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**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**MINUTES**

**BOARD OF REGENTS' MEETING**

**AND**

**REGENTS' COMMITTEE MEETINGS**

**February 10-11, 1994**

**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

February 10-11, 1994

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>I. Board of Regents - February 10, 1994</b>	
A. Resolution to Conduct Non-Public Meetings-----	313
<b>II. Committee Meetings</b>	
A. Facilities Committee - February 10, 1994-----	314
B. Financial Operations & Legislative Committee - February 10, 1994-----	318
C. Faculty, Staff & Student Affairs Committee - February 10, 1994-----	322
D. Educational Planning & Policy Committee - February 10, 1994-----	326
E. Committee of the Whole - February 10, 1994-----	330
F. Committee of the Whole - February 11, 1994-----	335
<b>III. Board of Regents' Meeting - February 11, 1994</b>	
<b>A. Approval of Minutes</b> -----	344
<b>B. Report of the President</b> -----	344
1) University Foundation Resolution on U2000	
2) MAA President's Letter on U2000	
3) U2000 Conversations	
4) Minnesota Task Force on Post-Secondary Funding	
5) Financial Aid Task Force	
6) Minnesota Strategic Capital Budget Plan, 1994-1999	
7) Supplemental Legislative Request	
8) UMC Report	
9) Report on Research and Postbaccalaureate Education	
10) Report on Community Building	
11) External Review of Minnesota Supercomputer Center, Inc.	
12) Accreditation Reform	
13) NCAA Convention and Big Ten Meetings	
14) Siehl Prizes for Excellence in Agriculture	
<b>C. Report of the Chair</b> -----	345
1) Regents' Retreats	
<b>D. Receive and File Reports</b> -----	345
1) Quarterly Report on Grants and Contracts	
2) Annual Report of UMHC Board of Governors	
<b>E. Gifts</b> -----	345
<b>F. Report of the Committee of the Whole - February 10, 1994</b>	
1) Report of the Faculty Consultative Committee-----	345
2) Annual Report on the Status of the University's Research-----	345
3) Report on Tuition Rates: Historic Trends and Market Comparisons-----	345
<b>G. Report of the Committee of the Whole - February 11, 1994</b>	
1) Approval of resolution re Summary of Expenditures-----	345
2) Approval of resolution re Supplemental Legislative Request-----	345
3) Approval of Proposed Procedures and Accounting Policies for Dentistry and Nursing Practice Plans-----	346
4) Adoption of Amended Regents' Policy on Medical School Private Practice Plans-----	346
5) Approval of resolution re Adoption of Regents' Policy on Delegation of Authority to Health System Board of Governors-----	353
6) Approval of resolution re UM Health System Board of Governors Bylaws-----	355
7) Approval of resolution re UM Clinical Associates Agreement-----	356

8)	Approval of resolution re UM Health System Board of Governors Appointments-----	357
9)	Approval of resolution re Expression of Appreciation to Mr. Wallin and Transition Task Force-----	357
10)	Recognitions-----	358
	a) 1994-96 McKnight Land-Grant Professors	
	b) UMD Student Athletes	
	c) Kathleen O'Brien	
<b>H.</b>	<b>Report of the Faculty, Staff &amp; Student Affairs Committee</b>	
1)	Approval - Senior Vice President's Monthly Report-----	358
	a) Status on searches	
	b) Promotions, honors, and awards	
	c) Campus programs and events	
	d) Actions by UM Select Committee for Lesbian, Gay, and Bisexual Concerns	
	e) Extension of contract for Coach Haskins	
2)	Report on Community Building Initiative-----	358
3)	Report on NCAA and Big 10 Athletic Issues-----	358
<b>I.</b>	<b>Report of the Facilities Committee</b>	
1)	Approval - Senior Vice President's Monthly Report-----	358
2)	Approval of resolution re Schematic Plans, FY 94 Capital Budget----	358
	a) Territorial Hall, Renovate Showers/Replace Heating System Budget/Scope Increase	
	b) Northrop Auditorium Sprinkler System, Twin Cities Campus	
3)	Approval of resolution re Amendments, FY 94 Capital Budget-----	359
	a) Middlebrook Hall Reroofing and Tuckpointing, Twin Cities Campus	
	b) North Hall Demolition, Twin Cities Campus	
	c) Health Science/Unit F, School of Nursing, 2nd Floor Labs Remodeling, Scope/Budget Increase, Twin Cities Campus	
4)	Real Estate Transaction for Action-----	359
	a) Easement for Improvements of Bavaria Road, University of Minnesota Landscape Arboretum and Horticulture Research Center	
5)	Approval of resolution re Waseca Property Transfer-----	360
6)	Proposed Real Estate Transaction-----	360
	a) Sale of 9.9 Acres and Railroad Right-of-Way Easement to Rosemount	
7)	Real Estate Disposal Process-----	360
8)	Update on Basic Sciences Project-----	360
<b>J.</b>	<b>Report of the Financial Operations &amp; Legislative Committee</b>	
1)	Approval of resolution re Capital Request-----	360
2)	Approval - Senior Vice President's Monthly Report-----	360
3)	Approval of resolution re Purchase of Goods/Services Over \$250,000-----	360
4)	Approval of resolution re ALG Forward-----	361
5)	Quarterly Management Report-----	361
6)	Status of Budget-setting Process-----	361
<b>K.</b>	<b>Report of the Educational Planning &amp; Policy Committee</b>	
1)	Approval - Senior Vice President's Monthly Report-----	362
	a) Site visit by North Central Association of Colleges and Schools	
	b) Recipients of small grants through Building Bridges with Student and Faculty Program	
	c) Actions by Minnesota Higher Education Coordinating Board	
	d) Proposed expansion of collaborative program at Rochester	
2)	Approval of resolution re Minnesota Aviation Training and Education-----	362
3)	Approval of resolution re Master of Liberal Studies-----	362
4)	Academic Report Series: UMC-----	362
5)	Regents' Policies on Gifts and Foundations and University-Foundation Memorandum of Understanding delayed-----	362
<b>L.</b>	<b>Report of the Audit Committee</b>	
1)	No meeting-----	362

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**February 10, 1994**

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, February 10, 1994, at 11:00 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: Senior Vice Presidents Erickson and Infante; General Counsel Rotenberg; Deputy Vice President Chou; Executive Director Muesing; Associate Vice President Perlmutter; and Special Assistant to the President Wallin.

Others present: Health System President Hart; Hospital Attorney Dunder; Hospital Controller Fearing; Board of Governors Chair Dougherty; and Joe Kinning, Briggs and Morgan.

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

RESOLVED, that on the recommendation of the President and the General Counsel and as provided by Minnesota State Statute 144.581 Subd. 5, a non-public meeting of the Board of Regents be held on Thursday, February 10, 1994, in the Regents' Room, 238 Morrill Hall, for the purpose of discussing University of Minnesota Hospital and Clinic marketing activity and contracts.

The Board of Regents voted unanimously to approve the resolution.

The meeting adjourned at 11:01 a.m.

  
**BARBARA MUESING**  
Executive Director &  
Corporate Secretary

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Facilities Committee**

**February 10, 1994**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, February 10, 1994, at 4:18 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Vice Chancellor Fox; Senior Vice President Erickson; Associate Executive Director Janzen; and Associate Vice Presidents Hewitt and Markham.

Student Representatives present: Tom Donarsky and Sara Rogers.

**SENIOR VICE PRESIDENT'S MONTHLY REPORT**

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for February 1994.

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

Associate Vice President Paschke and Recreational Sports Department Director Turman provided a status report on the shortage of lockers in the Recreation Center. Mr. Turman reported that unfinished space in the basement of the Recreation Center has been designated for additional lockers. When finished, the total number of lockers available to students will be approximately 6,000, a thousand short of the original number proposed. Financing for the completion of the lockers will be provided through the internal loan fund and will come back to the committee for approval.

Senior Vice President Erickson called attention to information in the docket material describing the safety program implemented in Plant Services at the University of Minnesota Duluth. Vice Chancellor Fox, introduced Mr. Kirk Johnson, Director of Plant Services, and Mr. Rod Bodell, Maintenance Carpenter, who described the program.

In response to a request from Regent Perlman, Senior Vice President Erickson stated that reports from other campuses will be presented in the future.

Senior Vice President Erickson also reported that the Facilities Management Department will receive the Earth Protector Award for its extraordinary efficiency efforts at a presentation ceremony on March 3, 1994.

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

### **SCHEMATIC PLANS, FY 94 CAPITAL BUDGET**

A motion was made and seconded to recommend approval of the following resolution relating to schematic plans for the FY 1994 Capital Budget:

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

- A. Territorial Hall - Shower Renovation and Heating System Replacement, Budget and Scope Increase, Twin Cities Campus  
Original estimated cost of project: \$1,750,000  
Estimated increase in cost of the project: \$1,350,000  
Total estimated cost: \$3,100,000  
Funding: Housing Services renewal and replacement funds  
Estimated completion date: September 1994
  
- B. Northrop Memorial Auditorium - Sprinkler System  
Twin Cities Campus  
Estimated cost of the project: \$1,825,000  
Funding: Fire and Life Safety Improvements  
Estimated completion date: October 1994

The committee voted unanimously to recommend approval of the resolution.

Linda McCracken-Hunt, Director of Project Development, presented an update on progress of the Basic Sciences Project. She reported that bids have been received and were under budget. Because the bids were under budget, the plans for a tunnel connection to Coffman Union can proceed. She also reported that the 15 percent goal for targeted group business on the project was achieved. The project will take approximately three years to complete.

In answer to a question from Regent Wynia, Director McCracken-Hunt reported that a policy for target goal participation by minority contractors is in the process of being developed. Interim guidelines are in place until that policy takes effect.

### **AMENDMENTS, FY 94 CAPITAL BUDGET**

A motion was made and seconded to recommend approval of the following resolution relating to amendments to the FY 94 Capital Budget:

**RESOLVED**, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY 1994 Capital Budget is hereby amended to incorporate the following projects:

- A. Middlebrook Hall Reroofing and Tuckpointing, Twin Cities Campus  
Estimated cost of the project: \$631,000  
Funding: Housing Services - Twin Cities Campus  
Estimated completion date: August 1994

- B. North Hall Demolition, Twin Cities Campus  
Estimated cost of the project: \$428,000  
Funding: Redirected Unrestricted Plant Fund Balances  
Estimated completion date: August 1994

and to increase the scope and budget for the following project:

- C. Health Science/Unit F, School of Nursing, 2nd Floor Lab  
Remodeling, Twin Cities Campus  
Original estimated cost of project: \$175,000  
Estimated increase in cost of project: \$77,000  
Total estimated cost of project: \$252,000  
Funding: School of Nursing  
Estimated completion date: May 1994

The committee voted unanimously to recommend approval of the resolution.

#### **REAL ESTATE TRANSACTION FOR ACTION**

##### **Easement for Improvements of Bavaria Road University of Minnesota Landscape Arboretum and Horticulture Research Center**

A motion was made and seconded to recommend approval of the following resolution relating to an easement for improvements of Bavaria Road at the University of Minnesota Landscape Arboretum and Horticulture Research Center:

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 granting to the City of Victoria a permanent easement encumbering approximately .63 acre for the improvement of Bavaria Road adjacent to the Horticulture Research Center, Excelsior.

The committee voted unanimously to recommend approval of the resolution.

#### **REAL ESTATE TRANSACTION FOR REVIEW**

##### **Sale of 9.9 Acres and Railroad Right-of-Way Easement at Rosemount**

Associate Vice President Hewitt reported that the University has received a request from CMC Heartland Partners to purchase 9.9 acres of University land at Rosemount encumbered by a perpetual easement for railroad right-of-way. The property is located west of Outlots B& C and west of Biscayne Avenue and is not contiguous to any land presently assigned to the Rosemount Agricultural Experiment Station. The property is a strip of land between two parcels presently owned by CMC Heartland Partners. Mr. Hewitt reported that CMC Heartland Partners would combine the property and relocate the railroad spur track to facilitate the development of single family homes.

In answer to a question, Mr. Hewitt reported that the sale of this parcel will not affect any future plans the University might have for the Rosemount property.

#### **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 the Senior Vice President for Finance and Operations, the Regents authorize the following addition to the resolution approved October 8, 1993, for the conveyance of the Waseca campus to the State of Minnesota or the City of Waseca.

Increase the land to be transferred by up to three acres over the land currently designated in the Board of Regents' Resolution for Transfer.

The committee voted unanimously to recommend approval of the resolution.

#### **REAL ESTATE DISPOSAL PROCESS**

Senior Vice President Erickson reported that pursuant to the discussion at the January 13, 1994 Facilities Committee, a committee will be formed to assist University administration and the Board of Regents on matters related to surplus real estate. He reported that the committee will be patterned after the Asset & Debt Management Committee and will be charged to advise the University on a general policy for the disposition of surplus properties and on the sale, development or transfer of specific surplus parcels. It will also review the University's efforts to dispose of surplus properties.

He further requested that the Senior Vice President for Finance and Operations be delegated the authority to appoint members to the Advisory Committee in consultation with the Chair of the Facilities Committee. The committee will include at least two university faculty members with background in real estate and at least three non-university members representing the broad spectrum of the real estate industry. Appointment to the committee will be for a minimum of three years and the committee will meet at a minimum of quarterly.

The meeting adjourned at 5:00 p.m.

  
**BARBARA MUESING**  
Executive Director and  
Corporate Secretary



**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Financial Operations & Legislative Committee**

**February 10, 1994**

A meeting of the Financial Operations & Legislative Committee of the Board of Regents was held on Thursday, February 10, 1994, at 2:30 p.m., in the Regents' Room, 238 Morrill Hall.

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

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice Presidents Paschke and Pfitzenreuter; and Controller Lauritzen.

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 February 1994.

Senior Vice President Erickson reported that an update on the process for budget modifications will be delayed until the April meeting.

President Hasselmo updated the committee on the status of the capital request. He reviewed the amounts for the individual items contained in the University's request and reported that the Governor has completed his recommendations. He stated the Governor recommended over \$100 million for the University, but that his recommendations differed from the University request. He reported that presently, the administration is not suggesting that the University alter its request, however, the request will continue to be assessed as the legislative session proceeds.

The committee engaged in discussion regarding the possibility of changing the University's request. Regent Perlman stated that given the fluidity of the legislative session, the officers of the Board and the chairs of the of the Financial Operations & Legislative and Facilities Committees should be consulted on any proposed changes in priorities. After further discussion, he moved the following:

**RESOLVED**, that if it appears wise to move beyond the existing capital request, the administration, in consultation with the Board Officers and the Financial Operations and Facilities Committee Chairs, is authorized to work within the seven capital priorities approved by the Board. Any changes beyond that will require approval by the Board of Regents.

The committee voted unanimously to recommend approval of the motion.

A motion was made and seconded and the committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for February 1994.

#### **PURCHASE OF GOODS/SERVICES OVER \$250,000**

A motion was made and seconded to recommend approval of the following resolution relating to the purchase of goods/services over \$250,000:

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 the following:

- To Costar for lab supplies estimated at \$370,000 annually to be stocked by University Stores for the period 2/15/94 to 12/31/94.
- To Falcon for lab supplies estimated at \$400,000 annually to be stocked by University Stores for the period 2/15/94 to 12/31/94.

The committee voted unanimously to recommend approval of the resolution.

#### **QUARTERLY MANAGEMENT REPORT**

Senior Vice President Erickson reported that the quarterly management report as of December 31, 1993 was in the docket materials, including: 1) a balance sheet as of December 31, 1993 for all funds, both current and noncurrent; 2) a statement of changes in fund balances for the period ending December 31, 1993, including data for the period ending December 31, 1992; and 3) budget status reports as of December 31, 1993 for the collegiate units and summarized to the vice president and coordinate campus levels.

Carole Fleck, Director of Financial Reporting and Budget Administration reviewed information contained in Schedules I and II of the report, indicating the figures were unaudited and cover a six-month period.

Associate Vice President Pfutzenreuter reviewed Schedule III and distributed additional information relating to the Budget status of all current fiscal year nonsponsored funds and budget changes by fund grouping and collegiate unit.

Regents expressed strong support.

#### **ALG FORWARD**

Senior Vice President Erickson reported that the drug company negotiating with the University of Minnesota for the purchase of ALG, withdrew its proposal. He presented the following resolution requesting additional funding to operate ALG until March 31, 1994:

WHEREAS, this Board of Regents on June 11, 1993 approved the university's expenditure of up to \$1.6 million for the period ending December 31, 1993, for the continued operation of ALG and authorized the creation of a retention incentive compensation plan for such period; and

WHEREAS, this Board on January 14, 1994 approved the university's expenditure of up to an additional \$300,000 for the period ending February 28, 1994 to operate ALG and to fund the plan; and

WHEREAS, the university administration has solicited offers to purchase ALG so as to facilitate the return of ALG to the transplant community; and

WHEREAS, the university administration believes that the continued operation of ALG through March 31, 1994 which requires an additional authorization of \$100,000, will enhance the marketability of ALG; and

WHEREAS, the university administration recommends through March 31, 1994 the continuation of the retention incentive compensation plan;

NOW, THEREFORE, BE IT RESOLVED, that an additional authorization for expenditure of up to \$100,000 is authorized to operate ALG for the period ending on March 31, 1994.

BE IT FURTHER RESOLVED, that the extension through March 31, 1994 of the ALG retention incentive compensation plan is approved.

BE IT FURTHER RESOLVED, that the university administration at the meeting of this Board in March 1994, shall report on its efforts to enter into an agreement to sell, license, or otherwise transfer the ownership and operation of ALG.

A motion was made and seconded to approve the resolution.

Senior Vice President Erickson reported that administration will report to the Board in March on its efforts to enter into an agreement to sell, license, or otherwise transfer the ownership and operation of ALG.

In response to a question regarding funding for ALG, Senior Vice President Erickson reported that actual reserves from the ALG operation were exhausted in June 1993. Funding will come from proceeds of a sale or from ALG funds that were used for other purposes within the Medical School. He also stated that the University is still looking for an independent party to purchase the program, however, all options are being pursued. He added that the Federal Drug Administration (FDA) has indicated that cost recovery is a possibility.

The committee voted unanimously to recommend approval of the resolution.

**NEW BUSINESS**

Associate Vice President Pfutzenreuter briefly reviewed the present status of the budget process using the College of Liberal Arts Budget Planning document as an illustration.

The meeting adjourned at 3:58 p.m.

  
**BARBARA MUESING**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Faculty, Staff and Student Affairs Committee**

**February 10, 1994**

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, February 10, 1994, at 4:10 p.m. in Room 300, Morrill Hall.

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

Staff present: President Hasselmo; Senior Vice President Infante; Vice Presidents Hopkins and Hughes; General Counsel Rotenberg; Executive Director Muesing; Assistant Vice President Canney.

Student Representatives present: Gina Brunko and Rachel Paulose.

Regent Neel welcomed Senator Nancy Brataas and Don Sudor to the meeting.

**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:

- Status report on the searches for a Health Sciences Provost, Health Sciences Chief Financial Officer, Medical School Dean, and Hospital Director;
- Status report on the search for a Vice President for External Relations;
- Promotions, honors, and awards received by University faculty and staff, including a \$250,000 grant from the Robert Wood Foundation for political science Professor Lawrence Jacobs, who will study American public opinion and its impact on health care reform; and receipt by Assistant Professor Jian-Gang "Jimmy" Zhu of the National Science Foundation Young Investigator Award, the McKnight Land Grant Professorship, the IBM Faculty Development Award, and the 3M Non-tenured Faculty Development Award;
- Campus programs and events, including The Women's Health Fair: Risk and Resiliency, Twin Cities campus; and
- Actions taken by the University of Minnesota Select Committee for Lesbian, Gay, and Bisexual Concerns, including establishing a Gay, Lesbian, Bisexual, and Transgender Program Office; providing benefits for gay and lesbian families; developing educational training

program on gay, lesbian, bisexual, and transgender concerns; and updating all printed publications and materials.

