota approves the Annual Plan to Add or Discontinue Academic Programs, and approves the M.S./Ph.D. in Scientific Computation, and directs the administration to forward the program to the Minnesota Higher Education Coordinating Board for review and approval.

In response to Regent Wynia, Dr. Infante stated that consolidation has resulted in a reduction in the number of programs on the Twin Cities campus. However, he noted that efforts are being made to retain vitality through the addition of minors.

In response to Regent Sahlstrom, Dr. Infante stated that in accord with a request by the Higher Education Coordinating Board (HECB), current University of Minnesota, Crookston (UMC) students will be provided an opportunity to complete associate degree programs that are being discontinued.

Regent Sahlstrom spoke in support of the collaboration between the University of Minnesota, Duluth (UMD) and the Mesabi Community College in offering a B.A. program in criminology. Dr. Lawrence Ianni, UMD Chancellor, and Dr. Sandra Featherman, UMD Vice Chancellor for Administration, commented on the degree program in criminology and discussed partnership efforts with other institutions in the area.

Following the discussion, the committee voted unanimously to recommend approval of the proposed resolution.

ACADEMIC REPORT SERIES: UNIVERSITY OF MINNESOTA, DULUTH

Dr. Lawrence Ianni, Chancellor of the University of Minnesota, Duluth (UMD), presented a report on UMD. He stated that a major challenge UMD has addressed is that of continuing to improve quality during a period of reduced resources per student. He reported that the campus adopted a Total Quality Management (TQM) approach to management, and stated that the Minnesota Quality Council recently recognized UMD for its efforts. He discussed UMD's TQM targets, which focus on students and faculty.

In response to issues raised by committee members, Dr. Ianni discussed UMD's graduation rates, efforts to recruit and retain minority students, the need for a new campus library, and retention of students beyond the freshman year.

Vice Chancellor Featherman reviewed a new process for allocation of tenure track positions, whereby unit and institutional needs and priorities are evaluated before searches are authorized. She noted that priority areas include fresh water research, arts, culture, and American Indian education.

Regent Hogan applauded UMD's efforts to move TQM into the academic arena. In response to an issue raised by Regent Hogan, Dr. Ianni stated that students' needs and interests are considered in the allocation of tenure track positions. In contract negotiations with UMD faculty, Dr. Featherman reported that UMD is attempting to negotiate an increase in the number of courses submitted for evaluation, with a goal of making all courses subject to student evaluation.

Regent Wynia commended Dr. Featherman for communicating with UMD faculty regarding the process and criteria for allocation of tenure track positions, stating that it demonstrates accountability.

Following the discussion, Regent Sahlstrom thanked Dr. Ianni and Dr. Featherman for an excellent presentation.

The meeting adjourned at 9:35 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

October 7, 1993

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, October 7, 1993, at 1:40 p.m. in the Humphrey Ballroom, Radisson Metrodome Hotel.

Regents present: Regent Keffeler, presiding; Regents Hogan, Neel, Page, Perlman, Peterson, Reagan, Rosha, Sahlstrom, and Wynia.

Staff present: President Hasselmo; Chancellors Ianni, Johnson, and Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Hopkins, and Petersen; General Counsel Rotenberg; Deputy Vice Presidents Chou and Elzay; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Johnson, Markham, Perlmutter, and Pfitzenreuter; Special Adviser Wallin.

Student Representative present: Rachel Paulose.

Regent Keffeler expressed appreciation to the members of the Board, the staff at the University Hospital & Clinic, Dr. Chou, Dr. Elzay, and the medical and dental faculty for their help and support with her recent health problems.

NON-MEDICAL SCHOOL HEALTH SCIENCES PRIVATE PRACTICE PLAN POLICIES

Senior Vice President Infante introduced the discussion regarding the proposed private practice plan policies for the School of Dentistry and the School of Nursing, stating that both are internal plans. He noted that the other components of the Health Sciences do not have private practice plans, although many faculty are involved in professional activities under the Regents' Policy on Consulting and Outside Affiliations.

Deputy Vice President Elzay stated that the proposed policy statements include the components set forth in the Board's January 8, 1993 resolution, and address the issues of audit and salary disclosure. He noted that the plan for the School of Dentistry is modeled after the Regents' Policy on Consulting and Outside Affiliations, and the School of Nursing plan is modeled after the Medical School plan. He reviewed the differences between the Medical School private practice plans and the non-Medical School plans.

Regent Keffeler asked about the activities of the College of Veterinary Medicine. Dr. Elzay stated that the College has a clinic, but it does not have an on-site faculty practice program and chooses not to have one. He noted that all of the Health Sciences programs may have off-site consultation, consistent with the Regents' Policy on Consulting and Outside Affiliations, and all participants have been asked to follow that policy.

In response to Regent Sahlstrom, Dr. Sandra Edwardson, Dean of the School of Nursing, discussed the need for a private practice plan at this time. She stated that because of an expanded role for nurse practitioners in primary care and changes in

insurance law, the demand for nurse practitioner training and practice opportunities has increased. She also noted the School's need to provide a learning environment for students and to provide necessary support for the conduct of research and the advancement of nursing science.

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

HEALTH SCIENCES ORGANIZATIONAL STRUCTURE

Regent Keffeler introduced the discussion regarding the proposed Health Sciences organizational structure, noting that she has discussed concerns expressed by Board members regarding overall governance and management issues with President Hasselmo and Mr. Wallin. To accommodate the needs of the Health Sciences and to ensure the Board understands what is being approved, she suggested beginning with general discussion regarding the proposed plan and then address each action being proposed by the administration.