Dr. Infante presented a proposed contract extension for Head Basketball Coach Clem Haskins to the committee for approval. Dr. McKinley Boston, Director of Men's Intercollegiate Athletics, spoke in support of the proposed contract, and stated he is comfortable with the University's basketball program and the leadership of Coach Haskins.

A motion was made and seconded to recommend approval of the Senior Vice President's Monthly Report, including the proposed contract extension for Coach Haskins.

In response to Regent Sahlstrom, Dr. Boston stated that recent salary comparisons place the proposed contract for Coach Haskins in the upper one-third of total compensation packages in the Big Ten and the proposal is average when compared nationally.

Following the discussion, the committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report, including the proposed contract extension for Coach Haskins.

#### **REPORT ON COMMUNITY BUILDING INITIATIVE**

Vice President Hughes discussed the University's community building initiative. She introduced Associate Professor Maria Cheng, from the Department of Theatre Arts & Dance, who has been very active in this initiative.

Dr. Hughes noted that one of the strategic directions approved by the Board, as part of the University 2000 plan, was developing a user-friendly University community. She reviewed a definition of community, and stated that foundations for community include identity, purpose, communication, and values.

Dr. Hughes reported that a 1991 Student Interest Survey provided baseline data for community, and stated the next step is to obtain similar data from faculty and staff. She reviewed internal and external community models.

Dr. Hughes discussed Student Affairs initiatives related to the human environment, space and physical environment, technology, activities, communications, and assessment.

Dr. Cheng, a recipient of one of the "Building Bridges with Students and Faculty" grants, reported on "!!! DANCE C'MOTION !!! -- A Celebration of Community and Excellence" that was held as a community building activity. She stated that faculty and students participated in the free concert, and all gate donations were returned to the University Student Dance Coalition.

In conclusion, Dr. Hughes stated that building a user-friendly University community will take a commitment by every University department.

Regent Neel thanked Dr. Hughes, and he conveyed support for the proposal to consolidate major student services in one building.

Student Representative Paulose stated she is encouraged that community building is a major agenda item, and reiterated the importance of physical accessibility to student services. She also noted that it is important to involve students in campus organizations as soon as they arrive at the University.

President Hasselmo thanked Dr. Hughes and Dr. Cheng for their presentations. He expressed gratitude to the faculty and staff who have taken the initiative to use resources available for community building activities, and stated that these efforts should be encouraged.

Regent Sahlstrom suggested that information about changes that have been made to improve the University's user-friendliness should be communicated to greater Minnesota high school counselors and principals and to the Legislature. Dr. Hughes noted that Dr. Wayne Sigler, Director of the Office of Admissions, will be presenting a similar report at selected outstate sites.

In response to Regent Hogan, Dr. Hughes agreed that many improvements in user-friendliness do not cost money.

Regent Neel suggested that there has to be an element of self help on the part of students in this initiative, noting the small number of students that vote in campus elections. Dr. Hughes concurred, but noted that even though students don't vote, there is a very high level of volunteerism on campus. In response to Regent Neel, Dr. Hughes stated that the Minnesota Student Association is considering an "adopt a part of the campus" program similar to the "adopt a highway" program.

#### **REPORT ON NCAA AND BIG 10 ATHLETIC ISSUES**

President Hasselmo provided an update on recent intercollegiate athletic developments generated by the January 1994 National Collegiate Athletic Association (NCAA) Convention and by the December 1993 Big Ten Council of Presidents' Meeting. He introduced Dr. McKinley Boston, Director of Men's Intercollegiate Athletics, and Dean Robert Stein, the University's faculty representative for Men's Intercollegiate Athletics.

President Hasselmo noted the achievements of the men's and women's athletic teams. He reported that gymnast Kerry Huston's surgery was apparently successful, and the thoughts of the University community go out to him.

President Hasselmo reported on a threatened boycott of men's basketball games by the Black Coaches Association that was triggered by a vote at the recent NCAA Convention to maintain the number of men's basketball scholarships at 13. He stated that the issues go beyond the results of that vote, noting there is a collision of values, priorities, and opinions on issues related to cost containment, academic integrity, gender equity, and minority participation. He expressed optimism that the NCAA and Big Ten are moving in the right direction to resolve these issues.

President Hasselmo reported on a proposal to restructure the leadership of the NCAA, and noted that the moratorium on expansion of the Big Ten Conference will expire in June 1994 and the issue of further expansion is being studied.

Regent Hogan commended the Departments of Intercollegiate Athletics for the emphasis on academics. President Hasselmo responded to an issue raised by Regent Hogan regarding the University's vote on the scholarship issue at the NCAA Convention, stating that the University supports most of the original cost containment proposals and the vote represented its official stance.


Dean Stein noted that the scholarship issue is less significant than other reforms scheduled to go into effect in 1995, which include:

- increased standards for freshman eligibility;
- off-campus coach/student-athlete interactions;
- recruiting restrictions;
- absence of minorities in NCAA and athletic department leadership positions; and
- participation of minority female student-athletes.

Regent Hogan expressed concern about the impact of the reforms on minority athletes. Director Boston reported on academic support for student-athletes in the Department of Men's Intercollegiate Athletics, stating that the Center for Development of Student-Athletes addresses factors that impact student success.

In response to Regent Sahlstrom, Dean Stein stated that academic priorities are moving in the right direction on the national level. He expressed pride in the leadership of the Big Ten Conference and the University of Minnesota in the development of reforms related to academic responsibility, cost containment, gender equity, and ethics.

The meeting adjourned at 5:30 p.m.

  
**BARBARA MUESING**  
Executive Director and  
Corporate Secretary



**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Educational Planning and Policy Committee**

**February 10, 1994**

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, February 10, 1994, at 2:45 p.m. in Room 300, Morrill Hall.

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

Staff present: Chancellor Sargeant; Senior Vice President Infante; Vice Presidents Hopkins, and Hughes; Executive Director Muesing; Associate Vice Presidents Brenner and Fischer.

Student Representatives present: Narciso Aleman and Joan Jensch.

Regent Sahlstrom welcomed Dr. Jeanne Lupton, who recently accepted the position of Associate to the President on an interim basis.

**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:

- The site visit for the Twin Cities campus by the North Central Association of Colleges and Schools is scheduled for May 13-15, 1996, and a process will be established to prepare for the site visit;
- Recipients of small grants for Winter 1994 through the Building Bridges with Students and Faculty Program;
- Actions taken by the Minnesota Higher Education Coordinating Board (HECB) at its meeting on January 20, 1994, including a recommendation to the Governor and the 1994 Legislature to provide a \$1 million base adjustment in the State University System budget to support planning and implementation of expanded programming at Metropolitan State University;
- A proposal to expand the collaborative program at Rochester involving Winona State University, Rochester Community College, and the University of Minnesota, to include the Riverland Technical College.

In response to Regent Sahlstrom, Dr. Darwin Hendel stated he communicated with officials at the University of Minnesota, Crookston (UMC) regarding the Associate in Applied Science in Hotel Restaurant Management to be offered by Alexandria

Technical College in Cooperation with Winona State University. Regent Sahlstrom suggested that coordination should have taken place with UMC, since it offers a similar program.

Senator Nancy Brataas and Donald Sudor discussed the proposal to expand the University Center Rochester to include the Riverland Technical College. Senator Brataas reviewed the educational needs in Rochester, and stated that the Greater Rochester Area University Center (GRAUC) hopes to be included in a major way in the University's planning for the year 2000 and beyond.

Regent Sahlstrom thanked Senator Brataas and Mr. Sudor for attending the meeting to discuss the Rochester proposal. He stated that the proposal is a true model for the state in terms of cooperation between all of the systems of education, including the K-12 system.

Mr. Sudor defined GRAUC and thanked the University for being a strong partner, stating that the University's concurrence with the proposal to include the Riverland Technical College is valuable.

Regent Neel thanked Senator Brataas, Mr. Sudor, and the other individuals who participated in this process, and expressed concern that the Rochester community does not have an adequate University presence.

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

In response to Regent Peterson, Senator Brataas stated that the Rochester proposal is included in the Governor's bonding bill, and noted positive reactions from legislators.

Regent Rosha noted that the proposal will result in shared space, and suggested it may be possible to share other resources. In response to Regent Rosha, Senator Brataas stated that the HECB will address the governance issues related to integration of the Riverland Technical College into the University Center Rochester. She noted that the proposal expands the University's opportunity in the Rochester area, and stressed the importance of technical college training in light of recent layoffs at Mayo Clinic and IBM.

Regent Wynia asked how future capital requests will be handled in light of this type of collaboration, and suggested it is time to consider an appropriation to the higher education center in Rochester rather than to the individual systems. Dr. Infante noted that there has been significant collaboration between the three systems in Rochester, stating that the University has paid its share of the debt service.

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

#### **MINNESOTA AVIATION TRAINING AND EDUCATION**

Senior Vice President Infante presented the proposed Minnesota Aviation Training and Education (MATE) Joint Powers Agreement, and reviewed the participation of the University in the MATE consortium.

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

RESOLVED, that the Board of Regents approves the Minnesota Aviation Training and Education (MATE) Joint Powers Agreement and the participation of the University in the MATE consortium.

#### **MASTER OF LIBERAL STUDIES**

Senior Vice President Infante presented the proposed Master of Liberal Studies to the committee for approval.

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

RESOLVED, that on the recommendation of the President and the Senior Vice President for Academic Affairs, the proposal for a Master of Liberal Studies (M.L.S.) is hereby approved.

#### **REGENTS' POLICIES ON GIFTS AND FOUNDATIONS/ UNIVERSITY-FOUNDATION MEMORANDUM OF UNDERSTANDING**

Senior Vice President Infante asked that action on the Regents' Policies on Gifts and Foundations and the University-Foundation Memorandum of Understanding be postponed until the March meeting. He noted concerns have been raised by the Board of Trustees of the University of Minnesota Landscape Arboretum Foundation, and those concerns will be addressed before the March meeting.

#### **ACADEMIC REPORT SERIES: UMC**

Dr. Donald Sargeant, Chancellor of the University of Minnesota, Crookston (UMC), introduced the discussion. He showed a video of a television news segment on UMC's technology initiatives.

Dr. Sargeant stated that the UMC 2002 strategic plan continues to evolve, and noted that working groups composed of faculty, staff, and students have been established to develop specific recommendations.

Dr. Sargeant presented an update on progress towards the UMC 2002 benchmarks related to enrollment and retention, quality programs and services, collaborative partnerships, incorporation of technology, and financial accountability.

Vice Chancellor Meyer reviewed UMC's collaborative partnerships with other institutions, and discussed efforts to expand collaboration. As of January 25, 1994, she noted that UMC has 48 signed articulation agreements with technical and community colleges. She reported that efforts are continuing to establish collaborative programs in Early Childhood and Accounting.

Chancellor Sargeant responded to an issue raised by Regent Hogan regarding the impact of enrollment on the success of UMC 2002. Regent Hogan asked about the alternative funding proposition if enrollment does not increase according to plans. Dr. Sargeant stated that word is getting out about what UMC has to offer, and the trends indicate the plan is working. If those trends change, he indicated that the plan will be adjusted.

Regent Bleyhl stated that reaching out beyond northwestern Minnesota and tying in small businesses and industry will be a tremendous asset to UMC. Dr.

Sargeant stated that three or four additional programs are needed, including one in Early Childhood and others that are manufacturing oriented.

Student Representative Aleman stated that he will submit questions to Chancellor Sargeant in writing regarding the lack of a diversity benchmark and UMC's goals for increasing minority enrollment and faculty.

The meeting adjourned at 3:55 p.m.

  
**BARBARA MUESING**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Committee of the Whole**

**February 10, 1994**

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, February 10, 1994, at 1:05 p.m. in the Regents' Room, 238 Morrill Hall.

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

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

Student Representative present: Rachel Paulose.

**REPORT OF THE FACULTY CONSULTATIVE COMMITTEE**

Professor John Adams presented the quarterly report of the Faculty Consultative Committee (FCC). He noted that Professor Judith Garrard, Chair of the FCC, was absent due to activities related to the search for Health Sciences Provost.

Professor Adams' report focused on the financial implications of implementing University 2000. He indicated that the FCC and the Senate Committee on Finance and Planning, engaged in consultation regarding the Resource Allocation Guidelines recommended by the administration prior to the January Regents' meetings, and agreed that the proposed guidelines:

- represented a balanced budget proposal;
- emphasized long-term investments in the institution over short-term solutions; and
- represented a shared sacrifice by faculty, staff, and students to provide the resources needed to begin implementation of University 2000.

Professor Adams noted that the Regents' January action to reduce the tuition increase from 5 to 3 percent would require an additional \$3 million retrenchment, and expressed concern that continuing programmatic cuts will undermine the base on which University 2000 is to be built. He stated that if the strategic planning process is to be realized and implementation of University 2000 is to begin, a commitment must be made to the underlying quality of the academic programs with long-term investment in competitive salaries, a Strategic Investment Pool, and realistic tuition levels.

In conclusion, Professor Adams urged the Board to make a commitment to the future of University 2000 by holding retrenchments to the level contemplated in the Resource Allocation Guidelines originally proposed by the administration in January.

#### **REPORT ON TUITION RATES: HISTORIC TRENDS AND MARKET COMPARISONS**

Regent Keffeler stated that the report on tuition is the first of a series of reports to help the Board make budget decisions. She noted that future reports will examine questions related to compensation, enrollment, and financial aid.

President Hasselmo introduced the report on tuition rates, including historic trends and market comparisons. As the budget is developed, he stated that it will be important to consider overall tuition increases, in addition to tuition rates for individual programs because of different situations faced by various components of the University.

David Berg, Director of Management Planning and Information Services, discussed the report, noting that many of the statistics in the report are based on comparisons of the Twin Cities campus with other doctoral campuses, and other comparisons address the entire tuition structure. He reviewed a comparison of the University of Minnesota's resident and non-resident/non-reciprocity under-graduate, graduate, and professional tuition rates with those of other Big 10 and AAU public institutions.

Mr. Berg reviewed tuition trends since 1984, noting that Minnesota resident undergraduate tuition has declined relative to similar schools over the past 11 years. He indicated that from 1972 to 1982, University tuition and fees tracked the general inflation rate almost exactly. However, tuition and fees increased much faster than the general inflation rate since 1983. He reviewed a comparison of tuition as a percent of per capita income.

Mr. Berg reported that tuition as a proportion of gross state spending at the University increased from 1954 to 1966, decreased from 1966 to 1980, and has risen sharply since 1980. He noted that since 1983, Minnesota statute sets the proportion of instructional costs to be financed through appropriations at 67 percent. However, he indicated that the state's share of the University's instructional costs has declined by approximately 16 percent since 1978.

Mr. Berg reported that the probable reasons tuition rates have increased faster than inflation over the past decade include enrollment reductions, a reduction in the proportion of state support, and spending increases beyond inflation, which have been partially offset by a 10.6 percent reduction due to retrenchments.

Associate Vice President Zetterberg indicated that the State has traditionally been responsible and generous in providing financial aid, and ranks third in the nation among need-based grant aid available to undergraduate students. However, he noted financial aid has not kept pace with tuition increases because the federal aid program has not grown with inflation.

Mr. Zetterberg indicated that the report of the Minnesota State Financial Aid Task Force, submitted February 1, 1994, included a recommendation to direct more aid to the neediest students. He reported that the University's Financial Aid Task Force has focused on identifying available resources, accounting for financial aid dollars, changing the Office of Student Employment and Student Financial Aid to serve students better and improving management of the University's resources to more effectively to recruit, retain, and graduate students.

In response to Regent Wynia, Mr. Zetterberg stated that approximately \$47 million in non-repayable financial aid is available to University students. He noted that the total amount of financial aid available to University students annually is approximately \$280 million, including student employment, loans, tuition reciprocity, tuition waivers, scholarships, and grants. Regent Keffeler suggested a future presentation regarding the range of financial aid resources.

In response to Regent Sahlstrom, Mr. Berg compared the increases in the University's undergraduate tuition rates with those of other Minnesota institutions and those in reciprocity states.

Regent Anderson noted that the reduced proportion of state support coincided with a reduction in the state income tax in the early 1980's. He stated that he is embarrassed that his parents' generation had a stronger commitment to education and imposed taxes on themselves so their children would have educational opportunity, while this generation has reduced taxes and put a tax on students in the form of tuition.

Mr. Zetterberg responded to an issue raised by Student Representative Paulose, stating that the Minnesota State Financial Aid Task Force is trying to treat students in public and private institutions the same so the neediest students will realize an increase in the aid available. He also noted that the total aid devoted to four-year private institutions will be somewhat reduced and diverted principally to the technical and community college systems. In response to an issue raised by Regent Keffeler regarding a Minnesota Student Association resolution calling for a guaranteed tuition rate, Ms. Paulose indicated that the Board will be asked to support this direction in the future.

In response to Regent Neel, Mr. Berg stated that most public institutions in the nation have experienced increases in tuition and fees similar to the University's increases. He noted that the increases in tuition and fees at private institutions have been significantly higher.

Regent Rosha noted that the report on tuition is driven by policy issues, and stated he hopes the administration will continue to review the University's tuition policy. Regent Keffeler agreed with the comments of Regents Rosha and Anderson, but stated the data argues against characterizing the University's tuition history as chaotic because other similar public institutions have operated within the same boundaries. Regent Rosha suggested that the institutions should control the boundaries rather than living within them, and Regent Keffeler noted that the most powerful impact on tuition rates is the willingness of the Legislature to fund its share of the original bargain.

President Hasselmo acknowledged the valuable contributions of Associate Vice President Zetterberg to the Minnesota State Financial Aid Task Force. He noted that the recommendations have been endorsed by the heads of all public institutions in the state and the President of the Minnesota Private College Council, stating that this is the first installment of a joint effort to address this issue.

#### **ANNUAL REPORT ON THE STATUS OF THE UNIVERSITY'S RESEARCH**

Vice President Petersen presented the annual report on the status of the University's research. She reported on the national context for research and postbaccalaureate education, noting that a faculty shortage is anticipated in the future because the number of doctorates granted has leveled off. She indicated the University is in the top 10 in expenditures for science and engineering research and development, doctorates granted, and patents awarded.

Dr. Petersen reviewed University trends related to sponsored expenditures, new technologies, and postbaccalaureate education. She noted declining trends in patents and disclosures, stating the decline in disclosures is related to the negative publicity about technology transfer in the state. Dr. Petersen discussed applications, enrollment, and graduation of women and minorities.

In conclusion, Dr. Petersen reviewed the following recommendations to maintain and enhance the University's status:

- Evaluate quality;
- Develop the faculty;
- Implement strategic initiatives; and
- Communicate significance of research and postbaccalaureate education in collaboration with the External Relations communication plan and the Outreach Council.

Dr. Petersen indicated that it would cost less than \$5 million to implement the strategic initiatives, assuming that existing funding sources would be in place. She noted that without current resources, the University may lose ground in supporting its research initiatives.

Dr. Petersen introduced the following faculty members and students, and discussed their research projects:

Professor David Tilman - Department of Ecology, Evolution, & Behavior  
Students - Tanya Vincent and Eric Bordenauer

- Research project focuses on species diversity to help prairie ecosystems, which has global importance for maintaining a vital ecosystem.

Dean Harrison Fraker - College of Architecture & Landscape Architecture  
Students - Dan Markell and Don Behy

- Phalen Project focuses on creating a safe, convenient, and pedestrian-oriented neighborhood. The project proposes three major physical interventions, including removing a deteriorating shopping mall and recreating a wetland park; building a neighborhood transit node with an exclusive busway; and constructing a network of residential streets. This project has led to changes in land use laws in Minnesota and is being considered as a model for national wetlands restoration.

Professor Cheryl Perry - School of Public Health, Division of Epidemiology  
Students - Four students are completing dissertations on this project.

- Project Northland is aimed at reducing alcohol use among adolescents in 24 communities in northeastern Minnesota through a carefully designed intervention program. Dr. Petersen noted Professor Perry served as primary author of a Surgeon General's report on tobacco use by youth, which will be released at the end of February.

Regent Keffeler noted that Dr. Petersen's comments indicate there may be confusion among the faculty as to whether or not the University is committed to an aggressive technology transfer role. She asked for help in communicating the Board's position that, fundamental to the land-grant mission is the University's involvement with all sectors of the community and technology transfer.




President Hasselmo re-emphasized Regent Keffeler's comments, stating that the University has sent strong signals that technology transfer is an essential activity of a land-grant institution. He noted that the University must counter the negative signals from the outside, to encourage faculty to become involved in technology transfer.

Regent Neel stated it is appalling that faculty are afraid to become involved in technology transfer activities. He indicated that this is anti-science and anti-intellectual, and discussed the long-term implications to the University.

Regent Reagan stated the University is fortunate to have the leadership of Dr. Petersen and Associate Vice President Potami. He agreed that the Board has to give a strong signal of support to the faculty.

The meeting adjourned at 2:35 p.m.

  
**BARBARA MUESING**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Committee of the Whole**

**February 11, 1994**

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, February 11, 1994, at 8:30 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: President Hasselmo; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Hopkins, and Hughes; General Counsel Rotenberg; Deputy Vice President Chou; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Brenner, Perlmutter, Pfutzenreuter, Riley, and Tschida; Special Adviser Wallin.

Student Representative present: Rachel Paulose.

**RECOGNITIONS**

**McKnight Land-Grant Professors**

Associate Vice President Brenner commented on the McKnight Land-Grant Professorship Program and introduced Associate Professor David Bernlohr, Chair of the Selection Committee and one of the first McKnight Land-Grant Professors selected in 1987. He presented the following 1994-96 McKnight Land-Grant Professors:

Christopher J. Cramer  
Department of Chemistry

David J. Eide  
Department of Biochemistry & Molecular Biology  
University of Minnesota, Duluth

David J. Lilja  
Department of Electrical Engineering

Ellen K. Longmire  
Department of Aerospace Engineering and Mechanics

John S. Lowengrub  
Department of Mathematics

Jaekyun (Jay) Moon  
Department of Electrical Engineering

Daniel L. Mooradian  
Department of Laboratory Medicine and Pathology

Mark Person  
Department of Geology & Geophysics

Ann E. Rougvie  
Department of Genetics & Cell Biology

Mark B. Snyder  
Department of Civil & Mineral Engineering

H. Joseph Yost  
Department of Cell Biology & Neuroanatomy

Regent Keffeler stated the Board is proud to have the McKnight Land-Grant Professors as members of the University faculty, and presented each recipient with a certificate.

#### **University of Minnesota, Duluth Student Athletes**

The committee recognized a number of student-athletes from the University of Minnesota, Duluth (UMD) for their achievements. UMD Vice Chancellor Fox introduced Bruce McLeod, Director of Intercollegiate Athletics at UMD, and Professor Patricia Merrier, Faculty Representative for Athletics. Mr. Fox noted the academic and athletic accomplishments of the men's baseball, basketball, cross country, football, hockey, indoor and outdoor track and field, tennis, and wrestling teams and the women's basketball, cross country, indoor and outdoor track and field, softball, tennis, and volleyball teams.

Regent Reagan commended Director McLeod and the UMD athletic teams.

#### **Kathleen O'Brien**

Regent Keffeler stated that Kathleen O'Brien is leaving her position as Associate to the President to serve as City Coordinator for the City of Minneapolis. She presented Ms. O'Brien with a Certificate of Appreciation.

President Hasselmo expressed appreciation to Ms. O'Brien for her contributions, and Ms. O'Brien thanked President Hasselmo and the Board of Regents for the recognition. She stated it has been an honor to work at the University, and a time of personal growth for her and change for the University.

#### **SUMMARY OF EXPENDITURES**

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

RESOLVED, that the Summary of Expenditures for the period July 1, 1993 to December 31, 1993 for the Board of Regents' Office, the Office of the President, and Eastcliff Maintenance are hereby approved.

#### **SUPPLEMENTAL LEGISLATIVE REQUEST**

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

WHEREAS, in September 1993, President Hasselmo unveiled University 2000 to guide the University in academic planning, budget, and capital decision making processes, and

WHEREAS, in January 1994, the Board of Regents approved University 2000: Mission, Vision, Strategic Directions, and Performance statement, and

WHEREAS collegiate and academic support units are developing strategic plans supporting the five strategic directions endorsed by the Board of Regents. Those directions are 1) research, scholarship and artistic activity; 2) graduate and professional education; 3) undergraduate education; 4) outreach and access to University programs; and 5) development of a user-friendly community, and

WHEREAS, U2000 is premised on partnerships within the University community and with University alumni; with local communities, the state, and the nations; with businesses and industries, education and service sectors, individuals and families, and other systems of higher education, and

WHEREAS, the Board of Regents has provided guidelines for the establishment of a strategic investment pool of \$8,500,000 for 1994 - 1995 to redirect current resources to high priority investments necessary to achieve U2000;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents of the University of Minnesota adopts a 1994 supplemental budget request totaling \$16,456,000 from the State of Minnesota for consideration by Governor Carlson and the Minnesota Legislature as follows:

A. Student Services and Campus Environment	\$6,231,000
B. Educational Equipment and Technology	\$7,200,000
C. Improving Library Resources for the 21st Century	\$1,375,000
D. Program Funding - Ongoing	<u>\$1,650,000</u>

Grand Total Request                    \$16,456,000

President Hasselmo reviewed the proposed supplemental Legislative Request, stating it is being submitted in the context of University 2000 and the University's ambitious effort to increase excellence. He noted that a major internal restructuring and reallocation process is underway, stating that this budget request asks the State of Minnesota to send a signal to faculty, staff, and students that it recognizes the University's importance.

Senior Vice President Infante outlined the components of the proposed request, stating that it is centered on University 2000 and that 88 percent of the request is for one-time funds. He reviewed the requests for ongoing funds, including \$850,000 for the Cancer Center, which is an area of emphasis in research, and \$300,000 to address an ongoing deficit in the School of Dentistry for indigent care funding. Dr. Infante stated that the Supplemental Legislative Request is the type of partnership that is essential to move forward with University 2000.

In response to Regent Neel, President Hasselmo discussed faculty recruitment. He stated that the University represents an attractive opportunity for talented faculty members, but will not remain so without investment in its faculty and staff.

In response to Regent Keffeler, Associate Vice President Pfutzenreuter commented on the state's financial forecast. If approved by the Regents, he stated that the Supplemental Legislative Request will be delivered to the Governor and the Department of Finance for consideration.

Regent Perlman emphasized the importance of the University Libraries to the entire state. He added that the \$850,000 supplemental request for the Cancer Center is a good example of how to leverage a small amount of money for great dividends, noting that over \$14 million came into that facility from federal sources last year, and University Hospitals receive significant revenue from treating cancer patients.

Regent Wynia concurred with Regent Perlman's comments. In response to Regent Wynia, Dr. Infante stated that a telephone registration system will be available to UMD students in Fall 1994. He noted that if the supplemental budget request is approved by the Legislature, a telephone registration system will be available to students on the Twin Cities campus in Fall 1995.

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

#### **SCHOOL OF DENTISTRY AND SCHOOL OF NURSING PRACTICE PLANS**

A motion was made and seconded, and the committee voted unanimously to recommend approval of the proposed procedures and accounting practices established for the School of Dentistry and the School of Nursing Private Practice Plans.

#### **AMENDED REGENTS' POLICY ON MEDICAL SCHOOL PRIVATE PRACTICE PLANS**

A motion was made and seconded, the committee voted unanimously to recommend adoption of the amended Regents' Policy on Medical School Private Practice Plans.

#### **REGENTS' POLICY ON DELEGATION OF AUTHORITY TO HEALTH SYSTEM BOARD OF GOVERNORS**

Mr. Wallin reviewed the proposed Regents' Policy on Delegation of Authority to the Health System Board of Governors.

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

WHEREAS, the Board of Regents recognizes that rapid and pervasive changes are occurring in the healthcare industry generally, and in the Minnesota healthcare industry specifically; and

WHEREAS, the Board of Regents recognizes the highly competitive situation confronting the University of Minnesota Health System ("UMHS") and its need to respond decisively and flexibly to this situation so that UMHS may fulfill its teaching and research mission and remain financially viable to serve the healthcare needs of the people of Minnesota; and

WHEREAS, the Board of Regents recognizes the special expertise and capability of the UMHS Board of Governors in responding to these concerns:

THEREFORE, BE IT RESOLVED, that the Board of Regents hereby adopts the Regents' Policy on Delegation of Authority - Health System Board of Governors. (Policy included in the Board minutes.)

Regent Reagan made a motion to amend provision A (4) of the proposed policy as follows, and the motion was seconded:

- (4) Review and approve the initial contract between the University and University of Minnesota Clinical Associates ("UMCA") and any significant amendments thereto; any major decisions involving new strategic directions; changes in major policies or business practices; significant changes in employment status of University employees resulting from a reassignment of administrative or clerical tasks to be performed by UMCA or other private entities; and the commitment of significant resources not included in approved strategic plans or annual operating plans;

Regent Perlman asked if the proposed amendment will affect the common billing system that is contemplated for UMCA. Mr. Hart indicated that he wants to ensure that the intent is to move forward with a common billing system through UMCA, while acknowledging the Regents' concerns about the complex employment issues related to that change. Regent Perlman stated that the Board does not want to derail movement toward a common billing system. Regent Reagan concurred with the comments of Mr. Hart and Regent Perlman regarding the intent of the proposed amendment, and asked that they be included in the record.

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

The committee voted unanimously to recommend adoption of the Regents' Policy on Delegation of Authority to the Health System Board of Governors.

#### **UNIVERSITY OF MINNESOTA HEALTH SYSTEM BOARD OF GOVERNORS' BYLAWS**

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

WHEREAS, the Board of Regents has established a governance structure for the University of Minnesota Hospital and Clinic ("UMHC") by delegating authority and responsibility to the UMHC Board of Governors through the Bylaws of the University of Minnesota Hospital and Clinic, amended April 16, 1993, and through the Board of Regents' Policy entitled "UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC DELEGATION OF AUTHORITY TO THE BOARD OF GOVERNORS," adopted November 13, 1992; and

WHEREAS, the Board of Regents, through its "Resolution Related to Reorganization of the Health Sciences and Appointment of Senior Health Sciences Officers," approved October 8, 1993, has determined to establish a new entity called the University of Minnesota Health System ("UMHS"), governed by the UMHS Board of Governors, through which health care services offered by UMHC and the Faculty as represented by the University of Minnesota Clinical Associates ("UMCA") can be presented to the marketplace and community in a unified and integrated manner; and

WHEREAS, the Board of Regents, through its "Resolution Related to Reorganization of the Health Sciences and Appointment of Senior Health Sciences Officers," approved October 8, 1993, directed that recommendations relating to 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 be presented to the Board of Regents; and

WHEREAS, the Board of Regents has determined to facilitate the smooth transition to the governance of UMHS by adopting Bylaws for the University of Minnesota Health System and by taking such other actions as necessary;

THEREFORE, BE IT RESOLVED that the Board of Regents hereby approves the following:

1. That the University of Minnesota Hospital and Clinic Board of Governors Bylaws are hereby repealed and the University of Minnesota Hospital and Clinic Board of Governors is hereby dissolved.

2. That the Bylaws for the University of Minnesota Health System, as set forth in the attached are hereby approved.

(The Bylaws are on file in the Regents' Office and filed supplement to the minutes, No. 22,331.)

Regent Reagan made a motion to amend Article II, Section 1 (a) and (c) of the proposed Bylaws, and the motion was seconded.

Regent Wynia asked about the rationale behind the recommendation that the Senior Vice President for Finance and Operations should serve as a non-voting ex-officio member of the Board of Governors. Regent Reagan discussed the recommendations, including the proposal to increase the size of the Board to 30 voting members.

Regent Neel asked about the role of physicians on the Board of Governors, and Mr. Wallin stated that seven physicians will be included among the 10 non-public members of the Board. Dr. Thompson stated that UMCA is comfortable with the proposed constitution of the Board, and Dr. Chou agreed.

The committee voted unanimously to recommend approval of Regent Reagan's motion to amend Article II, Section 1 (a) and (c) of the proposed Bylaws.

Regent Wynia agreed that while it is important to have physicians serve on the Board, it might be useful to have other perspectives and suggested that other auxiliary health professionals be represented. Regent Neel stated the spirit of his question was not to exclude other health care professionals.

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

#### **UNIVERSITY OF MINNESOTA CLINICAL ASSOCIATES AGREEMENT**

Regent Keffeler led the discussion regarding the proposed agreement with the University of Minnesota Clinical Associates (UMCA). She introduced Special Adviser Wallin, Deputy Vice President Chou, University of Minnesota Health System (UMHS) President Hart, and Dr. Roby Thompson. She noted that the agreement, together with

establishment of the UMHS, establishes interdependent arrangements bridging the clinical services of the Hospital and the programs of the Medical School.

Mr. Wallin discussed the proposed agreement and the reasons for forming the UMHS. He noted that approval of the recommendations to officially form the UMHS, to delegate authority to the UMHS Board of Governors, and to approve the proposed agreement between the University and UMCA will signal a change in how the University operates. He noted that while not all problems have been resolved, these actions will enable the University to position itself in the emerging health care system.

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

WHEREAS, the Board of Regents has established a governance structure for the University of Minnesota Hospital and Clinic ("UMHC") by delegating authority and responsibility to the UMHC Board of Governors through the Bylaws of the University of Minnesota Hospital and Clinic, amended April 16, 1993, and through the Board of Regents' Policy entitled "UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC DELEGATION OF AUTHORITY TO THE BOARD OF GOVERNORS," adopted November 13, 1992; and

WHEREAS, the Board of Regents, through its "Resolution Related to Reorganization of the Health Sciences and Appointment of Senior Health Sciences Officers," approved October 8, 1993, has determined to establish a new entity called the University of Minnesota Health System ("UMHS"), governed by the UMHS Board of Governors, through which health care services offered by UMHC and the Faculty as represented by the University of Minnesota Clinical Associates ("UMCA") can be presented to the marketplace and community in a unified and integrated manner; and

WHEREAS, the Board of Regents, through its "Resolution Related to Reorganization of the Health Sciences and Appointment of Senior Health Sciences Officers," approved October 8, 1993, directed that recommendations relating to the new role, structure, and responsibilities of the Health System Board of Governors, the details of the Agreement between the University of Minnesota Clinical Associates and the University of Minnesota, and further details concerning the structure and operation of the University of Minnesota Health System be presented to the Board of Regents; and

WHEREAS, the Board of Regents has determined to facilitate the smooth transition by taking such actions as necessary;

THEREFORE, BE IT RESOLVED, that the Board of Regents approves the Agreement as set forth in the enclosed and directs the President of the University of Minnesota Health System, on behalf of the University of Minnesota, to enter into this agreement with the University of Minnesota Clinical Associates.

(The Agreement is on file in the Regents' Office and filed supplement to the minutes, No. 22332.)

In response to Regent Hogan, General Counsel Rotenberg provided a legal interpretation of the term "best efforts" referred to in Section 1.03. Regent Hogan asked if the spirit of the proposed agreement is that the practice groups will do their best to move toward the future working together as a team. Dr. Thompson noted that UMCA



is not in a position to enforce some elements of the Regents' policy adopted in July 1993 because they rest with the Dean of the Medical School. However, UMCA is contractually obligated to provide those elements of the policy that it is capable of enforcing.

In response to Regent Keffeler, Dr. Thompson described the UMCA organization and discussed efforts to ensure all participants at the clinical practice level are working together. He stated that the clinical faculty view the proposed agreement as a mechanism for providing all of the elements that a multi-specialty group practice presents to the public, with the added flexibility to perform the academic mission of the Medical School clinical departments.

Mr. Wallin noted the efforts of the Transition Task Force. Dr. Chou, Mr. Hart, and Dr. Thompson to determine the best organization for University doctors. He stated that this has been a subject of discussion, noting that the doctors have been very cooperative and open-minded and he is optimistic about the direction they are moving.

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

Regent Keffeler asked Dr. Thompson to convey that the Board looks forward to a very productive partnership with the physicians as they are organized through UMCA. She indicated to Dr. Chou that the Board looks forward to a continued productive relationship with the physician faculty as they perform through the Medical School.

President Hasselmo emphasized the remarkable achievements of the Transition Task Force, stating it is a real testimony to the spirit of cooperation. He expressed appreciation to Mr. Wallin for volunteering to lead this enterprise and to be the catalyst for discussions that led to this remarkable result. He also thanked Dr. Chou, Mr. Hart, Dr. Thompson, and the members of the Task Force for their efforts.

Mr. Wallin stated that the Transition Task Force is an exceptional group. He noted that its work is done, and the group will disband in the near future.

Regent Perlman made a motion to express the Board's appreciation to Mr. Wallin and the members of the Transition Task Force. The motion was seconded, and the committee voted unanimously to recommend approval of the motion.

#### **UNIVERSITY OF MINNESOTA HEALTH SYSTEM BOARD OF GOVERNORS APPOINTMENTS**

Regent Reagan, Chair of the Regents' Nominating Committee for the University of Minnesota Health System (UMHS) Board of Governors, noted that Regents Bleyhl and Perlman served with him on the committee. He presented the committee's recommendations for approval, noting that the UMHS Board will consist of 20 public voting members, including the student representative, and 10 non-public voting members.

Regent Reagan moved approval of the following resolution, and the motion was seconded:

**RESOLVED**, the following public members shall be appointed for an initial term to expire December 1994:

Michael Dougherty  
Arthur Kydd  
Barbara Neubauer  
Leonard Bienias

**RESOLVED, the following public members shall be appointed for an initial term to expire December 1995:**

**Peter Madel  
S. Albert Hanser  
John Morrison  
Donald Sudor**

**RESOLVED, the following public members shall be appointed for an initial term to expire December 1996:**


**Tom Madison  
Nellie Johnson  
Stephen Hansen  
Michael Fay**

**RESOLVED, the remaining seven public members shall be appointed for initial terms no later than May 13, 1994 consistent with the provisions of the UMHS Bylaws.**

In response to Regent Keffeler, Regent Reagan stated that the Nominating Committee discussed a process for identifying nominees in order to find a number of potential candidates for each position. He concurred with Regent Keffeler's assessment that members of the UMHS Board could assist in identifying candidates. Regent Bleyhl noted that the process for identifying candidates will be similar to that used by the Regent Candidate Advisory Council, but that ultimate responsibility will rest with the Board of Regents.

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

The meeting adjourned at 10:00 a.m.

  
**BARBARA MUESING**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**February 11, 1994**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, February 11, 1994, at 10:15 a.m., in the Regents' Room, 238 Morrill Hall.

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

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

**APPROVAL OF MINUTES**

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

Audit Committee - January 13, 1994  
Facilities Committee - January 13, 1994  
Financial Operations & Legislative Committee - January 13, 1994  
Faculty, Staff & Student Affairs Committee - January 13, 1994  
Educational Planning & Policy Committee - January 13, 1994  
Committee of the Whole - January 13, 1994  
Board of Regents - January 13, 1994  
Committee of the Whole - January 14, 1994  
Board of Regents - January 14, 1994

**REPORT OF THE PRESIDENT**

President Hasselmo presented his monthly report, which pertained to Foundation resolution on University 2000; MAA Presidents' Letter on University 2000; Report on University 2000 conversations; Final Report of the Minnesota Task Force on Post-Secondary Funding; Report of the Minnesota Financial Aid Task Force; Minnesota Strategic Capital Budget Plan for the period 1994-1999; Supplemental Legislative Request; Report on the University of Minnesota Crookston; Report of the Strategic Planning Committee for Research and Postbaccalaureate Education; Report on Community Building; External Review Report for the Minnesota Supercomputer Center, Inc.; Accreditation Reform; NCAA Convention and Big Ten Meetings; and Siehl Prizes for Excellence in Agriculture.