President Hasselmo emphasized the urgency of addressing issues related to the Health Sciences organizational structure to position the organization to be competitive in the future. He recommended the following resolution:

WHEREAS, the Board of Regents is committed to preserving the quality of the University's health-related teaching, research, and clinical services; to positioning the University to compete successfully in the changing health care marketplace; and to ensuring the responsiveness and accountability of the Health Sciences; and

WHEREAS, the Board of Regents has requested the administration to review the organization and management of Health Sciences, and has encouraged the administration to expedite the process of filling key vacancies; and

WHEREAS, the administration has presented a plan for reorganizing the Health Sciences and for appointing a Health Sciences Provost, a Health Sciences Chief Financial Officer, a Medical School Dean, and a President of the University of Minnesota Health System;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents:

1. Approves the overall structure of the Health Sciences with the understanding that recommendations regarding the following will be presented to the Board of Regents for approval by December 1993:
 - the appropriate relationships between Health Sciences and the University on financial oversight, research administration, state and federal relations, and all other shared responsibilities;
 - the new role, structure, and responsibilities of the Health System Board of Governors; and
 - further details concerning the structure and operation of the University of Minnesota Health System.

2. Approves the establishment of the University of Minnesota Health System as an organization linking the University Hospital and Clinic and the academic personnel engaged in clinical activities within the Health Sciences, with the understanding stated under 1, above.
3. Approves the recruitment of a President of the University of Minnesota Health System, with the appointment for this position to be recommended to the Board of Regents for approval as soon as possible.
4. Approves the recruitment of a Chief Financial Officer of the Health Sciences, with the appointment for this position to be recommended to the Board of Regents for approval as soon as possible.
5. Approves the initiation of the recruitment of a Provost of the Health Sciences and a Dean of the Medical School, with the understanding that recommendations of appointments for these positions will be made after the Board of Regents has had an opportunity to review and approve the recommendations noted in 1, above.

Mr. Wallin introduced Deputy Vice Presidents Chou and Elzay, Associate Vice President Perlmutter, Hospital Director Hart, and Kris Johnson, Chair of the Hospital Board of Governors.

Mr. Wallin acknowledged that concerns have been expressed regarding the proposal, and he reviewed the process to reorganize the Health Sciences on a fast timetable. He stated that efforts thus far have concentrated on organizing the health system, linking the University of Minnesota Hospital & Clinic (UMHC) and the University of Minnesota Clinical Associates (UMCA), and determining how to compete. He noted that the relationship between the Health Sciences and the University will be addressed by December.

Mr. Wallin stressed the urgency of the situation and stated that if UMHC fails, the University will have a second-rate teaching and research institution. He noted that consultation has taken place with experts from the medical community regarding the emerging health care system, and he offered to arrange for the Board to meet with those experts.

Mr. Wallin discussed the objectives of the proposed reorganization, stating that organizational clarity will result in an improvement in the relationship between the University and the Health Sciences. He noted the resolution would establish a Health System Board, with authority over the Hospital and the doctors.

Regent Keffeler stated that the Regents share Mr. Wallin's sense of urgency and understand that the proposed reorganization represents major change.

In response to Regent Hogan, Mr. Wallin stated that appointment of the President of the Health System and implementation of other recommendations will enable the Health Sciences to address the challenges of health care.

Regent Page expressed confidence in Mr. Wallin, and stated she hopes he will have an opportunity to convey his vision for the organization to the individuals selected to fill the leadership positions.

Regent Neel spoke in support of connecting UMHC and UMCA. He raised a concern about recruiting qualified individuals to fill leadership positions if the governance situation is not clear. Mr. Wallin stated that the governance issues will be addressed by December, and noted it is unlikely that recruitment of individuals for the Health Sciences Provost position will begin before that time.

Mr. Wallin concurred with Regent Keffeler that the basic governance and management issues must be clarified prior to serious negotiations with candidates for the leadership positions. President Hasselmo clarified that a President of the Health System and a Chief Financial Officer must be appointed immediately, and the recruitment of the Provost of the Health Sciences and the Dean of the Medical School will take place at a later stage.

Regent Neel thanked Mr. Wallin, Dr. Chou, and Dr. Elzay for their efforts. He stated that the concept of an integrated practice among all the specialties, without losing sight of the importance of teaching and research, is essential for success.

Regent Peterson agreed with Regent Neel's comments. In response to Regent Peterson, Mr. Hart stated that approval of the recommendations will accelerate UMHC's ability to be an effective partner in the Integrated Service Networks currently being developed.

Regent Perlman indicated that he is comfortable with moving ahead with the resolution, and stated that all of the relationships must be clarified. He noted it is unlikely that the Medical School, UMHC, and UMCA can or should be cost competitive with other institutions in the state because of their research and teaching responsibilities, stating that the Legislature has a responsibility to support the Health Sciences as part of the University's overall funding. Mr. Wallin stated the central questions are "What role is the University going to fill in the years to come?" and "What should it look like?" He suggested that the University must take its plight to the Legislature.

Regent Wynia expressed appreciation and admiration for Mr. Wallin's work. She raised several concerns, including the fact that the proposed reorganization appears to be driven by profitability of the Hospital and not necessarily by the health care and education needs of people of the state. She expressed worry that other major issues will not be elevated to equal status. Mr. Wallin stated that the issues raised by Regent Wynia were discussed in the process, noting that UMHC exists to facilitate teaching and research activities.

Regent Keffeler suggested that a non-public meeting be scheduled to review UMHC's competitive position and the market situation. She asked Mr. Wallin to be available to meet with Regents upon request for further discussion.

Regent Sahlstrom stated that this is an excellent opportunity to ensure outstanding leadership for the Health Sciences, and Mr. Wallin noted that job descriptions have been developed for the proposed positions. Kris Johnson, Chair of the Hospital Board of Governors, reported that the UMHC Board strongly supports the resolution. She noted that the Health Sciences need an integrated approach to health care delivery and that the Board of Governors should continue to operate with delegated authority.

Regent Neel agreed that this is a tremendous opportunity for attracting new leadership for the Health Sciences. In response to Regent Wynia's concerns, he stated that teaching and research cannot exist without patients, and that the University must provide the very best patient care.