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

Duane Kullberg, Chair of the University of Minnesota Foundation, presented the Board with a resolution from the Foundation in support of University 2000. The resolution is on file in the Regents' Office.

President Hasselmo introduced Dr. Jeanne Lupton who will be serving as interim Associate to the President.

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

Chair Keffeler reminded Board members of the Regents' retreat scheduled for February 19 at Eastcliff. She indicated that the summer retreat will be held in northeast Minnesota.

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

President Hasselmo noted the receipt and filing of the Quarterly Report on Grants and Contracts and the Annual Report of the UMHC Board of Governors.

#### **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.

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 February 10, 1994**

Chair Keffeler reported that the committee reviewed three reports: 1) Report of the Faculty Consultative Committee; 2) the Annual Report on the Status of the University's Research; and 3) Report on Tuition Rates: Historic Trends and Market Comparisons.

#### **REPORT OF THE COMMITTEE OF THE WHOLE February 11, 1994**

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

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

RESOLVED, that the Summary of Expenditures for the period July 1, 1993 to December 31, 1993 for the Board of Regents' Office, the Office of the President, and Eastcliff Maintenance are hereby approved.

- b) Approval of resolution re Supplemental Legislative Request, as follows:

WHEREAS, in September 1993, President Hasselmo unveiled University 2000 to guide the University in academic planning, budget, and capital decision making processes, and

WHEREAS, in January 1994, the Board of Regents approved University 2000: Mission, Vision, Strategic Directions, and Performance statement, and

WHEREAS collegiate and academic support units are developing strategic plans supporting the five strategic directions endorsed by the Board of Regents. Those directions are 1) research, scholarship and artistic activity; 2) graduate and professional education; 3) undergraduate education; 4) outreach and access to University programs; and 5) development of a user-friendly community, and

WHEREAS U2000 is premised on partnerships within the University community and with University alumni; with local communities, the state, and the nations; with businesses and industries, education and service sectors, individuals and families, and other systems of higher education, and

WHEREAS, the Board of Regents has provided guidelines for the establishment of a strategic investment pool of \$8,500,000 for 1994 - 1995 to redirect current resources to high priority investments necessary to achieve U2000;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents of the University of Minnesota adopts a 1994 supplemental budget request totaling \$16,456,000 from the State of Minnesota for consideration by Governor Carlson and the Minnesota Legislature as follows:

A. Student Services and Campus Environment	\$6,231,000
B. Educational Equipment and Technology	\$7,200,000
C. Improving Library Resources for the 21st Century	\$1,375,000
D. Program Funding - Ongoing	\$1,650,000
Grand Total Request	\$16,456,000

- c) Acceptance of the proposed procedures and accounting practices established for the School of Dentistry and the School of Nursing Private Practice Plans as presented in the docket materials.
- d) Adoption of the amended Regents' Policy on Medical School Private Practice Plans, as follows:

## **HEALTH SCIENCES**

### **Medical School Private Practice Plans**

#### **1. PARTICIPATION AND SCOPE OF POLICY**

1.01 This policy, as it may be amended from time to time, governs all clinical services provided by "faculty," regardless of where the services are provided. "Faculty" are defined as physicians holding full-time (regular or non-regular) appointments to the faculty of the University of Minnesota Medical School, and other faculty designated by

the relevant department head and dean of the Medical School ("dean").

1.02 Faculty may have staff membership and clinical privileges at private hospitals only if this has been approved in writing by the dean as being consistent with the teaching and research missions of the Medical School. Faculty shall not maintain offices for professional practice outside the University without written approval of the dean.

1.03 Prior to a specified date each year, each department shall obtain from each faculty member a written agreement that specifies that faculty member's University base salary and practice income augmentation limit for that year, and which commits the faculty member to comply with this policy.

1.04 Faculty may not contract for or provide clinical services except through the faculty practice plans governed by this policy.

1.05 Faculty shall provide clinical services in accordance with this policy, other applicable University policies, the Medical Staff Bylaws of the University of Minnesota Hospital and Clinic (and any other approved institution at which services are provided), federal, state and local law, and generally recognized rules of professional ethics.

1.06 Faculty leaving the employment of the University of Minnesota either voluntarily or involuntarily will not be eligible for any residual income from accounts receivable until the relevant department head and the Committee on Private Practice has advised the dean as to the individual's compliance with this policy, and the dean has agreed to the disposition of funds due.

## 2. ORGANIZATION OF PLANS

2.01 The members of each clinical department of the Medical School shall establish a private business entity ("Departmental Practice Group" or "DPG") through which all clinical activities in the department, internal or by affiliation, shall be conducted. There shall be only one DPG per department. All faculty who engage in the private practice of medicine must be members of the DPG and may provide clinical services only through the DPG. A person may be a member of more than one department's DPG only if he/she has joint appointment. Any exception to the foregoing must be approved by the dean.

2.02 A DPG may be organized as a non-profit corporation, for-profit partnership, professional corporation, or in another form acceptable to the dean. However, the organizational documents shall be submitted for review and approval by the dean and the University's General Counsel, and shall incorporate mechanisms to ensure compliance with this policy. An analysis shall be conducted, and any recommendations for change submitted within one year, as

to the optimal form for these practice plans in light of considerations such as liability, taxation, benefits, ability to contract for joint ventures or managed care, reimbursement, and state and national health care reform. If based on such analysis, the University concludes that a particular form of legal structure for practice plans is clearly preferable in order to ensure compliance with this policy, all DPGs shall be converted to such form as soon as reasonably feasible.

2.03 Each department practice plan shall be developed with reasonably widespread input within the department, shall be adopted by majority vote of the department faculty, and shall be approved by the department head and dean. It shall provide for reasonably widespread participation in important features of department governance, such as decisions on budgets, fee levels, use of funds, recruitment, compensation, benefits, and staffing. Each plan will be filed with the dean and Vice President for Health Sciences.

2.04 Each departmental practice plan shall at a minimum describe: (a) the DPG business entity (b) an internal method of distributing income which is reasonable and designed to promote individual productivity, cooperation, and accountability, (c) provision for payment of the cost of required liability insurance and other expenses, (d) the derivation and uses of funds allocated for departmental support, (e) the commitment of funds for the Dean's Fund, (f) the commitment of funds to pay for any University services used (see § 3.02 C. below), (g) billing, collection, and accounting practices of the DPG that are consistent with this policy, and (h) an appropriate departmental governance process that ensures ongoing compliance with this policy.

2.05 There shall be a core fringe benefits package available to all Medical School faculty. In addition, the faculty through the University of Minnesota Clinical Associates ("UMCA") in consultation with the dean, shall approve, consistent with this policy: (a) a description of the type of benefits above the core package that may be obtained by particular departments if their internal funds permit, and (b) a description of benefits that are not deemed appropriate in a University-based practice. While departmental benefit packages may differ, they must all be consistent with this typology.

2.06 In order to coordinate practice across departments, the UMCA shall perform several functions. These shall include facilitating faculty strategic planning, conducting of discussions with the University Hospital about joint efforts in clinical services, assisting in coordination of the clinical enterprise, and serving as a vehicle for joint ventures and managed care contracting on behalf of all departments.

2.07 Material changes to a departmental practice plan shall be made upon the recommendation of the department

head, with the approval of a majority of the faculty of the department and the concurrence of the dean.

### 3. SOURCES AND USES OF FUNDS

#### 3.01 Plan Revenues

A. Practice plan revenues shall include all funds derived, regardless of location, from: (1) clinical or patient care services, (2) medical directorships or similar duties, (3) medical consulting on patient care issues, and (4) any other similar source which the dean determines should be deemed practice income, but excluding those sources described in the next paragraph. All funds so derived shall be received by or turned over to the department's practice plan.

B. Subject to any other University policies, practice plan revenues shall not include: (1) royalties from publications, (2) honoraria or speaking fees (unless the aggregate amount of such fee-generating activity is deemed by the department head or dean to detract from the fulfillment of the faculty member's regular duties), and (3) any other source which the dean determines should be excluded.

C. If a faculty member has any question as to the proper characterization of revenue generating activity, he/she shall consult with the department head, and if needed, the dean. He/she may also apply to the dean for an exception to the preceding rules, for good cause in an unusual situation.

D. Each DPG shall utilize a single billing entity or service, chosen from a list approved by the dean and the Vice President for Health Sciences.

E. The DPGs (through UMCA), and the administrators of the Hospital shall coordinate in order to move as rapidly as possible toward a common billing system and the ability to render coordinated or common bills.

#### 3.02 Plan Expenses

A. DPGs will record as practice plan expenses only those that are ordinary and necessary business expenses, and that do not otherwise violate reasonable University policies on allowance of expenses.

B. Expenses will be appropriately verified by outside accountants. (See §§ 4.04 - 4.06)

C. The University shall charge the practice plan as an expense an appropriate amount for all University personnel, equipment, office space, utilities, computers, or other services or facilities used for the



generation of private practice income (but excluding personnel, equipment and facilities for which charge-recovery or cost-recovery is ordinarily achieved by the University of Minnesota Hospital and Clinics or other components of the University). All such charges shall be paid into University accounts within 30 days of invoicing by the University. A plan for achievement of this cost accounting system will, if feasible, be completed within six months and be implemented within one year from date of adoption of this policy.

### 3.03 Dean's Fund

A. The DPGs shall annually provide adequate support for the Dean's Fund. This support shall be in a total amount of not less than 7% of projected total practice plan net income available for distribution (not including base salaries), or such greater amount as is agreed to by the dean and UMCA.

B. Each department's proportional contribution to the total Dean's Fund obligation shall be determined by a formula to be determined by the dean in light of relevant factors such as each department's relative gross income, net income, and average salaries.

C. The dean shall have authority to enforce the obligation to make the Dean's Fund contributions, and to permit partial abatements if needed for departmental development.

D. In presenting a plan for required Dean's Fund payments, the dean shall describe to the heads of the clinical departments the expenditure of such funds during the prior year and the anticipated uses of the funds during the subsequent fiscal year. The Dean's Fund shall ordinarily be used for purposes such as recruitment of faculty, transitional income assistance to recruited faculty, fostering of educational and research programs, and student or fellow financial assistance. Naturally, as developments warrant during the year, the dean may alter the projected allocation of funds. The dean shall report to the heads of departments on major reallocations of funds.

### 3.04 UMCA Support

The DPGs shall provide annual support for UMCA's functions, in an amount not exceeding that approved by the dean. The allocation of this total among departments shall be determined by the UMCA Board.

### 3.05 Departmental Internal Support

Each department shall annually prepare a plan, which must be approved by the dean, for the generation and use of

clinically derived funds to support departmental programs and activities. These funds shall be expended annually and not be accumulated to any material extent year to year, unless such accumulation is warranted by special departmental needs and is approved by the dean.

3.06 Net Available for Distribution

A. The net revenue available for distribution to faculty under a practice plan (as salaries or income augmentation) shall be allocated to faculty in a manner that is fair, fosters team work, and recognizes all the principal areas of contribution to the activities of the department: teaching, research, clinical care and administration.

B. The practice plan shall specify for each faculty member, an outer limit of total compensation comprised of: base salary (which may include research or other support) and clinical income.

C. Department heads will annually determine faculty compensation limits using criteria which include:

- 1) Specialty-specific salaries that are competitive for recruitment and retention purposes, in light of private practice compensation levels.
- 2) Academic rank and length of service.
- 3) Scholarly contributions to the Medical School/department.
- 4) Administrative responsibilities in the Medical School/ department.
- 5) Financial contributions to the Medical School/department, including grant support and practice income.
- 6) Maximum income ordinarily will be no more than the 80th percentile of income for the applicable faculty member's specialty and academic rank, as established by the Association of American Medical Colleges (AAMC) or another appropriate survey source selected by the dean. In the event that an outer income limit beyond the 80th percentile is required for recruitment and retention of faculty, this must be approved by the dean.
- 7) The dean may in exceptional cases approve a temporary waiver of an individual faculty member's outer income limit, if doing so is

necessary to avoid interruption in continuity of clinical services.

### 3.07 Excess Funds

If a DPG is able to generate net revenue available for distribution (as described in § 3.06, after paying for expenses, Dean's Fund and Departmental Support) that exceeds its faculty members' respective compensation limits, then such excess funds shall be paid into a designated University account. These shall include accounts set up to support departmental or University-wide activities, or special academic programs in the clinical fields. Expenditures from such accounts will be administered by the department head under a plan developed by a committee of department faculty, and approved by the dean.

### 4. Oversight and Accountability of Practice Plans

4.01 The President of the University shall be responsible for insuring compliance with this policy and for attesting to such compliance to the Board of Regents on an annual basis. The Vice President for Health Sciences shall oversee the policies of the practice plans.

4.02 The UMCA Executive Committee shall assist the dean by coordinating the provision of appropriate information for oversight of practice plan activities. Recognizing that UMCA is still in its early stages, additional roles may be assigned to UMCA in the future.

4.03 A committee on private practice shall be established and charged as follows:

1. The committee members shall be selected by the dean, and shall consist of department heads and non-department head members of the faculty.
2. The committee shall serve in an advisory capacity to the dean and the Provost for purposes designated by the dean and the Provost, including:
  - a. Monitoring compliance of the faculty and departments with regard to practice plan policies and regulations.
  - b. Recommending corrective action in situations of non-compliance.
  - c. Resolving disputes involving salary and the setting of income limits for DPG faculty members.

4.04 In setting each faculty member's outer limit on compensation, the department head shall discuss the limit with the faculty member and allow him/her to present any

additional relevant factors. The salary limit of the department head will be negotiated each year with the dean. If a faculty member is dissatisfied with the income limit, he or she may appeal to the committee on private practice, which shall recommend a resolution. Disagreements that cannot be resolved by the committee shall be referred to the dean, and then to the Provost for Health Sciences whose decision is final.

4.05 On an annual basis, each department head shall obtain from the DPG's regular outside auditors, and UMCA's Executive Committee shall provide to the dean and Vice President for Health Sciences, in a form satisfactory to them, a report on the financial performance of each DPG. This shall include for each DPG at least a balance sheet, income and expense statement, an accounting of each of the elements of the funds flow described in Section 3 of this policy, and appropriate statistical information on clinical incomes.

4.06 Upon full implementation of this policy, and not later than July 1, 1994, the dean shall assemble and maintain records of individual salaries which will be public.

4.07 Annually, or more often as circumstances may warrant, the President may designate the University Auditor or an appropriate accounting firm to conduct (at University expense) a formal audit of some or all practice plans, and to report the results to the President and/or his designees.

- e) Approval of resolution re Policy on Delegation of Authority to Health System Board of Governors, as follows:

WHEREAS, the Board of Regents recognizes that rapid and pervasive changes are occurring in the healthcare industry generally, and in the Minnesota healthcare industry specifically; and

WHEREAS, the Board of Regents recognizes the highly competitive situation confronting the University of Minnesota Health System ("UMHS") and its need to respond decisively and flexibly to this situation so that UMHS may fulfill its teaching and research mission and remain financially viable to serve the healthcare needs of the people of Minnesota; and

WHEREAS, the Board of Regents recognizes the special expertise and capability of the UMHS Board of Governors in responding to these concerns:

THEREFORE, BE IT RESOLVED, that the Board of Regents hereby adopts the Regents' Policy on Delegation of Authority - Health System Board of Governors.

**Regents' Policy on Delegation of Authority  
Health System Board of Governors**

THEREFORE, BE IT RESOLVED:

- A. The Board of Regents hereby delegates to the University of Minnesota Health System (UMHS) Board of Governors all the powers and authority necessary or expedient to direct the affairs of UMHS, except that the Board of Regents shall retain the following powers and prerogatives:
- (1) Review and approve UMHS's statement of mission and strategic plan;
  - (2) Review and approve UMHS's operating and capital budgets;
  - (3) Review and approve capital expenditures by UMHS that involve requests for legislative funding or that require an increase in capital indebtedness;
  - (4) Review and approve the initial contract between the University and University of Minnesota Clinical Associates ("UMCA") and any significant amendments thereto; any major decisions involving new strategic directions; changes in major policies or business practices; significant changes in employment status of University employees resulting from a reassignment of administrative or clerical tasks to be performed by UMCA or other private entities; and the commitment of significant resources not included in approved strategic plans or annual operating plans;
  - (5) Review and approve the Bylaws of the UMHS Board of Governors;
  - (6) Determine the Hospital and Clinic's functional and structural relationships with other University of Minnesota bodies; and
  - (7) Receive from the UMHS such reports as the Board of Regents or any committee of the Board of Regents may deem necessary from time to time regarding the mission, operation, and financial condition of UMHS.
- B. That the UMHS Board of Governors shall establish standards of conduct for its members, subject to review and approval by the Board of Regents;
- C. That nothing in this resolution shall be interpreted to affect in any way the Board of Regents' power to

select the members of the UMHS Board of Governors and to specify the manner of such selection:

- D. That this delegation of authority by the Board of Regents to the UMHS Board of Governors is intended to be broad, including, by way of example, the authority to manage the contractual relationship between UMHS and UMCA, and to exercise control over all aspects of UMHS personnel, purchasing, financial planning, strategic planning, capital expenditures, physical facility planning, and other aspects of management, consistent with applicable law and this policy; and
  - E. That by requesting reports and otherwise, the Board of Regents shall encourage and provide opportunity for active communication with the UMHS Board of Governors and, whether or not a specific report has been requested, the Regents shall expect timely communication from the UMHS Board of Governors on matters having a significant impact upon University policies and programs.
  - F. That all previous policies and related delegations of authority dealing with the matters addressed in this policy are hereby rescinded and/or amended, as necessary, to be consistent with this policy.
- f) Approval of resolution re Amended Health System Board of Governors' Bylaws, as follows:

WHEREAS, the Board of Regents has established a governance structure for the University of Minnesota Hospital and Clinic ("UMHC") by delegating authority and responsibility to the UMHC Board of Governors through the Bylaws of the University of Minnesota Hospital and Clinic, amended April 16, 1993, and through the Board of Regents' Policy entitled "UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC DELEGATION OF AUTHORITY TO THE BOARD OF GOVERNORS," adopted November 13, 1992; and

WHEREAS, the Board of Regents, through its "Resolution Related to Reorganization of the Health Sciences and Appointment of Senior Health Sciences Officers," approved October 8, 1993, has determined to establish a new entity called the University of Minnesota Health System ("UMHS"), governed by the UMHS Board of Governors, through which health care services offered by UMHC and the Faculty as represented by the University of Minnesota Clinical Associates ("UMCA") can be presented to the marketplace and community in a unified and integrated manner; and

WHEREAS, the Board of Regents, through its "Resolution Related to Reorganization of the Health Sciences and Appointment of Senior Health Sciences Officers," approved October 8, 1993, directed that recommendations relating to 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 be presented to the Board of Regents; and

WHEREAS, the Board of Regents has determined to facilitate the smooth transition to the governance of UMHS by adopting Bylaws for the University of Minnesota Health System and by taking such other actions as necessary;

THEREFORE, BE IT RESOLVED that the Board of Regents hereby approves the following:

1. That the University of Minnesota Hospital and Clinic Board of Governors Bylaws are hereby repealed and the University of Minnesota Hospital and Clinic Board of Governors is hereby dissolved.
2. That the Bylaws for the University of Minnesota Health System, as set forth in the attached are hereby approved.

A copy of the Amended Bylaws is on file in the Regents' Office and filed supplement to the minutes, No. 22,331.