Regent Reagan raised a concern regarding the State & Federal Relations component of the proposed organizational chart, stating that the University's legislative program must be a coordinated effort to be effective.

A motion was made and seconded to recommend approval of the first component of the proposed resolution:

1. Approves the overall structure of the Health Sciences with the understanding that recommendations regarding the following will be presented to the Board of Regents for approval by December 1993:
 - the appropriate relationships between Health Sciences and the University on financial oversight, research administration, state and federal relations, and all other shared responsibilities;
 - the new role, structure, and responsibilities of the Health System Board of Governors; and
 - further details concerning the structure and operation of the University of Minnesota Health System.

Regent Page stressed the importance of the outreach as an integrated function of the University. The maker and seconder of the motion agreed to add outreach to the first bullet.

Regent Perlman offered observations regarding the role, structure, and responsibilities of the Health System Board of Governors. Regent Wynia asked for elaboration on the composition and method of selection of the members of the Board of Governors. Regent Keffeler stated it is her interpretation that the clarification regarding structure to be presented to the Board in December will include those issues.

Following the discussion, the committee voted unanimously to recommend approval of the first component of the proposed resolution. Regent Keffeler noted that by approving the first component, in a broad way the Board approved the structure with the caveat that the Board will receive clarification on the specific issues by December.

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

2. Approves the establishment of the University of Minnesota Health System as an organization linking the University Hospital and Clinic and the academic personnel engaged in clinical activities within the Health Sciences, with the understanding stated under 1, above.

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

3. Approves the recruitment of a President of the University of Minnesota Health System, with the appointment for this position to be recommended to the Board of Regents for approval as soon as possible.

A motion was made and seconded to recommend approval of the fourth component of the proposed resolution:

4. Approves the recruitment of a Chief Financial Officer of the Health Sciences, with the appointment for this position to be recommended to the Board of Regents for approval as soon as possible.

In response to Regent Hogan, Mr. Wallin stated that the search process for a Chief Financial Officer will be started, and Senior Vice President Erickson will have responsibility for that search.

The committee voted unanimously to recommend approval of the fourth component of the proposed resolution.

A motion was made and seconded to recommend approval of the fifth component of the proposed resolution:

5. Approves the initiation of the recruitment of a Provost of the Health Sciences and a Dean of the Medical School, with the understanding that recommendations of appointments for these positions will be made after the Board of Regents has had an opportunity to review and approve the recommendations noted in 1, above.

Regent Keffeler stated that the Board's actions may result in recommendations at the next meeting for the positions of President of the Health System and Chief Financial Officer. She noted that the Board has authorized the recruitment of a Provost of the Health Sciences and a Dean of the Medical School, but expects to approve the items enumerated in the first component of the proposed resolution in December before recommendations are made for those positions.

The committee voted unanimously to recommend approval of the fifth component of the proposed resolution.

Regent Perlman suggested the possibility of the Board receiving a status report on this item at the November meeting. Regent Keffeler suggested that Regents may want to meet with Mr. Wallin, and Mr. Wallin offered to invite local health care leaders to meet with Regents.

REPORT ON BUDGET REDUCTION IMPACT


Senior Vice President Erickson and Associate Vice President Pfutzenreuter presented a report on the impact of the 2.64 percent budget reductions implemented for the 1993-94 academic year to overcome a \$13.2 million gap in the operations and maintenance budget resulting from a decline in revenue.

Mr. Pfutzenreuter reviewed the actions taken by units to accommodate the 2.64 percent reduction, 60 percent of which related to reductions in travel, supplies and expenses, and equipment. He stated that 40 percent of the actions related to personnel, noting that approximately 155 positions were eliminated or remain unfilled, including 30 faculty, 73 teaching assistants, and 52 civil service or academic professional staff. He noted that the 60/40 ratio may be of concern, in that the time may come when opportunities are exhausted for reducing the supplies, expenses, and equipment portion of the budget.

Regent Hogan expressed concern regarding the impact that the eliminated positions have on students, particularly in Student Affairs. President Hasselmo stated that the erosion from budget reductions should not be underestimated, and it is important to set priorities in the strategic plan to maintain the quality of functions that are essential to the University.

Regent Perlman supported President Hasselmo's comments, stating that the point is to establish priorities and make future decisions based on those priorities.

The meeting adjourned at 3:15 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

October 7, 1993

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, October 7, 1993, at 3:30 p.m. in the Faculty Room, Radisson Metrodome Hotel.

Regents present: Hogan, Keffeler, Neel, Page, Perlman, Peterson, Reagan, Roshia, Sahlstrom, and Wynia. President Hasselmo presided.

Staff present: Senior Vice Presidents Erickson and Infante; Vice President Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Vice Presidents Carrier and Markham; University Attorneys Bohnhorst and Brown; Associate to the President O'Brien; University Relations Director Fluer; Director of Employee Relations Erickson; and Assistant Director of Employee Relations Johnson.

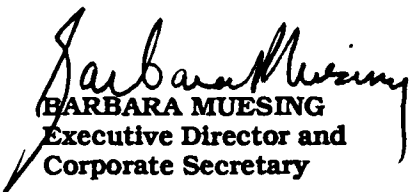
The meeting was called to order and a motion was moved and seconded that the following resolutions be approved:

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705 Subd. 1a, a non-public meeting of the Board of Regents be held at 3:15 p.m. on Thursday, October 7, 1993, in the Faculty Room of the Radisson Metrodome Hotel for the purpose of considering strategy for labor negotiations and discussion and review of labor negotiation proposals.

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705 Subd. 1d, a non-public meeting of the Board of Regents be held following the non-public meeting to consider strategy for labor negotiations, on Thursday, October 7, 1993, in the Faculty Room of the Radisson Metrodome Hotel for the purpose of discussing attorney-client privileged matters.

The Board of Regents voted unanimously to approve the resolutions.

The meeting adjourned at 3:32 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

October 8, 1993

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, October 8, 1993, at 8:40 a.m. in the Ballroom/Section A, Radisson Metrodome Hotel.

Regents present: Regent Keffeler, presiding; Regents Hogan, Page, Perlman, Peterson, Reagan, Rosh, Sahlstrom, and Wynia.

Staff present: President Hasselmo; Chancellors Johnson and Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Hopkins, and Petersen; General Counsel Rotenberg; Deputy Vice President Elzay; Executive Director Muesing; Associate Vice President Paschke.

Student Representative present: Rachel Paulose.

RECOGNITIONS/INTRODUCTIONS

**Professor Jo-Ida Hansen and Professor Maria Snyder,
Outgoing and New Faculty Representatives
for Women's Intercollegiate Athletics**

President Hasselmo recognized Professor Jo-Ida Hansen, who served as the Faculty Representative for Women's Intercollegiate Athletics for the past 12 years. He introduced Professor Maria Snyder, who will replace Professor Hansen as the Faculty Representative.

Regent Keffeler presented Professor Hansen with a Certificate of Appreciation on behalf of the Board of Regents.

Dr. Alfred Sullivan, Dean of the College of Natural Resources

Vice President Allen introduced Dr. Alfred Sullivan, the new Dean of the College of Natural Resources. Dr. Sullivan briefly addressed the committee.

APPOINTMENT OF UNIVERSITY OF MINNESOTA FOUNDATION TRUSTEES

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

RESOLVED, that on the recommendation of the President, Erwin L. Goldfine, Josie R. Johnson, David M. Lebedoff, and Thomas R. Reagan are hereby appointed to the University of Minnesota Foundation Board of Trustees for three-year terms, effective November 10, 1993.

HONORS COMMITTEE REPORT

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.

REGENTS' POLICY ON TUITION

Senior Vice President Infante presented the revised Regents' Policy on Tuition to the committee for review, stating that the policy includes basic principles to guide development of the annual tuition plan.

Dr. Infante noted that the policy applies to all of the University's campuses, and each campus has a separate tuition plan. He requested Regents' input regarding the proposed policy and stated that appropriate modifications, including a higher degree of specificity, may be made before it is presented to the committee for adoption at the November meeting.

In response to Student Representative Paulose, Dr. Infante stated he expects tuition rates to better reflect the cost of instruction if there is a move away from uniform undergraduate tuition. In response to Regent Keffeler, Ms. Paulose stated that a student poll last spring shows that a majority of students do not favor the single tuition rate. She noted that the Student Representatives to the Board of Regents are pleased with the administrative proposals to move away from the single tuition rate policy and to give each campus discretion to set its own tuition rates.

Regent Rosha stated that it is particularly important to have a clear policy regarding tuition rates and the role of tuition as part of total funding, and suggested that the Board focus on these issues and communicate its position so others have a clear understanding of the Board's perspective. He noted the impact of tuition on graduation rates and students' program selection, and stated that tuition rates must be predictable so students are able to plan.

Regent Perlman concurred with Regent Rosha regarding the importance of predictable tuition rates. He spoke in support of the proposed move away from a single undergraduate tuition rate, stating that flexible tuition systems will be necessary as the University proceeds with implementation of "University 2000."

Regent Sahlstrom agreed with Regent Rosha's comments on the impact of tuition on graduation rates, and expressed a concern about maintaining the balance between tuition and financial aid.

Regent Hogan expressed concerns about access, the effect of tuition rates on program choices made by students, and the impact of significant differences in tuition between the University's campuses.

Regent Keffeler noted that through broad parameters contained in the proposed policy, the Board is asking the President to recommend annual tuition plans to address the issues that affect graduation rates and access. She stated that the proposed policy is more flexible, and the Board must determine whether the level of flexibility is appropriate.

President Hasselmo stated that flexibility is important at this time. However, he indicated it will be possible to have greater specificity as the strategic plan and financial strategy develop, which will result in greater predictability.

In summary, Dr. Infante reiterated his request that Regents contact him with questions or comments regarding the proposed policy before the November meeting. Regent Keffeler asked that feedback received from Regents be shared with the rest of the Board.

"UNIVERSITY 2000" STRATEGIC PLAN

President Hasselmo led the presentation regarding the "University 2000" strategic plan, stating that this and future discussions will focus on integral components of the plan. He addressed the following issues:

- Diversity -- President Hasselmo stated that the University has a strong diversity agenda, and every program in "University 2000" has to be considered from that perspective. He noted that the University must recruit, retain, and graduate a greater number of students of color.

- Exploration of Intellectual Frontiers -- President Hasselmo indicated that the University must be a leader in exploring new fields. To position the University for the future, he stated that the planning process has been structured in clusters to match academic disciplines with the needs of society. He stressed the importance of encouraging and sustaining interdisciplinary activities.

- Financial Strategy -- As the strategic plan is developed, President Hasselmo stated it is necessary to build a financial strategy that incorporates all components of the budget. He indicated that the University needs a contract with the state, whereby outcomes will be defined and delivered on specific financial terms. He also noted the need for a contract with students. Students will be prepared and will devote time to study on a defined basis, and the University will guarantee graduation for full-time students in four years and the cost of education for that period.

In summary, President Hasselmo emphasized that "University 2000" is his vision; it currently is not a plan. He stated that it contains ideas and concepts, and asked the Board for help in formulating the answers. He indicated that he will present strong recommendations for the Board to consider after the extensive internal and external consultative process.

Regent Keffeler stated that President Hasselmo's remarks regarding "University 2000" were very helpful. Regent Sahlstrom requested that the Regents be provided with a copy of the President's statement.

Regent Keffeler suggested that discussions regarding "University 2000" include the underlying data presented at the recent Regents' retreat so everyone can understand the University's current situation. She noted that it would be helpful if the media could help the public understand the current situation.

Regent Perlman noted that the business world is very diverse, and many businesses no longer recruit at the University because they do not feel it produces adequately diverse graduates. To be relevant as an educational institution, he stated that the University must improve in this area.