- g) Approval of resolution re University of Minnesota Clinical Associates Agreement, as follows:

WHEREAS, the Board of Regents has established a governance structure for the University of Minnesota Hospital and Clinic ("UMHC") by delegating authority and responsibility to the UMHC Board of Governors through the Bylaws of the University of Minnesota Hospital and Clinic, amended April 16, 1993, and through the Board of Regents' Policy entitled "UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC DELEGATION OF AUTHORITY TO THE BOARD OF GOVERNORS," adopted November 13, 1992; and

WHEREAS, the Board of Regents, through its "Resolution Related to Reorganization of the Health Sciences and Appointment of Senior Health Sciences Officers," approved October 8, 1993, has determined to establish a new entity called the University of Minnesota Health System ("UMHS"), governed by the UMHS Board of Governors, through which health care services offered by UMHC and the Faculty as represented by the University of Minnesota Clinical Associates ("UMCA") can be presented to the marketplace and community in a unified and integrated manner; and

WHEREAS, the Board of Regents, through its "Resolution Related to Reorganization of the Health Sciences and Appointment of Senior Health Sciences Officers," approved October 8, 1993, directed that recommendations relating to the new role, structure, and responsibilities of the Health System Board of Governors', the details of the Agreement between the University of Minnesota Clinical Associates and the University of

the details of the Agreement between the University of Minnesota Clinical Associates and the University of Minnesota, and further details concerning the structure and operation of the University of Minnesota Health System be presented to the Board of Regents; and

WHEREAS, the Board of Regents has determined to facilitate the smooth transition by taking such actions as necessary;

THEREFORE, BE IT RESOLVED that the Board of Regents approves the Agreement as set forth in the enclosed and directs the President of the University of Minnesota Health System, on behalf of the University of Minnesota, to enter into this agreement with the University of Minnesota Clinical Associates.

A copy of the Agreement is on file in the Regents' Office and filed supplement to the minutes, No. 22,332.

- h) Approval of resolution re University of Minnesota Health System Board of Governors Appointments, as follows:

RESOLVED, the following public members shall be appointed for an initial term to expire December 1994:

Michael Dougherty  
Arthur Kydd  
Barbara Neubauer  
Leonard Bienias

RESOLVED, the following public members shall be appointed for an initial term to expire December 1995:

Peter Madel  
S. Albert Hanser  
John Morrison  
Donald Sudor

RESOLVED, the following public members shall be appointed for an initial term to expire December 1996:

Tom Madison  
Nellie Johnson  
Stephen Hansen  
Michael Fay

RESOLVED, the remaining seven public members shall be appointed for initial terms no later than May 13, 1994 consistent with the provisions of the UMHS Bylaws.

- i) Approval of resolution re Expression of Appreciation to Mr. Winston Wallin and the Transition Task Force, as follows:

RESOLVED, the Regents of the University of Minnesota recognize, with great appreciation, the contributions of the Health Sciences Transition Task



Members, the University has made substantial progress in reorganizing its health care structures and in positioning itself for the new health care environment.

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

Chair Keffeler reported that the committee also recognized the 1994-96 McKnight Land-Grant Professors; University of Minnesota, Duluth student athletes; and Kathleen O'Brien, Associate to the President.

#### **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 Presidents' Monthly Faculty, Staff & Student Affairs Report as presented to the committee and contained in the docket material, including the contract extension for Coach Haskins.

In response to questions from Regent Wynia, it was noted that the latest information indicates that this particular contract is average for contracts of this nature across the country.

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

Regent Neel reported that the committee also reviewed a Report on Community Building Initiative and a Report on NCAA and Big 10 Athletic Issues.

#### **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 to the committee and contained in the docket material.
- b) Approval of resolution re Schematic Plans, FY 94 Capital Budget, as follows:

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

- A. Territorial Hall - Shower Renovation and Heating System Replacement, Budget and Scope Increase, Twin Cities Campus

Original estimated cost of project: \$1,750,000  
Estimated increase in cost of the project:  
\$1,350,000  
Total estimated cost: \$3,100,000  
Funding: Housing Services renewal and  
replacement funds  
Estimated completion date: September 1994

B. Northrop Memorial Auditorium - Sprinkler  
System  
Twin Cities Campus  
Estimated cost of the project: \$1,825,000  
Funding: Fire and Life Safety Improvements  
Estimated completion date: October 1994

c) Approval of resolution re Amendments to the FY 94 Capital  
Budget, as follows:

RESOLVED, that on the recommendation of the President  
and the Senior Vice President for Finance and Operations, the FY  
1994 Capital Budget is hereby amended to incorporate the  
following projects:

A. Middlebrook Hall Reroofing and Tuckpointing, Twin  
Cities Campus  
Estimated cost of the project: \$631,000  
Funding: Housing Services - Twin Cities Campus  
Estimated completion date: August 1994

B. North Hall Demolition, Twin Cities Campus  
Estimated cost of the project: \$428,000  
Funding: Redirected Unrestricted Plant Fund Balances  
Estimated completion date: August 1994

and to increase the scope and budget for the following project:

C. Health Science/Unit F, School of Nursing, 2nd Floor Lab  
Remodeling, Twin Cities Campus  
Original estimated cost of project: \$175,000  
Estimated increase in cost of project: \$77,000  
Total estimated cost of project: \$252,000  
Funding: School of Nursing  
Estimated completion date: May 1994

d) Approval of resolution re Real Estate Transaction for Action  
relating to Easement for Improvements of Bavaria Road, as  
follows:

RESOLVED, that on the recommendation of  
the President and the Senior Vice President for  
Finance and Operations, the appropriate  
administrative officers are authorized to execute  
the appropriate documents providing for the  
granting to the City of Victoria a permanent  
easement encumbering approximately .63 acre for  
the improvement of Bavaria Road adjacent to the  
Horticulture Research Center, Excelsior.

- e) Approval of resolution re Waseca Property Transfer, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the Regents authorize the following addition to the resolution approved October 8, 1993, for the conveyance of the Waseca campus to the State of Minnesota or the City of Waseca.

Increase the land to be transferred by up to three acres over the land currently designated in the Board of Regents' Resolution for Transfer.

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

Chair Rosha reported that the committee reviewed one proposed real estate transaction relating to a proposed sale of 9.9 acres of land and railroad right-of-way easement at Rosemount. The committee also received an update on the real estate disposal process and an update on the Basic Sciences Project.

#### **REPORT OF THE FINANCIAL OPERATIONS & LEGISLATIVE COMMITTEE**

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

- a) Approval of resolution re Capital Request, as follows:

RESOLVED, that if it appears wise to move beyond the existing capital request, the administration, in consultation with the Board Officers and the Financial Operations and Facilities Committee Chairs, is authorized to work within the seven capital priorities approved by the Board. Any changes beyond that will require approval by the Board of Regents.

- b) 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.
- c) Approval of resolution re Purchase of Goods/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 the following:

- To Costar for lab supplies estimated at \$370,000 annually to be stocked by University Stores for the period 2/15/94 to 12/31/94.

- To Falcon for lab supplies estimated at \$400,000 annually to be stocked by University Stores for the period 2/15/94 to 12/31/94.

d) Approval of resolution re ALG Forward, as follows:

WHEREAS, this Board of Regents on June 11, 1993 approved the university's expenditure of up to \$1.6 million for the period ending December 31, 1993, for the continued operation of ALG and authorized the creation of a retention incentive compensation plan for such period; and

WHEREAS, this Board on January 14, 1994 approved the university's expenditure of up to an additional \$300,000 for the period ending February 28, 1994 to operate ALG and to fund the plan; and

WHEREAS, the university administration has solicited offers to purchase ALG so as to facilitate the return of ALG to the transplant community; and

WHEREAS, the university administration believes that the continued operation of ALG through March 31, 1994 which requires an additional authorization of \$100,000, will enhance the marketability of ALG; and

WHEREAS, the university administration recommends through March 31, 1994 the continuation of the retention incentive compensation plan;

NOW, THEREFORE, BE IT RESOLVED, that an additional authorization for expenditure of up to \$100,000 is authorized to operate ALG for the period ending on March 31, 1994.

BE IT FURTHER RESOLVED, that the extension through March 31, 1994 of the ALG retention incentive compensation plan is approved.

BE IT FURTHER RESOLVED, that the university administration at the meeting of this Board in March 1994, shall report on its efforts to enter into an agreement to sell, license, or otherwise transfer the ownership and operation of ALG.

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

Chair Page reported that the committee also reviewed the Quarterly Management Report and the status of the budget-setting process.

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

Regent Bleyhl, reporting for the 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 Minnesota Aviation Training and Education, as follows:

RESOLVED, that the Board of Regents approves the Minnesota Aviation Training and Education (MATE) Joint Powers Agreement and the participation of the University in the MATE consortium.

- c) Approval of resolution re Master of Liberal Studies, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Academic Affairs, the proposal for a Master of Liberal Studies (M.L.S.) is hereby approved.

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

Regent Bleyhl reported that the committee reviewed information on the University of Minnesota, Crookston as part of the Academic Report Series and noted that the agenda item relating to the Regents' Policies on Gifts and Foundations and the University-Foundation Memorandum of Understanding were delayed until the March meeting.

**REPORT OF THE AUDIT COMMITTEE**

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

The meeting adjourned at 10:55 a.m.

  
**BARBARA MUESING**  
Executive Director &  
Corporate Secretary

MBA  
M661

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**MINUTES**

**BOARD OF REGENTS' MEETING**

**AND**

**REGENTS' COMMITTEE MEETINGS**

**March 10-11, 1994**

**Office of the Board of Regents**

**220 Morrill Hall**

## UNIVERSITY OF MINNESOTA

## BOARD OF REGENTS

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

March 10-11, 1994

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>I. Committee Meetings</b>	
A. Facilities Committee - March 10, 1994-----	363
B. Financial Operations & Legislative Committee - March 10, 1994-----	366
C. Faculty, Staff & Student Affairs Committee - March 10, 1994-----	372
D. Educational Planning & Policy Committee - March 10, 1994-----	377
<b>II. Board of Regents' Meeting - March 10, 1994</b>	
A. Resolutions to Conduct Non-Public Meetings-----	383
<b>III. Committee Meeting</b>	
A. Committee of the Whole - March 11, 1994-----	384
<b>IV. Board of Regents' Meeting - March 11, 1994</b>	
<b>A. Approval of Minutes</b> -----	389
<b>B. Report of the President</b> -----	389
1) Higher Education Tuition and State Grants	
2) University 2000 Strategic Financial Plan	
3) Capital Bonding Bill Status	
4) Status of Supplemental Budget Request	
5) President's Forum on Teaching	
6) Undergraduate Research Fair	
7) Contract with Army High Performance Computing Research Center	
8) Geometry Center Grant	
9) Closure of ALG Program	
10) Health Sciences Provost Search	
11) Alumni Association and University Foundation Events	
<b>C. Report of the Chair</b> -----	389
1) No Report	
<b>D. Receive and File Reports</b> -----	390
1) Report on University 2000 Academic Planning Process	
<b>E. Gifts</b> -----	390
<b>F. Report of the Committee of the Whole - March 11, 1994</b>	
1) University 2000 Strategic Financial Plan-----	390
2) Report on Faculty Salary and Compensation Issues: Historic Trends and Market Comparisons-----	390
3) Report on Civil Service Salary and Compensation Issues-----	390
4) Financial Aid: Resources and Needs-----	390
<b>G. Report of the Faculty, Staff &amp; Student Affairs Committee</b>	
1) Approval - Senior Vice President's Monthly Report-----	390
a) Status on Searches for Health Sciences Provost, Health Sciences Chief Financial Officer, & Vice President for External Relations	
b) Temporary appointment of George Copa as Associate Vice President for Academic Affairs	
c) Appointment of Thomas Johnson as Director of Large Lakes Observatory at UMD	
d) Appointment of Michael McDonald as Director of Sea Grant College Program at UMD	
e) Appointment of Margaret Klein as coordinator of Employment Accommodations	
f) Appointment of David Weissbrodt to U.S. delegation for United Nations Commission on Human Rights	

	g) Appointment of Charles Louis as Assistant Vice President for Research & Associate Dean of Graduate School	
	h) Appointment of Robert Franz as Acting Associate Vice Chancellor for Academic Administration, UMD	
	i) Appointment of Nina Graves and Cheryl Zimmerman as Interim Associate Deans of College of Pharmacy	
	j) Promotions, honors, & Awards	
	k) Campus Programs and Events	
	l) Grant for Tweed Museum of Art, UMD	
	m) Teleconference of Course titled "Social & Cultural Issues of Diabetes	
2)	Adoption of Amended Regents' Policy on Student Conduct-----	390
3)	Approval - Unit 1 Collective Bargaining Agreement with Teamsters Local 320-----	396
4)	Approval - Unit 2 Collective Bargaining Agreement with IBEW Local 292-----	396
5)	Approval - Non-Academic Student Employee Salary Plan for 1993-95-----	397
6)	Report on Sexual Harassment Complaint Activity-----	397
<b>H.</b>	<b>Report of the Facilities Committee</b>	
1)	Approval - Senior Vice President's Monthly Report-----	397
	a) Article in <u>VA Journal</u> on Facilities Management	
2)	Proposed amendments to FY 94 Capital Budget-----	397
	a) Additional Lockers for Recreational Sports Center	
	b) L.E.D. Exit Sign Retrofit Project	
3)	Climate Controlled Building Linkages Funding-----	397
4)	Real Estate Transaction for Review-----	397
	Lease for 2301 University Avenue SE	
5)	Report on Surplus Real Estate Inventory-----	397
<b>I.</b>	<b>Report of the Financial Operations &amp; Legislative Committee</b>	
1)	Approval - Resolution relating to ALG Forward-----	397
2)	Approval - Resolution expressing appreciation to ALG employees----	398
3)	Approval - Senior Vice President's Monthly Report-----	398
	a) Allocation of Funds for Sprinkler Fire Protection Project	
	b) Concessionaire for Athletic Facilities	
4)	Adoption of amended Regents' Policy on Delegation of Authority - Investment Transactions-----	398
5)	Adoption of Regents' Policy on Debt Transactions-----	401
6)	Adoption of amended Regents' Policy on Investments - Guidelines for Short-Term Reserves, Long-Term Reserves, and Cash Related to Arbitrage Program-----	402
7)	Elimination of the Regents' resolution relating to University Grove from Regents' Policy Book-----	403
8)	Approval of resolution re Purchase of Goods/Services Over \$250,000-----	403
9)	Legislative Update-----	404
10)	Quarterly Report on Asset and Debt Management-----	404
11)	Quarterly Report on Purchasing-----	404
<b>J.</b>	<b>Report of the Educational Planning &amp; Policy Committee</b>	
1)	Approval - Senior Vice President's Monthly Report-----	404
	a) Approval to reconfigure Apparel Sciences & Design Program	
	b) Adoption of resolution re Changing Accreditation Status of Advanced Education Program in Endodontics	
	c) Post-Secondary Enrollment Options Act	
	d) Report on Credit Minimums for Baccalaureate Degrees	
	e) Minnesota Higher Education Coordinating Board Actions	
	f) Items related to other higher education systems	
2)	Adoption of Regents' Policy on Recombinant DNA and Hazardous Biological Materials-----	404
3)	Approval of resolution re Gift and Fund Raising Policy-----	405
	a) Regents' Policy on Gift Solicitation and Acceptance	
	b) Regents' Policy on Fund Raising	



4)	Approval of resolution re Intersystem Council Resolution on Cooperation-----	414
5)	Regents' Policy on Conflict of Interest reviewed-----	415
6)	Academic Report Series: Academic Affairs Units-----	415
<b>K.</b>	<b>Report of the Audit Committee</b>	
1)	No meeting-----	416

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Facilities Committee**

**March 10, 1994**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, March 10, 1994, at 1:45 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Roshka, presiding; Regents Bleyhl, Peterson, and Perlman. Regent Anderson joined the committee.

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

Student Representatives present: Tom Donarsky and Sara Rogers.

**SENIOR VICE PRESIDENT'S MONTHLY REPORT**

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for March 1994, and a motion was made and seconded to recommend approval.

Senior Vice President Erickson noted a report included in the docket materials summarizing efforts to reduce waste on University campuses in FY 93. Associate Vice President Markham called attention to an article in the March issue of the VA Journal featuring the University of Minnesota Facilities Management Department

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

**AMENDMENTS, FY 94 CAPITAL BUDGET**

**Recreational Sports, Additional Lockers  
Twin Cities Campus**

The committee reviewed a proposed project for the addition of lockers to the Recreational Sports Center on the Twin Cities campus. Linda McCracken-Hunt, Director of Project Development, discussed details of the project, indicating that there will be 1,870 half sized lockers added to the women's locker count and 1,380 combination "box" and half sized lockers added to the men's count. She reported that another 1,328 are proposed as part of Cooke Hall remodeling. Estimated cost of the project is \$849,000 with funding from a loan to be repaid with added revenue from locker rental. Estimated completion is September 1994.

Regent Roshka expressed concern that the proportion of lockers is not equal between the men and women. Senior Vice President Erickson responded that the present plan is accommodating as many lockers as possible, but the

number for women and men is not equal. However, the issue can be reviewed when Phase I C of the project is funded and can proceed.

#### **L.E.D. Exit Sign Retrofit Twin Cities Campus**

The committee reviewed a proposed project for the retrofitting of existing exit signs campus-wide with new Light Emitting Diode (L.E.D.) replacement signs. It was reported that the change will result in significantly lower operating and maintenance costs due to less energy consumption, longer life lamps, and standardization of components. Estimated cost of the project is \$400,000 with funding from the Twin Cities Campus Repairs & Remodeling Allotment from the University's State Legislative Operating Appropriation. The project will take approximately one year to complete.

#### **CLIMATE CONTROLLED BUILDING LINKAGES FUNDING**

The committee reviewed a proposed plan reaffirming the University's commitment to provide accessible climate-controlled building linkages. Funding for the linkages will be incorporated into the cost of new and major building renovation construction projects, and to the extent possible, \$250,000 of parking services revenue will be set aside each year to build a funding pool for the planning and construction development of the linkages.

Assistant Vice President Tschida reviewed background, progress to date, and proposed linkages. In addition to the climate-controlled plan, other linkages are being developed to tie main parking areas into the campus. Upgraded walkways, increased lighting, accessibility for the disabled and appropriate signage are also included in the proposed plan.

In response to a question from Regent Peterson, Mr. Tschida reported with \$250,000 being set aside each year, it is anticipated that one linkage can be constructed every two years.

Regent Perlman expressed support for the inclusion of linkages during the planning stages of projects. Ms. McCracken-Hunt stated that whenever it is possible, linkages are being included in proposed projects.

Senior Vice President Erickson added that the West Bank of the Twin Cities campus is connected with climate-controlled linkages as is the Duluth campus. He stated that the St. Paul campus needs a couple of linkages to be totally connected. He stated that it is intended that the addition of linkages be accelerated wherever possible.

Assistant Vice President Tschida also reported that the University has received two grants from the Metropolitan Council to 1) construct a bike path along the transitway; and 2) to work with Master Planning to develop additional bike paths.

#### **REAL ESTATE TRANSACTION FOR REVIEW**

##### **Five-Year Lease for 2304 University Avenue Southeast Minneapolis**

The committee reviewed a proposed resolution authorizing the execution of a five-year lease with University Technology Centers, Inc. for the use of 9,636

square feet of office space at 2301 University Avenue SE in Minneapolis by the Minnesota Daily.

Associate Vice President Hewitt reported that the University has leased space for the Daily for the past twenty-eight years, most recently at 720 Washington Avenue SE. That space is in very poor condition and does not meet American Disabilities Act requirements. Funds for relocating the Daily and leasehold improvements will be funded from Academic Affairs and from the Daily.

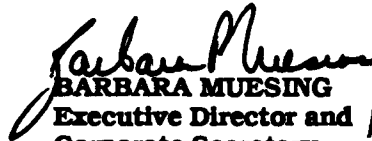
Paul Sorenson, President of the Board of Directors of the Minnesota Daily, addressed the committee, indicating that the proposed location is ideal for the needs of the Daily.

#### **SURPLUS REAL ESTATE INVENTORY**

Associate Vice President Hewitt and Ms. Susan Weinberg, Coordinator of Property Acquisitions, presented the annual update on the University's Surplus Real Estate Inventory.

Mr. Hewitt reported that as of January 1993, twenty-one properties that had been designated surplus remained unsold and during 1993, seven additional properties received surplus designation. He reviewed the status of several properties. He reported that ten sales of surplus properties involving 3,254 acres were completed during 1993. The sales generated \$695,750 in restricted funds and \$1,065,431 in unrestricted funds.

The meeting adjourned at 2:45 p.m.

  
**BARBARA MUESING**  
Executive Director and  
Corporate Secretary

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Financial Operations & Legislative Committee**

**March 10, 1994**

A meeting of the Financial Operations & Legislative Committee of the Board of Regents was held on Thursday, March 10, 1994, at 9:00 a.m., in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Page, presiding; Regents Anderson, Keffeler, Neel, and Perlman. Regents Bleyhl, Peterson, Rosha, and Sahlstrom also joined the committee.

Staff present: Chancellors Johnson and Sargeant; Senior Vice President Erickson; Vice President Petersen; and Associate Executive Director Janzen.

Student Representatives present: Tom Donarski and Sara Nienow.

**ALG FORWARD**

Senior Vice President Erickson reported that this item has been before the committee for the past several months. He stated that previous actions by the Board of Regents have authorized the University's expenditure of funds to operate the MALG Program to date and directed the administration to solicit proposals to purchase or lease the ALG facility along with the intellectual property rights to ALG and the right to market the drug publicly. He stated that the administration solicited offers and entered into negotiations with a potential purchaser, however, the negotiations failed and the administration has concluded that to date there are no viable offers from competent bidders for ALG. He stated that it is time to bring the issue to closure.

Senior Vice President Erickson introduced the following individuals presenting information to the committee: Mr. Stuart Mason and Mr. Travis Winkey from the firm of Dain Bosworth; Dr. Pradip Banerjee, Director of the MALG Program; Dr. Arthur J. Matas, Clinical Director of the MALG Program; and Mr. Robert Buuck, Partner, Medical Innovations Partners, representing the ALG External Advisory Committee.

Mr. Stuart Mason addressed the committee, indicating that they were engaged in May 1993 to assist in seeking a purchaser for the ALG program. He explained the process Dain Bosworth followed in seeking a purchaser and reviewed information about the proposals received, indicating that all interest in the program had been withdrawn and as of this date, there are no formal proposals to consider.

Dr. Pradip Banerjee addressed the committee regarding the options for the University to continue to develop ALG. He reviewed information provided from the firm of Hogan & Hartson relating to the pertinent legal requirements governing cost recovery; factors bearing on the likelihood that the Food and Drug Administration (FDA) would permit cost recovery; clinical studies for

which cost recovery might be granted; and financial projections under various scenarios. Expenditures to continue the program could exceed income by approximately \$5 to \$11.6 million over the next three years.

Dr. Banerjee responded to questions from the committee.

Dr. Arthur Matas addressed the committee, stating that the decision before the committee is not just a business decision, but one that involves a life-saving drug. He stated there are clinical trials that suggest that this drug is better than any other drug available for the intended use. Speaking in support of the continued production of the drug at the University of Minnesota, he stated that this drug has been used for 20 years, has a high demand, a physical facility for its production, and if licensed, would provide potential income for the University.

Regent Neel referenced recent studies indicating there are other drugs equally as effective as ALG, and questioned the demand for the drug in five years. Dr. Matas responded that there are no new products coming on the market to compete with ALG for immediate use after surgery.

Mr. Robert Buuck addressed the committee, indicating that he was speaking as a member of the external committee asked to provide advice in the selection of the investment banker, the establishment of criteria for potential buyers of the technology, and the decision of whether or not the University should continue the ALG operation on a stand-alone basis. He stated that, from a business aspect only, the ad hoc committee's recommendation is that, in the absence of a drug company purchasing the program, the University should not continue the ALG program, because the market for the product would not be sufficient to warrant the significant investment required.

After an extended discussion, Senior Vice President Erickson stated it was his recommendation to cease the operation of the ALG program and all investments other than those associated with closing costs, and to make available some or all of the MALG program intellectual property and related assets on a non-exclusive basis to any party interested and selected by the University. He recommended that a time period be set for any interested party to submit a proposal.

In response to a question from Regent Rosha, it was the consensus of the committee that the intellectual property and related assets should be made available on either a non-exclusive or exclusive basis.

The following resolution was then moved:

WHEREAS, in prior resolutions, this Board of Regents approved the University's expenditure of funds to operate the MALG Program and directed the administration to solicit proposals to purchase or lease, among other assets, the ALG facility along with the intellectual property rights to ALG and the right to market the drug publicly; and

WHEREAS, the administration solicited such offers and entered into negotiations with a potential purchaser; and

WHEREAS, such negotiations failed and the administration has concluded that there are no viable bona fide offers from competent bidders for ALG; and

WHEREAS, the administration believes that the continued operation of ALG is no longer advisable;

NOW, THEREFORE BE IT RESOLVED, that the Administration is hereby authorized and directed to cease all operations of the MALG program and all investments other than those associated with closing costs as expeditiously as possible and to make available some or all of the MALG program intellectual property and related assets on a non-exclusive or exclusive basis to such individuals or firms as the Administration shall select.

BE IT FURTHER RESOLVED, that the Administration is authorized to negotiate with any interested party the Administration shall select for transfer or sale of the assets of MALG provided that the party notified Administration of such interest in writing by 5:00 p.m., March 10, 1994, and provided that the party finances interim costs on a non refundable basis through letter of credit or cash deposit or such other similar mechanism connected with the continuation of the program through the period of negotiation.

The committee voted unanimously to recommend approval of the resolution.

Regent Perlman moved the following resolution:

RESOLVED, the Regents of the University of Minnesota recognize with great appreciation, the MALG laboratory employees' efforts to keep the facility operational during negotiations concerning its future. Their work was done in a difficult and uncertain environment. The Board is grateful to them for exhibiting great loyalty, and for making it possible for the University to explore all alternatives to closing the program.

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

#### **SENIOR VICE PRESIDENT'S MONTHLY REPORT**

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for March 1994.

Senior Vice President Erickson called attention to Section II, Central Reserves, indicating that an allocation of \$850,000 to fund the Health Sciences Jackson, Owre, Millard, and Lyons Lab Complex Sprinkler Fire Protection Project is included. He indicated that approval of the Senior Vice President's Monthly Report will authorize that allocation.

Associate Vice President Paschke presented modifications to Regents' Policies relating to Delegation of Authority - Investments Transactions and Investments - Guidelines for Short-Term Reserves, Long-Term Reserves, and Cash Related to Arbitrage Program. He presented a new policy relating to Debt Transactions and recommended that the policy relating to the University Grove be deleted from the Policy Book but retained as a Regents' action.

A motion was made and seconded to recommend approval of the above Regents' policy recommendations.

Regent Keffeler raised a question about the Delegation of Authority - Investment Transactions Policy with regard to the engagement of Investment Advisers in Section D. Mr. Paschke provided clarification, indicating that the policy would reflect the clarification when it was presented to the Board the following day for approval.

The committee voted unanimously to recommend approval of the proposed Regents' policy actions.

Regent Perlman asked if there are any policies relating to proxy issues or corporate governance issues that are not covered by the Social Concerns Policy. Associate Vice President Paschke responded that the University does not have a specific policy that addresses proxy issues not covered by the Social Concern Policy. He stated that the University has deferred to its investment managers for recommendations on those issues. Regent Perlman indicated that the committee might want to discuss whether or not to be active on the issue, instead of deferring to investment managers for a recommendation. Senior Vice President Erickson responded that he would raise the issue at the next Asset and Debt Management Committee meeting and bring back a recommendation to the committee.

Senior Vice President Erickson noted docket information regarding the concessionaire for the University's athletic facilities. Creative Food Management, Inc., has requested approval to assign the contract with the University to Fine Host Company. He reported that this arrangement is consistent with the 1992 contract for concessions and is in the long-term best interest of the University.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for March 1994.

#### **LEGISLATIVE UPDATE**

Director of State Relations Donna Peterson presented a legislative program update on the 1994 legislative session. She reviewed information about the University's proposed capital request, the recommendations of the Governor and the House Higher Education Finance Committee, and reported that the Senate Higher Education Committee has not yet made a recommendation. She noted that three additional projects have been proposed that were not included in the University's request: 1) Mechanical Engineering Building Reconstruction; 2) Architecture Building Renovation; and 3) Medical School Addition at the University of Minnesota, Duluth. Committee members stressed the importance of communicating to the legislature that the University's request has not changed. It was noted that while the three additional projects proposed by the Governor and the House are included in the University's long-range capital plan, if they were to be included in the 1994 Capital Budget, additional funding for maintenance would also be required.

Director Peterson also reviewed the University's supplemental Budget Request for Fiscal Year 1995.

Regent Anderson noted that the State Legislative Auditor has completed a study of tuition rates and asked if the report could be sent to Regents and the Legislative Auditor asked to appear before the Board to review his report.

In response to a question, Mr. Tom Etten, Director of Federal Relations, provided a brief update regarding renewal of the University's contract with the



Army Research Office, noting that the University has been informed that renewal of the contract will be subject to a national competitive bidding process.

#### **PURCHASE OF GOODS/SERVICES OVER \$250,000**

A motion was made and seconded to recommend approval of the following resolution relating to the purchase of goods/services over \$250,000:

**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 the following:

- To Syncor International Corporation for radioactive and non-radioactive agents as called for from 3/11/94 to 12/31/94 for the Department of Radiology.
- To Xerox Corporation for on-site management of printing services for the Administrative Information Services Department, estimated at \$1,749,570 for the period of 3/15/94 through 3/15/99.

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 December 31, 1993 was included in the report:

- Endowments and reserves on December 31, 1993 were \$1,032.0 billion for the University and \$354.5 million for the University Foundation. Faculty retirement assets totaled \$977.8 million.
- The Permanent University Fund (PUF) is valued at \$146.2 million and is included in the endowment assets of the University.
- The Consolidated Endowment Fund returned 5.6 percent and 18.8 percent for the past quarter and 12 months respectively versus the benchmark returns of 1.5 percent and 14.7 percent (60 percent equities/20 percent international equities/20 percent fixed income), and 2.4 percent and 12.3 percent returns for the composite index of endowment and Foundation funds.
- Performance of University Equity Managers for the past 12 months ranged from 13.6 percent to 11.0 percent compared to the Standard and Poors 500 return of 10.0 percent.
- Performance of University Fixed Income Managers for the past 12 months ranged from 22.5 percent to 9.6 percent compared to the Lehman Brothers Government Corporate Index return of 11.0 percent.

- The performance of the Long-Term Reserves was 13.8 percent for the past 12 months compared to the fixed income benchmark return of 11.2 percent. For all periods, the performance of the long-term reserves exceeded the benchmark returns.
- The average yield for the Short-Term Reserves was 5.7 percent for the past 12 months vs. 3.1 percent for Treasury Bills and 2.9 percent for Money Market Funds.

In response to a question from Regent Neel, Mr. Paschke reported on the status of the University's bond rating. He noted concern about the University assuming additional debt than what is already anticipated, indicating that the University's ability to maintain its AA bond rating and manage its debt would be at risk.


### **QUARTERLY PURCHASING REPORT**

Karen Triplett, Director of Purchasing Services, presented the Quarterly Purchasing Report for October, November, and December 1993, highlighting the following:

A total of 100,372 transactions were processed for a value of \$74,150,477. Of the total, 19 were justified sole source awards totaling \$872,123.

- There was one Regents' policy violation.
- Eight change orders exceeded \$100,000.
- Fifteen purchase awards were made that were over \$100,000 and under \$250,000.

The meeting adjourned at 11:45 a.m.

  
**BARBARA MUESING**  
Executive Director and  
Corporate Secretary

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Faculty, Staff and Student Affairs Committee**

**March 10, 1994**

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, March 10, 1994, at 1:50 p.m. in Room 300, Morrill Hall.

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

Staff present: Chancellor Johnson; Senior Vice President Infante; Vice President Hughes; 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:

- Proposed Regents' Policy on Student Conduct, which is a consolidation of the current Regents' Policies on Standards of Student Conduct and Student Discipline;
- Status report on the searches for a Health Sciences Provost, Health Sciences Chief Financial Officer, and Vice President for External Relations;
- Temporary appointment of Professor George Copa as Associate Vice President for Academic Affairs, effective April 1, 1994;
- Appointment of Dr. Thomas Johnson as Director of the Large Lakes Observatory, which is based at the University of Minnesota, Duluth (UMD);
- Appointment of Professor Michael McDonald as Director of the Sea Grant College Program, Minnesota, which is based at UMD;
- Appointment of Margaret Klein as coordinator of Employment Accommodations, a new collaborative effort of Disability Services and the Office of Human Resources;
- Appointment by the Clinton administration of Law School Professor David Weissbrodt to the United States delegation for the United Nations Commission on Human Rights;

- Appointment of Professor Charles Louis as Assistant Vice President for Research and Associate Dean of the Graduate School, Twin Cities campus;
- Appointment of Associate Professor Robert Franz as Acting Associate Vice Chancellor for Academic Administration, UMD, from March 1 through April 30, 1994;
- Appointment of Associate Professors Nina Graves and Cheryl Zimmerman as Interim Associate Deans of the College of Pharmacy;
- Promotions, honors, and awards received by University faculty, staff, and students;
- Campus programs and events, including two open forums on issues of community that were offered by the Office of the President and the Office of the Senior Vice President for Academic Affairs;
- The Tweed Museum of Art, UMD received a grant from the Northland Foundation to expand its holdings; and
- Dr. Gerald Hill, Director of the Center of American Indian and Minority Health at UMD, teleconferenced his January 24 course "Social and Cultural Issues of Diabetes" to students in New York and Toronto and at Harvard.

A motion was made and seconded to recommend approval of the Senior Vice President's Monthly Report, including the Regents' Policy on Student Conduct.

Student Representative Paulose asked if the provision in the Regents' Policy on Student Conduct regarding a student's right to a fundamentally fair hearing includes the right to have an open hearing. Betty Hackett, Director of Student Judicial Affairs, responded that the proposed policy provides a system-wide appeals policy for all campuses and each campus has specific appeals procedures. She indicated that on the Twin Cities campus, either party can request a closed hearing.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report, including the Regents' Policy on Student Conduct.

#### **UNIT 1 COLLECTIVE BARGAINING AGREEMENT WITH TEAMSTERS LOCAL 320**

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

**WHEREAS**, the parties have met and negotiated over the course of the past 14 months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit; and

**WHEREAS**, Teamsters Local 320 has ratified acceptance of the agreement; and

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

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Senior Vice President for Academic Affairs, and the Senior Vice President for Finance and Operations, the Board of Regents approves this labor agreement as outlined in the docket for March 10, 1994.

Senior Vice President Infante stated that the proposed collective bargaining agreement is within the parameters of other agreements approved by the Board.

The committee voted unanimously to recommend approval of the resolution.

#### **UNIT 2 COLLECTIVE BARGAINING AGREEMENT WITH IBEW LOCAL 292**

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

WHEREAS, the parties have met and negotiated over the course of the past six months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit; and

WHEREAS, bargaining unit employees represented by IBEW Local 292 have ratified acceptance of the agreement; and

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

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Senior Vice President for Academic Affairs, and the Senior Vice President for Finance and Operations, the Board of Regents approves this labor agreement as outlined in the docket for March 10, 1994.

#### **1993-95 NON-ACADEMIC STUDENT EMPLOYEE SALARY PLAN**

A motion was made and seconded to recommend approval of the 1993-95 non-academic student employee salary plan.

Senior Vice President Infante stated that the proposed student employee salary plan parallels that approved for civil service employees. He noted that during the next year the administration plans to examine the relationship between policies relating to student salaries and salaries of full-time employees.

Vice President Hughes introduced Al Miller, Interim Director of the Office of Student Financial Aid, and Dana London, Director of Student Employment. Mr. Miller reviewed the proposed salary plan. He noted that the University has approximately 5,700 student employees per quarter, and reviewed the number of student employees who will qualify for the salary increases proposed in the plan.

Ms. London reviewed the financial impact of the proposed plan. She reported that the total cost to the University will be approximately \$1.5 million, or 4.4 percent of the base payroll for student employees.

In response to Regent Sahlstrom, Mr. Miller reviewed the eligibility requirements for the proposed salary increases.

In response to Regent Neel, Mr. Miller stated that the student salary plan is comparable with the civil service salary plan in compliance with the Regents' Basic Policy on Student Employment. Dr. Infante noted that the examination of the relationship between policies relating to salaries for student and full-time employees will include a review of whether it is necessary to maintain two separate systems.

Following the discussion, the committee voted unanimously to recommend approval of the 1993-95 salary plan for non-academic student employees.

#### **REPORT ON SEXUAL HARASSMENT COMPLAINT ACTIVITY**

Patricia Mullen, Director of the Office of Equal Opportunity and Affirmative Action, reported on the activities of her office related to sexual harassment complaint activity. She discussed changes and trends in this area during the past 10 years, including more formality in the way cases are handled, more cases are handled by individual units, increased educational programs and materials, and a more sophisticated computer system. She stated that her office will continue to work with individual units on complaints and will continue the educational process, with particular emphasis on supervisors.

Ms. Mullen introduced Anne Truax, Assistant to the Director of Equal Opportunity and Affirmative Action, who distributed the University's updated Sexual Harassment brochure. She stated that her responsibilities include receiving and handling complaints and education. She reviewed the Guidelines for Handling Sexual Harassment Complaints by Administrative or Supervisory Personnel, which will be used as part of the state-mandated training for administrators and supervisors. Ms. Truax noted the docket materials contain statistics related to sexual harassment complaints for the period July 1, 1990 to December 31, 1993.

Ms. Mullen introduced Dr. Rosemarie Park, Chair of the Sexual Harassment Board. Dr. Park discussed the composition of the nine-member Board, which is appointed by the President to oversee the University's sexual harassment policy and procedures and to hear appeals. She discussed appeals heard by the Board, and noted that the Board is currently reviewing the appeals procedure and the sexual harassment policy, which will be presented to the Board of Regents at a future meeting.

In response to Regent Keffeler, Ms. Mullen commented on differences between the University's process for addressing sexual harassment complaints and the process used in private organizations. Regent Keffeler asked if the University is constrained by law with respect to due process, and Ms. Mullen responded that the due process measures practiced by the University will continue.

Ms. Mullen noted differences in the University's discipline system based on the status of its employees, describing efforts to develop a progressive discipline system. Regent Keffeler expressed concern about employees being treated differently based on their status, and suggested the process be changed. Ms. Mullen stated that her office can recommend action, but the discipline system is not governed by her office.

Regent Keffeler suggested inviting individuals from the public and private sector to review and critique the University's process, identify areas of concern, and suggest ways to improve current practices. Ms. Mullen stated that could be helpful with respect to administrative and civil service employees, but less helpful with respect to faculty who have tenure. Regent Keffeler stated there should be no fundamental reason to treat faculty differently in these matters, and if that is the case, the situation should be corrected. Ms. Truax discussed the difficulties related to disciplining faculty, noting that when appropriate she would like to require faculty to join an intervention group at

the Walk-In Counseling Center in Minneapolis as a disciplinary action, but stated that is not possible.