Regent Rosha agreed with Regent Perlman's comments regarding diversity, adding that the University must aggressively address issues related to cost of education and graduation rates.

Regent Hogan stated that for the University to maintain its leadership position, it must increase diversity. He emphasized the importance of minority faculty as role models for all students.

Regent Page supported the idea of exploring intellectual frontiers, saying this will become even more important as financial strategies are developed for the future.

President Hasselmo expressed gratitude for the Board's response.

ANNUAL REPORT ON ASSET AND DEBT MANAGEMENT

Senior Vice President Erickson, Associate Vice President Paschke, and Professor Timothy Nantell, Chair of the Asset and Debt Management Oversight Committee, participated in the presentation of the Annual Report on Asset and Debt Management.

Mr. Paschke introduced the Office of Asset Management and Investment Accounting staff, including Sheila Warness, Colleen Davy, Kelly Hickman, Barbara Holl, Chiang Jandro, Kent Kleppe, Dan O'Connor, and Linda Sibben. Regent Keffeler commended Mr. Paschke and his staff for their excellent work.

Mr. Paschke distributed the 1993 Investment Report and reviewed the Annual Report on Asset and Debt Management. He stated that the current value of funds as of June 30, 1993 was \$910.4 million.

Mr. Paschke reviewed asset allocation by manager as of June 30, 1993. He discussed the asset allocation for the \$315 million consolidated endowment fund, 12 percent of which is devoted to international investments. He noted that the administrative recommendation is to increase the University's exposure to international investments to 25-30 percent. Mr. Paschke reviewed asset allocation from long- and short-term reserves.

Mr. Paschke reviewed a chart illustrating the growth of the University's consolidated endowment fund versus inflation as of June 30, 1993, and noted that real growth has been substantial. He reviewed compounded annual returns for stocks, bonds, money market funds, the consolidated endowment fund, long-term and short-term reserves, and discussed methods to avoid erosion of the growth of the endowment fund.

Mr. Paschke discussed the performance of the endowment of the University of Minnesota Foundation, commenting that the 22.3 percent performance is above the 95th percentile of endowment and foundation funds in the country.

Mr. Paschke reviewed equity managers' performance as of June 30, 1993 and the performance of fixed income managers, noting the excellent performance of Piper Capital Management. He discussed the costs associated with asset management activities from July 1, 1986 through June 30, 1993.

Mr. Paschke reviewed a summary of the University arbitrage program, which is managed by First Capital Strategists in York, Pennsylvania. This program is the major source of income into the central reserves, and provides the largest source of unrestricted funds for the institution. The fiscal year 1993 net return was \$6.1 million, and the program has provided a net return of \$62.5 million since its inception in 1980.

Mr. Paschke reported that the University's bonded debt as of August 31, 1993 totals \$323.5 million, adding that the University has a diversified debt management portfolio. He reviewed the University's debt ratings, and the savings of approximately \$40 million in debt service since 1985.

Professor Nantell reported that the Asset and Debt Management Oversight Committee agrees with the recommendation to increase the University's investments in international securities. He discussed the committee's future agenda, including further

consideration of the 5.5 percent spending rate. He informed the Regents that his committee will provide them with an analysis of the risks of continuing at the 5.5 percent rate, the risks related to the University's arbitrage program, and the institution's plan for debt management. He stated that if the Board has additional agenda items for the committee to address, the committee could meet with the Board to discuss those issues.

Regent Perlman suggested that the Regents should meet with the Asset and Debt Management Oversight Committee, because the Board of Regents is responsible for ensuring that funds are appropriately invested. He noted that Mr. Paschke has an extraordinary national reputation and is a true asset for the University, and he commended Mr. Paschke and his staff for their efforts.

In response to Regent Reagan, Mr. Paschke discussed the recommendation to increase the University's investment in international securities. He noted that the issue of the stability of international markets is addressed by employing good money managers.

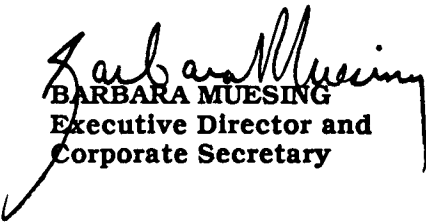
Regent Page noted that under Mr. Paschke's direction, the University is doing better than 91 percent of other schools. She noted that expansion of the Asset and Debt Management Oversight Committee is being considered, and she asked Regents to forward suggestions for new members to Mr. Erickson or Mr. Paschke.

Based on the University's debt rating and the health of the balance sheet, Regent Keffeler asked if there is more flexibility to take on new construction projects. Mr. Paschke stated that in two years, the University's total estimated debt will be approximately \$450 million based on current project commitments. He stated that the University's bond rating would be seriously jeopardized beyond that level. Mr. Paschke concurred with Regent Keffeler that in order to take on the new construction projects included in the capital plan, the University must get relief from the state on the one-third debt service. Mr. Erickson noted that if the University goes beyond its debt capacity, it will lose its flexibility on high priority items such as the steam plant.

Regent Page expressed appreciation to Professor Nantell for his work on the Asset and Debt Management Oversight Committee. She asked that analysis of debt management be added to that committee's agenda.

Following the discussion, Regent Keffeler expressed appreciation for the presentation.

The meeting adjourned at 10:15 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

October 8, 1993

A meeting of the Board of Regents of the University of Minnesota was held on Friday, October 8, 1993, at 10:25 a.m. in the Humphrey Ballroom, Radisson Metrodome Hotel.

Regents present: Hogan, Keffeler, Page, Perlman, Peterson, Reagan, Rosha, Sahlstrom, and Wynia. President Hasselmo presided.

Staff present: Senior Vice Presidents Erickson and Infante; Vice Presidents Hopkins and Petersen; Executive Director Muesing; and Associate Vice President Paschke.