Regent Keffeler stated that she is seeking a means of eliminating the differences between academic and non-academic employees, and she is seeking a way to review and improve current practices. Dr. Park suggested improvements, including clarifying the guidelines, policies, and procedures; establishing a system where action is taken immediately and administrators know what their authority is and are able to address situations; and increasing the number of staff. She noted efforts to try to make the system work to serve people better and to improve the overall University climate.

In response to Regent Sahlstrom, Ms. Mullen stated that educational programs have increased awareness and resulted in more cases over the last 10 years. She hopes that the caseload will decline, but noted that the University does not have a statute of limitations with respect to sexual harassment complaints.

Student Representative Paulose commented that over half of complainants are students, and expressed concern that the system protects faculty in light of the power differential between students and faculty. Dr. Infante stated that he would like to ensure that the penalty for sexual harassment is swift and severe, particularly in the case of a faculty member.

In response to Regent Page, Ms. Mullen and Ms. Truax discussed mediation as an option in some cases.

The meeting adjourned at 2:55 p.m.

  
**BARBARA MUESING**  
Executive Director and  
Corporate Secretary

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Educational Planning and Policy Committee**

**March 10, 1994**

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, March 10, 1994, at 10:35 a.m. in Room 300, Morrill Hall.

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

Staff present: Chancellor Johnson; Senior Vice President Infante; Vice Presidents Hopkins and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Vice Presidents Brenner, Fischer, and 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 the faculty of the College of Human Ecology of a proposal to reconfigure the Apparel Sciences and Design Program into two separate programs -- Clothing Design and Retail Merchandising;
- Adoption of a resolution by the Commission on Dental Accreditation changing the accreditation status of the Advanced Education Program in Endodontics in the School of Dentistry from conditional approval to approval;
- Impact on the University of the Post-Secondary Enrollment Options Act, which enables 11th and 12th grade public school students to attend a Minnesota post-secondary institution at state expense;
- Report on credit minimums required for baccalaureate degrees for programs on all University of Minnesota campuses;
- Actions taken by the Minnesota Higher Education Coordinating Board (HECB) at its meeting on February 17, 1994;
- Items related to the other higher education systems, including endorsement by the chief academic officers of the four public post-secondary systems of a final version of the Minnesota Transfer Curriculum; and
- Regents' Policy on Recombinant DNA and Hazardous Biological Materials.



A motion was made and seconded to recommend approval of the Senior Vice President's Monthly Report, including the Regents' Policy on Recombinant DNA and Hazardous Biological Materials.

In response to Regent Rosha, Dr. Infante discussed the report on credit minimums of baccalaureate degree programs. He noted that the University's credit requirements are comparable to those of other institutions. Regent Rosha asked why some programs require more than 180 credits, and how that is balanced with the cost. He suggested that it would be helpful to receive a comparison of the University's requirements with those of the top undergraduate institutions in the country and the University's peer institutions, and Dr. Infante agreed to provide that information.

Following the discussion, the committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report and the Regents' Policy on Recombinant DNA and Hazardous Biological Materials.

**REGENTS' POLICIES ON GIFTS AND FOUNDATIONS/  
UNIVERSITY-FOUNDATION MEMORANDUM OF UNDERSTANDING**

Senior Vice President Infante presented to the committee the Regents' Policies on Gift Solicitation and Acceptance and Fund Raising, Relationships of the University of Minnesota to its Foundations, and a Memorandum of Understanding between the University of Minnesota and the University of Minnesota Foundation.

In response to Regent Sahlstrom, Associate Vice President Fischer reported on a change in the proposed policy in response to concerns of the Landscape Arboretum Foundation. He noted that other University-related foundations and the administration support the change.

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

WHEREAS, private support has become increasingly important in enabling the University of Minnesota to fulfill its academic mission;

WHEREAS, during the last decade, the level of private support for the University has increased significantly through the joint efforts of the University-recognized foundations, the development staff in the colleges and departments of the University, and other concerned faculty and staff members;

WHEREAS, private support received by the University has provided the margin of excellence necessary to make the University one of the best in the country;

WHEREAS, the Board of Regents wishes to affirm the work and efforts that have gone into developing and implementing these successful fund raising efforts as well as ensuring the continued success of these efforts, while maintaining the integrity, independence, and academic freedom of the University;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents hereby:

- Adopts a new policy concerning Gifts and Fund Raising that will replace the existing Gift Policy;

- Adopts amendments to the existing Policy on the Relationship of the University of Minnesota to its Foundations; and
- Agrees to execute a Memorandum of Understanding between the University of Minnesota and the University of Minnesota Foundation.

#### **INTERSYSTEM COUNCIL RESOLUTION ON COOPERATION**

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

**WHEREAS, the Intersystem Council was statutorily established in 1992 to improve communications among Minnesota's public post-secondary education systems on relevant policy issues; and**

**WHEREAS, the Council met on February 22, 1994, to discuss issues of common interest and concern regarding the 1994 legislative session and agreed that collaboration in planning and resource sharing is important in addressing current and future library needs throughout public and private higher education and the citizens of the State of Minnesota; and**

**WHEREAS, the University of Minnesota Libraries have had a long and proud tradition of leadership in statewide library access, cooperation and resource sharing; and**

**WHEREAS, the Libraries have demonstrated that leadership by housing and developing the MINITEX Library Information Network, a major state resource; by lending more books and journal articles to other libraries than any other library in the U.S.; by making it possible for individuals throughout the state to search the LUMINA on-line catalogue via a toll-free telephone number; by providing reference and research services to individuals regardless of institutional affiliation; by promoting strong cooperation between the Minnesota State University's PALS and the University's LUMINA on-line systems; by proposing that it serve as a library archives and overflow center to store less heavily used materials from libraries throughout Minnesota; and**

**WHEREAS, the University is actively involved in statewide planning for telecommunications through the HECB Telecommunications Council; and**

**WHEREAS, the University is committed to cooperating with both private and public educational systems and public and private agencies to achieve for the citizens of Minnesota and for the state's higher education clients the most cost-efficient and effective access to library and information technology services, including technology for the electronic access and transfer of data, computing, and distance learning;**

**NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents directs the administration of the University of Minnesota to undertake and accelerate further cooperative and collaborative planning with the state's other systems of higher education, the K-12 system, the public libraries, and other appropriate agencies to develop a vision of, and plan for, a coordinated system of statewide access to library and information services.**

Dr. Infante stated the proposed resolution is part of a coordinated effort to develop a statewide system of access to library and information services, and similar resolutions will be considered by the Minnesota Higher Education Coordinating Board and the state Higher Education Board.

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

#### **REGENTS' POLICY ON CONFLICT OF INTEREST**

Vice President Petersen presented a proposed Regents' Policy on Conflict of Interest to the committee for review. She reviewed changes in the proposed policy related to characterization of activities, expanded disclosure requirements, and an expanded review process. In addition, other changes relate to defense of approved activities as long as the academic employee complies with the plan of action and disclosure requirements; addition of extended family to immediate family coverage; listing of specific sanctions; provision of appeal process; and application of policy to existing activities.

Student Representative Aleman asked if the requirement for annual disclosure would apply to the outside practice of law by a faculty member. Associate Vice President Brenner stated that the policy applies to activities that have bearing on a faculty member's professional responsibilities within the institution that could compromise decision-making abilities. He noted the situation raised by Mr. Aleman may be covered under the Regents' Policy on Conflict of Commitment that will be presented in late spring or fall 1994.

Dr. Petersen reported on the status of policies related to academic integrity to be presented to the Regents at future meetings.

Following the discussion, Regent Sahlstrom stated that the proposed policy will be presented for adoption at the April meeting.

#### **ACADEMIC REPORT SERIES: ACADEMIC AFFAIRS UNITS**

Senior Vice President Infante presented a brief update on the Academic Plans for the following units:

##### Carlson School of Management - Dean David Kidwell

O&M Budget:	\$14.9 million
Total Revenues:	\$23.8 million
Faculty:	110
Students:	780 undergraduates; 1,500 graduate and professional; 2,150 FYE
Degrees Awarded:	454 bachelors; 524 masters; 30 doctoral

Dr. Infante reported on significant changes within the School, including revision of the MBA curriculum, an international initiative, and a target to become one of the five top public programs in the country. He noted that a major constraint is space, and there is a significant funding request currently before the Legislature.

##### Continuing Education & Extension (CEE) - Dean Harold Miller

O&M Budget:	\$38.4 million
Total Revenues:	\$54 million
Faculty:	Collegiate faculty
Students:	20,000 undergraduates; 1,200 graduates; 4,700 FYE

Dr. Infante discussed the components of CEE and CEE's Diversity Committee and Women's Council. He noted that CEE operates an outstanding education program.

College of Education - Dean Robert Bruininks

O&M Budget: \$14.6 million  
Total Revenues: \$26.9 million  
Faculty: 135  
Students: 617 undergraduates; 1,600 graduates; 2,700 FYE  
Degrees Awarded: 240 bachelors; 560 masters; 111 doctoral

Dr. Infante reported that the College is undergoing significant restructuring, and noted a reduction in the number of tenure track faculty from 160 in 1990-91 to 135 in 1993-94. He discussed major efforts by the College in outreach and access and effective diversity initiatives.

Humphrey Institute of Public Affairs - Dean G. Edward Schuh

O&M Budget: \$1.6 million  
Total Revenues: \$8.7 million  
Faculty: 17 and 12 Fellows  
Students: 158 professional; 162 FYE  
Degrees Awarded: 51 masters

Dr. Infante discussed the Institute's significant outreach programs and its emphasis on internationalization, mid-career program development, interdisciplinary programs, and diversity. The Institute has established a goal to become one of the five outstanding public policy schools in the nation.

Law School - Dean Robert A. Stein

O&M Budget: \$8.0 million  
Total Revenues: \$10.3 million  
Faculty: 36  
Students: 820 professional; 795 FYE  
Degrees Awarded: 234 professional

Dr. Infante stated that the Law School is ranked among the top 20 law schools in the nation, noting that 2,300 applications are received for 270 available places in its first-year class. He discussed the School's emphasis on internationalization and diversity initiatives, and noted that it has an outstanding Law Library.

Dr. Infante introduced Dr. Thomas Shaughnessy, Director of the University Libraries on Twin Cities campus. Dr. Shaughnessy reported that University Libraries are an extraordinary resource, and commented on the extensive offerings. He discussed collaboration between all University libraries, including those on the coordinate campuses and the Law School library. In response to Regent Sahlstrom, Dr. Shaughnessy discussed access to the libraries.

Dr. Shaughnessy reviewed the national rank of University Libraries among research libraries from 1988-93 related to volumes owned, serial subscriptions, acquisition and total expenditures, interlibrary loans and borrows, professional staff, and total staff. He stated University Libraries rank in the top 20 in most categories, noting a first place ranking in interlibrary loans.

Dr. Shaughnessy reviewed the budget of \$21,664,199 and sources of funds. He discussed diversity initiatives, noting that collections reflect multiculturalism and diversity. He also noted a staff committee on diversity, chaired by a librarian having special responsibility for diversity and multiculturalism, works with cultural centers on the Twin Cities campus.

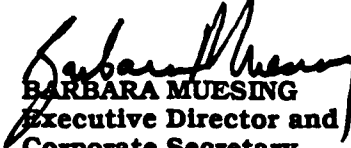
Dr. Shaughnessy stated that University Libraries are a state resource and loan items across the state. He noted the support of other higher education systems in the state, and expressed concern when items are borrowed that the other systems should own.

Dr. Shaughnessy discussed the strategic plan for University Libraries, its mission and goals, and University 2000 strategies. He reported on the technology initiatives of the libraries, and discussed the LUMINA system.

In summary, Dr. Shaughnessy reported on problems facing the University Libraries, including large price increases for journals since 1990 and copyright constraints.

In response to Regent Sahlstrom, Dr. Shaughnessy stated that the libraries are connected to Extension faculty in each county through the University's computing network.

The meeting adjourned at 12:00 Noon.

  
BARBARA MUESING  
Executive Director and  
Corporate Secretary

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**March 10, 1994**

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, March 10, 1994, at 3:00 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Senior Vice Presidents Erickson and Infante; General Counsel Rotenberg; Vice President Petersen; Deputy Vice President Chou; University Attorney Bohnhorst; and Executive Director Muesing.

Others present: Health System President Hart; Hospital Attorney Dunder; David McGowan, Coopers and Lybrand; and Jan Symchych, Dorsey and Whitney.

A motion was moved and seconded that the following resolutions be approved:

**RESOLVED**, that on the recommendation of the President and the General Counsel and as provided by Minnesota State Statute 144.581 Subd. 5, a non-public meeting of the Board of Regents be held on Thursday, March 10, 1994, in the Regents' Room, 238 Morrill Hall, for the purpose of discussing University of Minnesota Hospital and Clinic marketing activity and contracts.

**RESOLVED**, that on the recommendation of the President and as provided by Minnesota State Statute 471.705 Subd. 1d, a second non-public meeting of the Board of Regents be held following the non-public meeting to discuss Hospital marketing activity and contracts on Thursday, March 10, 1994, in the Regents' Room, 238 Morrill Hall, for the purpose of discussing attorney-client matters.

The Board of Regents voted unanimously to approve the resolutions.

The meeting adjourned at 3:01 p.m.

  
**BARBARA MUESING**  
Executive Director &  
Corporate Secretary

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Committee of the Whole**

**March 11, 1994**

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, March 11, 1994, at 8:30 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Keffeler, presiding; Regents Anderson, Bleyhl, Neel, Page, Perlman, Rosha, and Sahlstrom.

Staff present: President Hasselmo; Chancellors Johnson and Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Hopkins, Hughes, and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Carrier, Johnson, Pfutzenreuter, Tschida, and Zetterberg.

Student Representative present: Rachel Paulose.

**UNIVERSITY 2000 STRATEGIC FINANCIAL PLAN**

President Hasselmo led the discussion regarding the University 2000 Strategic Financial Plan, stating it is a conceptual financial framework. He noted that benchmarks, performance criteria, and strategic initiatives for implementation of University 2000 will be presented over the next several months.

Senior Vice President Infante indicated that the University's academic programs are the basis for the financial plan. He discussed the fundamental assumptions that higher education and the University will participate in the increases in productivity of society, and society's investment in the University will increase.

Associate Vice President Pfutzenreuter emphasized that the proposed plan is a forecast for planning purposes, and discussed the University's current financial situation and major funding sources. He reviewed the state's planning estimates for 1995-96 and 1996-97, noting the assumption that the University will grow beyond planning estimates.

Mr. Pfutzenreuter reviewed the principles which guided development of the financial plan. He stated it is a two-part plan for financing the institution and financing students, and reviewed major sources of financing for University 2000.

Mr. Pfutzenreuter presented a simulated budget plan to illustrate financial projections for 1994-2000. He discussed possible implications for University 2000, noting that funding would come from increases in state funding, tuition, internal realignment in academic programs, and administrative efficiencies.

In summary, Mr. Pfutzenreuter reviewed the next steps, including an assessment of the financial condition of other funds, merger of revenue and expenditure resource plans with the strategic planning process, and continued communication.

In response to Student Representative Paulose, Mr. Pfutzenreuter stated that the six-year projection of \$12 million in other revenues could come from various sources, including fund raising and auxiliary income.

Regent Bleyhl suggested that the five strategic directions identified in University 2000 should reflect other major University initiatives related to technology and communications. Dr. Infante discussed how those initiatives are reflected in the Strategic Financial Plan. Regent Keffeler noted that a briefing on administrative plans on technology-related initiatives has been scheduled for early summer.

Regent Sahlstrom emphasized the need for state support of the University, and expressed concern regarding the suggestion that the Legislature will reduce its support. In response to Regent Sahlstrom, Dr. Infante stated that funds donated for particular purposes are reflected in the plan in the category of other restricted funds, and noted that funding students is a high priority.

Regent Anderson expressed support for increasing the mix of students to enhance the quality of education, but disagreed with the concept of using it as a major source of financing University 2000 because it would disadvantage qualified Minnesota applicants. Mr. Pfutzenreuter responded that this is simply a potential source of revenue, and noted the assumptions do not specify an amount that would be generated. Regent Keffeler concurred with Regent Anderson that to change the mix at the expense of Minnesota students for the purpose of increasing tuition revenue would not be good policy. President Hasselmo noted that the administration is not saying this practice would be desirable, but stated it is an issue the state must confront rather than forcing the University into funding strategies that are contrary to its educational mission.

In response to Regent Anderson, Dr. Infante indicated that tuition revenue generated in University College will be used to enhance educational quality in that unit.

Regent Rosha noted that various classes of students have different funding opportunities, and expressed concern about combining different classes of students when discussing financial options.

Regent Perlman concurred with Regent Sahlstrom's comments, stating that the issue is the extent to which the state is prepared to support the University. He stated the University must continue to emphasize that point.

In response to Regent Page, Dr. Infante stated that two aspects of recruiting are optimal use of available resources and appropriate balance in the type of students recruited to maximize use in areas where the University excels and has a competitive advantage.

In response to Regent Neel, Senior Vice President Erickson discussed initiatives to become more efficient and cost effective. Regent Neel suggested scheduling a discussion on that issue at a future meeting.

In summary, President Hasselmo stated that the themes of the financial strategy for University 2000 are the need for additional state investment in the University and efforts to restructure and improve efficiencies and cost effectiveness. He noted that state investment will not increase unless the University can gain the confidence of political leaders that everything possible is being done to be cost effective.

Regent Keffeler stated that the University 2000 Strategic Financial Plan will be presented to the Board again at a future meeting. She emphasized that although the plan refers to a 5.5 percent annual increase in tuition revenue and a 3.5 percent inflator for salaries, the amount of increases is not forecast in the plan.



**REPORT ON FACULTY SALARY AND COMPENSATION ISSUES:  
HISTORIC TRENDS AND MARKET COMPARISONS**

Regent Keffeler introduced the discussion regarding faculty salary and compensation issues, stating that the presentation will focus on how the compensation of University faculty relates to the higher education marketplace. President Hasselmo noted the importance of competitive compensation of faculty and staff to the success of University 2000, because the University's fundamental resource is its faculty and staff.

Senior Vice President Infante reviewed the report on faculty salary and compensation issues, including historic trends and market comparisons.

David Berg, Director of Management Planning and Information Services, reviewed the compensation history and competitive situation regarding faculty salaries. He noted that constant dollar averages for all ranks and terms have declined over the past 20 years, and reviewed average faculty salaries in 1993 dollars from 1973-74 through 1993-94.

Mr. Berg reviewed a comparison of University faculty salaries and compensation with other Big 10 institutions and prestigious American research universities. In a study of the top 30 research universities as determined by *Change Magazine*, the University ranks 25th of 30 in overall compensation, and 9th of 13 among public universities.

Mr. Berg reviewed data comparing University faculty salaries with public and private doctoral institutions, stating that private campus salaries in 1993 were 26.9 percent above public salaries and 20.9 percent above University of Minnesota salaries. He discussed disciplinary variations in how faculty salaries compare with other institutions.

In summary, Mr. Berg reiterated that faculty salary levels at private institutions have surpassed public salary levels by an alarming degree. If this national trend continues, he stated there will be two higher education systems in the United States and one will be significantly better than the other.

In response to Regent Perlman, Mr. Berg stated that faculty have lost 7.5 percent purchasing power since 1974.

Regent Keffeler asked if the University's general consulting practices are sufficiently comparable to those of other higher education institutions so the data is not skewed. Mr. Berg responded that the compensation data are comparable. Dr. Infante indicated the University's general consulting practices are similar to those of other comparable institutions, while its internal consulting policies are less restrictive. However, that does not result in a significant difference in faculty compensation. Regent Keffeler emphasized that it is important to have data to support that assumption.

In response to Regent Neel, Mr. Berg indicated that per capita income in Minnesota has been increasing in real terms since 1974.

**REPORT ON CIVIL SERVICE SALARY AND COMPENSATION ISSUES**

Associate Vice President Carrier introduced John Erickson, Director of Employee Relations, and Rod Kelsey, a consultant from DCA Stanton. She reviewed the total compensation package for civil service employees, and stated the presentation would focus on a comparisons with local public and private sectors.

Mr. Erickson reviewed the University's job classification system. He discussed the determination of the internal value of a job to the organization based on specific criteria and the external value of a job through a market study. He reviewed the University's job evaluation system and discussed salary ranges, stating that recruiting and retention are considered when determining salary ranges.

Mr. Kelsey discussed the impact of pay equity, comparable worth, and the complexity of the University organization on its compensation system. He noted that union salaries are 104 percent and civil service salaries are 96 percent as compared to salaries in the other sectors. He stated that the spread between union and civil service salaries is likely explained by past practice of pay administration at the University, and discussed how salary ranges should be determined.

Student Representative Paulose noted that University faculty salaries are consistently below market in scientific fields, and suggested those areas should be a priority at a research institution.

In summary, Regent Keffeler stated it is important for the Board to understand the data for framing its discussion of the compensation portion of the upcoming budget deliberations.

#### **FINANCIAL AID: RESOURCES AND NEED**

Senior Vice President Infante introduced the report regarding financial aid resources and need. He stated that the purpose of the presentation is to indicate the financial resources available to students and what can be inferred from the unmet need.

Associate Vice President Zetterberg reviewed how University undergraduate, graduate, and professional students pay for their education; defined need-based and merit-based financial aid; and reviewed the amount of each type of financial aid that is available. He reviewed examples of how much financial aid would be available to an undergraduate student and a graduate or professional student. He indicated that total resources of \$302.2 million are available to help students finance their education, and discussed how the University's resources have kept pace with increases in student cost and how they compare with those of peer institutions.

In summary, Mr. Zetterberg reviewed future financial aid needs and objectives. He noted that the University is dependent on federal and state grant and loan programs, stating that the University must encourage appropriate funding of those programs. In addition, he stated that student employment must be used more effectively, the public must be educated about the importance of saving for higher education, and scholarship and fellowship resources must be increased.

Regent Anderson provided background and a historical perspective on tuition and financial aid.

Regent Rosha stated it is important to be clear what different groups of students are facing, and suggested that undergraduate, graduate, and professional students should be treated as separate groups because many undergraduates do not qualify for independent status. He believes that low tuition will benefit society rather than a program of high tuition and high financial aid.

Student Representative Paulose stated that the philosophy that parents are responsible for supporting students is not based on reality.

Regent Neel noted the impact of high education costs on the medical profession and on physicians practicing in rural areas. In response to Regent Neel, Mr. Zetterberg and Al Miller, Interim Director of the Office of Student Financial Aid, discussed the employee tuition benefit and financial aid available to students of color.

Regent Perlman noted that the proposed tuition increases have pitted one part of the University against another. He stated that the Board and University community must discuss what should be achieved through tuition, and suggested that tuition cannot be measured on the same scale as other sources of income for the University.

Regent Anderson concurred with Regents Rosha and Perlman. He noted that the people of Minnesota supported no or low tuition for many years, and he believes the University community can provide the leadership to turn this issue around.

In response to an issue raised by Regent Page, Regent Keffeler stated that although the Board is concerned about tuition rates, data presented in February showed that the University's undergraduate tuition rates are comparable to peer institutions.

In summary, Regent Keffeler suggested that future discussions should focus on separating undergraduate, graduate, and professional tuition rates and public policy implications of how the University manages tuition. She reported that the University of Minnesota Foundation is ready to launch a major program to establish an endowment for need-based financial aid.

President Hasselmo stated that funding for scholarships continues to be a top fund raising priority. He noted that discussions are underway regarding the possibility of a major campaign for that purpose, which would also include the Minnesota Alumni Association. He indicated that this topic will be considered by the President's Development Committee, and a strategy will be presented to the Board. Regent Keffeler asked that a fund raising goal also be established and presented to the Board.

The meeting adjourned at 11:20 a.m.

  
**BARBARA MUESING**  
Executive Director and  
Corporate Secretary

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**March 11, 1994**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, March 11, 1994, at 11:30 a.m., in the Regents' Room, 238 Morrill Hall.

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

Staff present: Chancellors Johnson, and Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Hopkins, Hughes, and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Carrier, Johnson, Pfutzenreuter, Tschida, and Zetterberg.

**APPROVAL OF MINUTES**

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

Board of Regents - February 10, 1994  
Facilities Committee - February 10, 1994  
Financial Operations & Legislative Committee - February 10, 1994  
Faculty, Staff & Student Affairs Committee - February 10, 1994  
Educational Planning & Policy Committee - February 10, 1994  
Committee of the Whole - February 10, 1994  
Committee of the Whole - February 11, 1994  
Board of Regents - February 11, 1994

**REPORT OF THE PRESIDENT**

President Hasselmo presented his monthly report, which pertained to Higher Education Tuition and State Grants; the University 2000 Strategic Financial Plan; the Capital Bonding Bill status; the status of the Supplemental Budget Request; the President's Forum on Teaching; the Undergraduate Research Fair; renewal of the contract with the Army High Performance Computing Research Center; concerns about the grant for the Geometry Center; closure of the ALG Program; search for the Health Sciences Provost; and information relating to the Alumni Association and University Foundation events.

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

**REPORT OF THE CHAIR**

Chair Keffeler stated that she had no report this month.

## RECEIVE AND FILE REPORTS

President Hasselmo noted the receipt and filing of the Report on University 2000 Academic Planning Process.

## GIFTS

Robert Hanle, University Foundation Vice President, 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

March 11, 1994

Chair Keffeler reported that the committee engaged in discussion relating to University 2000 Strategic Financial Plan; reviewed reports on Faculty Salary and Compensation Issues, Civil Service Salary and Compensation issues, and Financial Aid: Resources and Needs.

## 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 Presidents' Monthly Faculty, Staff & Student Affairs Report as presented to the committee and contained in the docket material.
- b) Adoption of amended Regents' Policy on Student Conduct, as follows:

### Regents' Policy on Student Conduct

#### I. INTRODUCTION

The Regents of the University of Minnesota are charged with the duty of adopting regulations for the governance of the University\* to provide educational opportunities to its students, to transmit and advance knowledge and to provide a wide range of services to both students and the general public. To carry out these responsibilities, the University requires a community free from violence, threats, and intimidation; protective of free inquiry; respectful of the rights of others; open to change; supportive of democratic and lawful procedures; and dedicated to the rational and orderly approach to the resolution of human problems. To safeguard the rights, opportunities, and welfare of students, faculty, staff and guests of the University community, and to assure protection of the interests of the University as it seeks to

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\* Territorial Laws, 1851, Sec.3; Minn. Const. Art VIII, Sec. 3

carry out its mission on behalf of the citizens of Minnesota, certain minimum standards of conduct become necessary.

In the past, the University had been guided by a Code of Conduct consisting of rules, statement, and policies stemming from many sources. As the structure of the University expanded and in recognition of the need for the clarification and definition of standards of behavior in contemporary society, the Committee on Student Behavior and the Assembly Committee on Student Affairs recommended that the University establish and maintain standards of student conduct.

The president was directed to promulgate these standards of conduct on all campuses with appropriate explanation.

This Statement of Standards was adopted by the Board of Regents in 1970. A revision of Section IV, the Conduct Code was approved by the Board at its December 1974 meeting. A revision of the "Procedures for Disciplinary Proceedings -- Twin Cities campus" was approved at the July 1978 meeting of the Board. These revisions were developed through consultation with the Assembly Committee on Student Affairs and are the result of lengthy review by many students, faculty, and staff.

The Policy Statement on Sexual Harassment was approved by the University Senate at its May 1984 meeting. The policy applies to the entire University and to the conduct of students, civil service persons, and academic staff alike.

This Statement of Standards, including the conduct code and the Twin Cities disciplinary procedure, and the Policy Statement on Sexual Harassment are published and made available on request in order to inform all members of the University community of the code, procedures and standards governing student conduct at the University of Minnesota.

## II. INTERESTS OF THE UNIVERSITY RELEVANT TO A CODE

Over a period of years, University adjudicative bodies have decided questions of jurisdiction by identifying University interests. These interests provide a substantial foundation for the building of a code.

1. The University has a primary concern with matters which impinge upon academic achievement and integrity.
2. The University has a fundamental concern with conduct which breaches the peace, causes disorder, and substantially interferes with the rights of others.
3. The University has a special interest in behavior which threatens or actions which imperil the physical and mental health and safety of members of the University community.
4. The University has an obligation to protect its property and the property of members of its community from theft, damage, destruction, or misuse.

5. The University has a commitment to enforce its contractual agreements.
6. The University has an obligation to support and be guided by laws of the land.
7. The University has a concern about behavior repugnant to or inconsistent with an educational climate.

### III. THE PROBLEMS OF DUAL MEMBERSHIP

Students are both members of the University community and citizens of the state. As citizens, students are responsible to the community of which they are a part and the University neither substitutes for nor interferes with regular legal processes. Students are also responsible for offenses against that academic community. Therefore, an action involving the student in a legal proceeding in a civil or criminal court does not necessarily free the student of responsibility for this conduct in a University proceeding. When a student is charged in both jurisdictions, the University will decide on the basis of its interest and the interest of the student whether or not to proceed with its internal review simultaneously or defer action.

### IV. CONDUCT CODE

The following are defined as disciplinary offenses actionable by the University.

#### 1. SCHOLASTIC DISHONESTY:

Submission of false records of academic achievement; cheating on assignments or examinations; plagiarizing; altering, forging, or misusing a University academic record; taking, acquiring, or using test materials without faculty permission; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement.

#### 2. FALSIFICATION:

Willfully providing University offices or officials with false, misleading, or incomplete information; intentionally making a false report of a bomb, fire, natural disaster, or other emergency to a University official or an emergency service agency; misusing, altering, forging, falsifying, or transferring to another person University issued identification; forging or altering without proper authorization official University records or documents or conspiring with or inducing others to forge or alter without proper authorization University records or documents.

#### 3. IDENTIFICATION AND COMPLIANCE:

Willfully refusing to or falsely identifying one's self; willfully failing to comply with a proper order or

summons when requested by an authorized University official.

4. UNIVERSITY FACILITIES AND SERVICES:

Acting to obtain fraudulently -- by deceit, by unauthorized procedures, by bad checks, by misrepresentation -- goods, quarters, services, or funds from University departments or student organizations or individuals acting in their behalf; misuse, alteration, or damage of fire-fighting equipment, safety devices, or other emergency equipment or interference in the performance of those specifically charged with carrying out emergency services; wrongful use of University properties or facilities.

5. DISORDERLY CONDUCT ON THE CAMPUS:

Threats to, physical abuse of, or harassment which threatens to or endangers the health, safety, or welfare of a member of the University community; breach of the peace; physical assaulting another; fighting; obstructing or disrupting teaching, research, administrative, and public service functions; obstructing or disrupting disciplinary procedures or authorized University activities; vandalism.

6. THEFT AND PROPERTY DAMAGE:

Theft or embezzlement of, destruction of, damage to, unauthorized possession of, or wrongful sale or gift of property belonging to the University, a member of the University community, or a campus guest.

7. UNIVERSITY RULES:

Violating other University, college, department, union and residence regulations which have been posted or publicized. Provisions contained in University contracts with students shall be deemed "rules" under this code.

8. WEAPONS ON CAMPUS:

Possession of firearms, incendiary devices, explosives, articles, or substances usable as weapons or means of disruption of legitimate campus functions, activities, or assemblies; or using firearms, incendiary devices, explosives, articles, or substances calculated to intimidate, disturb, discomfort, or injure a member of the University community, except in those instances when expressly authorized by the head of a University department whose activities properly require the use or possession of any of the enumerated items.

9. DISRUPTIVE DEMONSTRATIONS:

Intentional participation in a campus demonstration which disrupts the normal operations of the University and infringes on the rights of other members of the



University community; leading or inciting others to disrupt scheduled and/or normal activities of any campus building or area; intentional obstruction which unreasonably interferes with freedom of movement, both pedestrian and vehicular, on campus.

10. **KEYS:**

Possession, making, or causing to be made any key to operate locks or locking mechanisms on campus without proper authorization or using or giving to another a key for which there has been no proper authorization.

11. **VIOLATIONS OF FEDERAL OR STATE LAWS OF SPECIAL RELEVANCE TO THE UNIVERSITY:**

When the violation of a federal or state law, including but not limited to those governing alcoholic beverages, drugs, gambling, sex offenses, indecent conduct or arson, occurs on campus, the offense will also constitute an offense against the University community.

12. **SOUND AMPLIFICATION:**

Using sound amplification equipment such as a bullhorn on campus or in a campus building without written permission of the vice president for student affairs or the vice president's designee, except when such use is authorized for official University purposes.

13. **DISRUPTIVE NOISE:**

Making noise or causing noise to be made with objects and instruments which disturbs classes, meetings, office procedures, and other authorized University activities.

14. **ATTEMPT TO INJURE OR DEFRAUD:**

To make, forge, print, reproduce, copy, or alter any record, document, writing, or identification used or maintained by the University when done with intent to injure, defraud or misinform.

15. **DISRUPTION OF UNIVERSITY EVENTS:**

Unauthorized entry upon the playing performance area or the spectator areas of any athletic contest, exhibition, or other event.

16. **PERSISTENT VIOLATIONS:**

Repeated conduct or action in violation of the above code is relevant in determining an applicant's or a student's membership in the University.

## V. PROCEDURES AND SANCTIONS

If any person is found guilty or pleads guilty to an offense under this code, the sanctions available shall include the following:

1. **WARNING AND ADMONITION:** the issuance of an oral or written warning, admonition, or reprimand.
2. **REQUIRED COMPLIANCE:** carrying out a bonafide University rule as a condition for being admitted or continuing membership in the University; restriction of privileges; restitution; removal from quarters; withholding of diploma and degree for a specified period of time.
3. **CONFISCATION:** confiscation of goods used or possessed in violation of University regulations; confiscation of falsified identification or identification wrongly used.
4. **PROBATION:** special status with conditions imposed for a limited time after determination of misconduct.
5. **SUSPENSION OR EXPULSION:** termination of status in a given course for not more than one calendar year; termination of student status for not more than one calendar year; indefinite termination of student status.
6. **INTERIM SUSPENSION:** the president may, after evaluating the evidence received, the identification of parties, the safety and well-being of students, faculty, and University property, and, in those cases where there is an indication that a student's misconduct will be repeated or continued or where the President believes it is necessary to permit the University to carry on its functions, impose immediate suspension with resultant loss of all student rights and privileges, pending hearing before the appropriate disciplinary committee. The student has a right to a prompt hearing before the president or the President's designee on the limited questions of identification and whether suspension should remain in effect until the full hearing is completed.

## VI. REPEAL OF CONTRADICTORY RULES

This student code supersedes the definition of student misconduct published in the "Laws and Regulations Governing the University of Minnesota, 1931 edition," section I and II of the Regent actions of June 10, 1914, and any other university, college, or departmental regulations found in contradiction.

## APPEALS OF STUDENT DISCIPLINE

Any student or student organization charged with violation of a University rule or standard must have the opportunity to receive a fundamentally fair hearing and access to at least one campus-wide appeal. In order to safeguard the rights of students and student organizations, each campus must have developed and

approved an appeals procedure to govern those cases of individual scholastic, non-scholastic, and student organization misconduct heard in original campus jurisdictions. The procedure must reflect the University's concern for both substantive and procedural fairness for the accused student or student organization, including both the student's/student organization's and institution's right to the resolution of a case within a reasonable period of time. The procedure must specifically include sections stating:

1. the grounds for an appeal;
2. the procedures for filing an appeal; and
3. the nature of an appellate review.

- c) Approval of resolution re Unit I Collective Bargaining Agreement with Teamsters Local 320, as follows:

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

WHEREAS, Teamsters Local 320 has ratified acceptance of the agreement; and

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

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Senior Vice President for Academic Affairs and the Senior Vice President for Finance and Operations, the Board of Regents approves this labor agreement as outlined in the docket for March 10, 1994.

- d) Approval of resolution re Unit 2 Collective Bargaining Agreement with IBEW Local 292, as follows:

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

WHEREAS, bargaining unit employees represented by IBEW local 292 have ratified acceptance of the agreement; and

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

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Senior Vice President for Academic Affairs, and the Senior Vice President for Finance and

Operations, the Board of Regents approves this labor agreement as outlined in the docket for March 10, 1994.

- e) Approval of the Non-Academic Student Employee Salary Plan for 1993-95 as outlined in the docket material and on file in the Regents' Office.

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

Regent Neel reported that the committee also reviewed a Report on Sexual Harassment Complaint Activity.

#### **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 to the committee and contained in the docket material.

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

Chair Rosha reported that the committee also reviewed two proposed projects for amendment of the FY 94 Capital Budget: 1) additional lockers for the Recreational Sports Center; and 2) a L.E. D. Exit Sign Retrofit Project. The committee reviewed proposed funding for climate-controlled building linkages and a proposed lease for 2301 University Avenue SE in Minneapolis. In addition, the committee reviewed the annual Report on Surplus Real Estate Inventory.

#### **REPORT OF THE FINANCIAL OPERATIONS & LEGISLATIVE COMMITTEE**

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

- a) Approval of resolution re ALG Forward, as follows:

WHEREAS, in prior resolutions, this Board of Regents approved the University's expenditure of funds to operate the MALG Program and directed the administration to solicit proposals to purchase or lease, among other assets, the ALG facility along with the intellectual property rights to ALG and the right to market the drug publicly; and

WHEREAS, the administration solicited such offers and entered into negotiations with a potential purchaser; and

WHEREAS, such negotiations failed and the administration has concluded that there are no viable bona fide offers from competent bidders for ALG; and

WHEREAS, the administration believes that the continued operation of ALG is no longer advisable:

NOW, THEREFORE BE IT RESOLVED, that the Administration is hereby authorized and directed to cease all operations of the MALG program and all investments other than those associated with closing costs as expeditiously as possible and to make available some or all of the MALG program intellectual property and related assets on a non-exclusive or exclusive basis to such individuals or firms as the Administration shall select.

BE IT FURTHER RESOLVED, that the Administration is authorized to negotiate with any interested party the Administration shall select for transfer or sale of the assets of MALG provided that the party notified Administration of such interest in writing by 5:00 p.m., March 10, 1994, and provided that the party finances interim costs on a non refundable basis through letter of credit or cash deposit or such other similar mechanism connected with the continuation of the program through the period of negotiation.

Senior Vice President Erickson reported that the University did not receive any written proposal of interest by 5:00 p.m. March 10, 1994. A motion was made and seconded to approve the resolution with the elimination of the last paragraph.

The Board of Regents voted unanimously to approve the resolution.

Chair Page continued her report, indicating that the committee voted unanimously to recommend:

- a) Approval of resolution re Expression of Appreciation to MALG Employees, as follows:

RESOLVED, the Regents of the University of Minnesota recognize with great appreciation, the MALG laboratory employees' efforts to keep the facility operational during negotiations concerning its future. Their work was done in a difficult and uncertain environment. The Board is grateful to them for exhibiting great loyalty, and for making it possible for the University to explore all alternatives to closing the program.

- b) 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.
- c) Adoption of amendments to Regents' Policy on Delegation of Authority - Investment Transactions, as follows:

**REGENTS' POLICY ON DELEGATION OF AUTHORITY**  
**Investment Transactions**

This policy governs the administration's authority on behalf of the University and the Board of Regents to invest and deal in securities and to engage investment advisers and broker/dealers.

- A. **Definitions.** For purposes of this policy, the terms below shall have the following ascribed meanings:

"Security" shall mean a security as defined in the Securities Act of 1933, as amended, and shall include any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, or, in general, any interest or instrument commonly known as a 'security', or any certificate of interest or participation in temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term "security" shall further include options, futures, swaps and other derivative instruments.

"Investment Adviser" shall mean