APPROVAL OF MINUTES

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

Audit Committee - September 8, 1993
Facilities Committee - September 9, 1993
Financial Operations & Legislative Committee - September 9, 1993
Faculty, Staff & Student Affairs Committee - September 9, 1993
Educational Planning & Policy Committee - September 9, 1993
Board of Regents - September 9, 1993
Committee of the Whole - September 10, 1993
Board of Regents - September 10, 1993

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to activities that have recently taken place on campus; recognition of Faculty Representative Jo-Ida Hansen, Women's Intercollegiate Athletics; the Institute of Technology Report entitled "I.T. 1000 Companies"; Accountability and Change; and State of the University 1993.

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

REPORT OF THE CHAIR

Chair Keffeler reported that the November meetings will be held on Tuesday and Wednesday, November 9 and 10. There will also be a series of forums on November 8 to provide an opportunity for civil service staff, academic staff, and student and faculty leaders to offer feedback regarding the "University 2000" Strategic Plan. An Open Forum will also be held on November 8, from 7:00 to 8:30 p.m. The forums will be held in the Earle Brown Center on the St. Paul campus.

Chair Keffeler called on Regent Sahlstrom, who spoke briefly about his attendance at the Open House of the Minnesota Daily.

RECEIVE AND FILE REPORTS

President Hasselmo reported that there were no receive and file reports this month.

GIFTS

Mr. Robert Hanle, Director of Development, presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation as listed in the docket material and on file in the Regents' Office.

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

REPORT OF THE COMMITTEE OF THE WHOLE October 7, 1993

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

- a) Approval of resolution re Reorganization of the Health Sciences and Appointment of Senior Health Sciences Officers, as follows:

WHEREAS, the Board of Regents is committed to preserving the quality of the University's health-related teaching, research, and clinical services; to positioning the University to compete successfully in the changing health care marketplace; and to ensuring the responsiveness and accountability of the Health Sciences; and

WHEREAS, the Board of Regents has requested the administration to review the organization and management of Health Sciences, and has encouraged the administration to expedite the process of filling key vacancies; and

WHEREAS, the administration has presented a plan for reorganizing the Health Sciences and for appointing a Health Sciences Provost, a Health Sciences Chief Financial Officer, a Medical School Dean, and a President of the University of Minnesota Health System;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents:

1. Approves the overall structure of the Health Sciences with the understanding that recommendations regarding the following will be presented to the Board of Regents for approval by December 1993:

- the appropriate relationships between Health Sciences and the University on financial oversight, research administration, state and federal relations, outreach, and all other shared responsibilities;
 - the new role, structure, and responsibilities of the Health System Board of Governors; and
 - further details concerning the structure and operation of the University of Minnesota Health System.
2. Approves the establishment of the University of Minnesota Health System as an organization linking the University Hospital and Clinic and the academic personnel engaged in clinical activities within the Health Sciences, with the understanding stated under 1, above.
 3. Approves the recruitment of a President of the University of Minnesota Health System, with the appointment for this position to be recommended to the Board of Regents for approval as soon as possible.
 4. Approves the recruitment of a Chief Financial Officer of the Health Sciences, with the appointment for this position to be recommended to the Board of Regents for approval as soon as possible.
 5. Approves the initiation of the recruitment of a Provost of the Health Sciences and a Dean of the Medical School, with the understanding that recommendations of appointments for these positions will be made after the Board of Regents has had an opportunity to review and approve the recommendations noted in 1, above.

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

Chair Keffeler reported that the committee also reviewed Non-Medical School Health Sciences Private Practice Plan Policies and received a report on the impact of the budget reduction implemented for the 1993-94 academic year.

REPORT OF THE COMMITTEE OF THE WHOLE
October 8, 1993

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

- a) Approval of resolution re Appointment of University of Minnesota Foundation Trustees, as follows:

RESOLVED, that on the recommendation of the President, Erwin L. Goldfine, Josie R. Johnson, David M. Lebedoff, and Thomas R. Reagan are hereby appointed to the University of Minnesota Foundation Board of Trustees for three-year terms, effective November 10, 1993.

- b) Approval of resolution re Honors Committee Report, as follows:

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

Documentation is filed supplement to the minutes, No. 22,329.

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

Chair Keffeler reported that the committee also reviewed a proposed Regents' Policy on Tuition; received a presentation on the "University 2000" Strategic Plan; and reviewed the Annual Report on Asset and Debt Management. In addition, recognition was given to Professor Jo-Ida Hansen and Professor Maria Snyder, outgoing and new Faculty Representatives for Women's Intercollegiate Athletics, and Dr. Alfred Sullivan, new Dean of the College of Natural Resources.

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Faculty, Staff & Student Affairs Report as presented in the docket material.
- b) Approval of amendment of the University Senate Constitution changing the eligibility requirements for academic professional representation on the Senate as presented in the docket material.
- c) Approval of resolution re adoption of the Regents' Policy on Faculty and Academic Staff Personnel, as follows:

RESOLVED, that the policy on Faculty and Academic Personnel be adopted.

FACULTY & ACADEMIC STAFF PERSONNEL POLICY

The Board of Regents' faculty and academic staff personnel policy establishes basic policy in the areas of fringe benefits, paid and unpaid leaves of absence, vacation, severance, retirement, nepotism, salary, and holding of political office. Policies and procedures that govern faculty and academic staff are contained in the Academic Personnel Policies and Procedures Manual and are available in both hard copy and electronic format.

Responsibility for development, monitoring compliance, modification, implementation and overall management of individual personnel policies for faculty and academic staff is delegated by the Board of Regents to the President.

New policies or modification to existing policies affecting academic staff will be brought to the Board of Regents for approval when a significant economic or legal impact to the University is anticipated or when the President or his delegate

believes there is substantive deviation from current policy or practice.

Minor modifications to existing faculty and academic staff personnel policies will be made by the President and/or his designee and noted in the Senior Vice President's Monthly Report on Faculty, Staff and Student Affairs. Such modifications will be communicated to the University community by way of institutional internal publications on a monthly basis. Policies will be regularly updated in the electronic format and periodically updated in hard copy format.

The following policies, as approved by the Board of Regents, will appear in the Regents' Policy Book under the heading Faculty and Academic Staff Personnel:

- Administrative Fringe Benefit
- Administrative Transitional Leaves
- Emeritus Title for Faculty
- Family and Personal Leaves without Pay
- Mandatory Retirement for Faculty
- Nepotism
- Parental Leaves for Academic Employees
- Phased Retirement and Terminal Leave for Academic Professional and
Administrative Employees
- Policy on Military Leave
- Post Employment Policy
- Sabbatical Furlough
- Salary Policy for Administrative Officers
- Severance Policy for Academic Professional and Administrative Employees
- Sick Leave and Disability Leave
- Single Quarter Leave
- Unisex Retirement Tables
- University Staff Holding Political Office
- Vacation Policy

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

Regent Hogan reported that the committee also reviewed a proposed resolution that would rescind the Regents' Policy on Mandatory Faculty Retirement.

REPORT OF THE FACILITIES COMMITTEE

Regent Rosha, 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 in the docket material and filed in the Regents' Office.
- b) Approval of resolution re Capital Improvement Budget (FY 94) Amendment, New Project, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY 1994 Capital Improvement Budget is hereby amended to incorporate the following project:

- Health Science Unit F, School of Nursing Laboratory
Rooms 2-131 and 3-139 Remodeling, Twin Cities
Campus
Estimated cost of the project: \$175,000
Funding: School of Nursing State Operating Appropriation
Estimated completion: February 15, 1994

c) Approval of resolutions re Real Estate Transactions previously reviewed, as follows:

- 1) Sale of Friedell Building, Rochester, Minnesota

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 sale of the Friedell Building property located at 1200 South Broadway in Rochester, Minnesota, to Independent School District 535, for the sum of \$1,000,345.28.

- 2) Sale of 50 Percent Interest in 80 Acres, Elberg Trust Property, Mountrail County, North Dakota

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 sale of the following described property to John H. Bartelson, Jr., for the sum of \$31,500:

An undivided 1/2 interest in and to the S1/2 of the SE 1/4 of Section 35, Township 152 North, Range 90 West Mountrail County, North Dakota, containing 80 acres, more or less, according to the United States government survey thereof.

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

Chair Rosha reported that the committee also voted unanimously to recommend:

- a) Approval of resolution re Transfer of Waseca Campus Property, as follows:

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the Regents authorize the following addition to the resolution approved on March 13, 1992 for the conveyance of the Waseca Campus to the State of Minnesota or the City of Waseca:

1. \$100,000 per year for two years to support maintenance costs. This results in aggregate support of \$200,000.
2. Increase the land to be transferred by up to 15 acres over the land currently designated in the Board of Regents' resolution for transfer.
3. Transfer the land and buildings as previously outlined within the Ring Road to the City of Waseca for \$1.

Regent Rosha moved adoption of the resolution and the motion was seconded.

Senior Vice President Erickson asked if there was still a need for the resolution in light of the recent information relating to the federal prison use of the Waseca facilities.

Chair Rosha stated that because use of the Waseca facilities for a federal prison has not been finalized, he believes it would be in the best interests of the University and the state if the facilities are maintained up until the time of transfer. He moved that the resolution be amended as follows:

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the Regents authorize the following addition to the resolution approved on March 13, 1992 for the conveyance of the Waseca Campus to the State of Minnesota or the City of Waseca:

1. \$100,000 per year for up to two years to support maintenance costs. This results in aggregate support of \$200,000.
2. Increase the land to be transferred by up to 15 acres over the land currently designated in the Board of Regents' resolution for transfer.
3. Transfer the land and buildings as previously outlined within the Ring Road to the City of Waseca for \$1.

The motion was seconded and the Board of Regents voted unanimously to approve the resolution.

Regent Reagan then moved the following resolution in support of a smooth transition of the property:

WHEREAS, the Board of Regents approved the conveyance of the Waseca Campus to the State of Minnesota or the City of Waseca in March 1992; and

WHEREAS, the Board appreciates the efforts of Regent Rosha to enable this transition to take place in cooperation with community interests; and

WHEREAS, delays in the transition require flexible implementation of the approved action;

THEREFORE, BE IT RESOLVED, that the Board of Regents directs that all reasonable accommodations be made to facilitate

the transfer of the Waseca campus from the University of Minnesota to the City of Waseca, and the Board encourages the administration to make accommodations that will bring the transfer to a satisfactory conclusion.

The motion was seconded and the Board of Regents voted unanimously to approve the resolution.

Chair Rosha reported that the committee also reviewed a proposed amendment to the FY 94 Capital Improvement Budget relating to the construction of an addition to the north side of Boynton Health Service. In answer to concerns from Regent Keffeler relating to further investments in facilities, it was noted that additional material is available to support this proposal and will be provided.

Regent Rosha reported that the last item on the agenda was a review of proposed disposition procedures for real estate.

REPORT OF THE FINANCIAL OPERATIONS & LEGISLATIVE COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Financial Operations and Legislative Report as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution re Purchase of Goods/Services Over \$250,000, as follows:

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

- c) Approval of resolution re Plant Fund Accounts, as follows:

WHEREAS, the Administration has been directed to report to the Board of Regents in September regarding the status of the plant fund, and to advise the Board about potential opportunities for reallocation of funds; and

WHEREAS, the Administration recognizes the need to establish policies and procedures for insuring that plant fund expenditures are matched with plant fund revenues at the time of or prior to the incurrence of the plant fund expenditure; and

WHEREAS, the Administration recognizes the need to establish timely plant fund project closeout procedures to insure appropriate use and reallocation of plant fund dollars;

NOW, THEREFORE, BE IT RESOLVED, that based upon the review of the plant funds conducted by Facilities Management Administration, the following unobligated plant fund balances be reallocated as follows:

State Capital Appropriation balances to Fire/ Life Safety/Access Projects	\$ 367,500
State Capital Appropriation balance for Experiment Station purposes to other Experiment Station purposes	10,637
State Capital Appropriation balance return to State	12,510
Unrestricted balances to Capital Improvement Advisory Committee for Reallocation & subsequent Board approval	889,888
Duluth Repair & Replacement (R&R) balance to Duluth for reallocation to other Duluth R&R projects	470,640
Return to the funding department operating account	255,877
Return to Auxiliary Services operating accounts	1,512,265
Return to the City of Minneapolis	<u>88,218</u>
 Total	 \$3,606,534; and

BE IT FURTHER RESOLVED, that plant fund project accounts only be contractually obligated once financial reserves equal to the value of the project are credited to the project account or a contractual financial resource agreement is executed consistent with the cash flow needs for the project; and

BE IT FURTHER RESOLVED, that the plant fund project accounts be reviewed semi-annually for the purpose of closing out the project accounts and reallocating any unexpended balances.

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

Chair Page reported that the committee also received an update on current legislative issues and a status report on ALG Forward.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

- a) Approval of resolution re Senior Vice President's Monthly Educational Planning and Policy Report as presented in the docket material:

RESOLVED, that the Senior Vice President's Monthly Report is hereby approved.

- b) Approval of resolution re Annual Plan to Add or Discontinue Academic Programs, as follows:

BE IT RESOLVED, that the Board of Regents of the University of Minnesota approves the Annual Plan to Add or Discontinue Academic Programs and approves the Scientific Computation degree program described in the Academic Program Proposal Summary contained in the docket material, and directs the administration to forward this program to the Minnesota Higher Education Coordinating Board for review and approval.

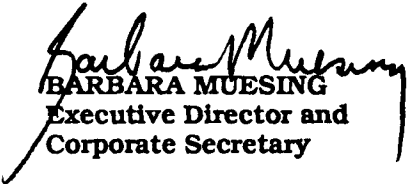
The Board of Regents voted unanimously to approve the recommendations of the Educational Planning and Policy Committee.

Regent Sahlstrom reported that the committee also reviewed the Academic Report Series: University of Minnesota, Duluth.

REPORT OF THE AUDIT COMMITTEE

Regent Hogan, Chair of the committee, reported that the Audit Committee did not meet this month.

The meeting adjourned at 11:15 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

October 18, 1993

A meeting of the Board of Regents of the University of Minnesota was held on Monday, October 18, 1993, at 7:30 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Bleyhl, Hogan, Keffeler, Peterson, Reagan, Rosha, Sahlstrom, and Wynia. Regents Page, Perlman, and Reagan participated in the meeting via telephone. President Hasselmo presided.

Staff present: Senior Vice Presidents Erickson and Infante; Vice President Petersen; General Counsel Rotenberg; Deputy Vice Presidents Chou and Elzay; Executive Director Muesing; University Attorneys Bohnhorst and Donohue; Associate to the President O'Brien; Special Assistant to the President Wallin; University Relations Director Fluor; Director of Employee Relations Erickson; and Assistant Director of Employee Relations Johnson.

Others present: Jan Symchych, Dorsey and Whitney.


The meeting was called to order and a motion was made and seconded, and the Board of Regents voted unanimously to allow Regents Page, Perlman, and Reagan to participate in the meeting via telephone.

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

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705 Subd. 1d, a non-public meeting of the Board of Regents be held at 7:30 a.m. on Monday, October 18, 1993, in 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 7:32 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

October 26, 1993

A special meeting of the Board of Regents of the University of Minnesota was held on Tuesday, October 26, 1993, at 7:30 a.m. in the Regents' Room, 238 Morrill Hall.

Regents participating via telephone: Anderson, Bleyhl, Keffeler, Neel, Page, Reagan, Rosha, Sahlstrom, and Wynia. President Hasselmo presided.

Staff present: Senior Vice Presidents Erickson and Infante; Deputy Vice President Elzay; Executive Director Muesing; University Attorneys Borgestad and Donohue.

The meeting was called to order, and President Hasselmo noted that Regents Hogan, Perlman, and Peterson were not available to participate in the meeting.

**APPOINTMENT OF THE PRESIDENT FOR THE
UNIVERSITY OF MINNESOTA HEALTH SYSTEM**

President Hasselmo stated that the purpose of the meeting was to appoint the President of the University of Minnesota Health System, which is a new position created by the reorganization of the Health Sciences. He noted that the search was considered an exceptional situation under the University's Guidelines for Academic Searches.

Senior Vice President Infante presented the recommendation to appoint Gregory Hart, who currently serves as Director of the University of Minnesota Hospital & Clinic, as President for the University of Minnesota Health System. He noted that internal consultation resulted in unanimous support of the appointment of Mr. Hart.

Regents Page and Wynia expressed concern regarding the title for this position, stating that reporting relationships must be clarified and that there should be only one President at the University of Minnesota. President Hasselmo stated that titles are important in the external environment, noting that individuals who hold similar positions at other institutions have the title of President.

A motion was made and seconded to approve the appointment of Gregory Hart as President for the University of Minnesota Health System.

With regard to the title issue, Regent Keffeler stated that she believes the Board will be reassured regarding roles, responsibilities, accountability, and reporting relationships when further information regarding the Health Sciences reorganization is presented at the December meeting. In response to Regent Keffeler, President Hasselmo stated that no change in Mr. Hart's salary is being recommended at this time.

The Board voted unanimously to approve the appointment of Gregory Hart as President for the University of Minnesota Health System.

On behalf of Regent Hogan, Regent Keffeler stated that he is supportive of the appointment of Mr. Hart, but he is concerned that the University maintain its commitment to recruiting women and people of color to fill positions as searches are expedited in the future. She noted that Regent Hogan is also concerned about reports he has received regarding harassment and lack of opportunities for women and people of color in the Medical School and the Hospital.

The meeting adjourned at 7:45 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary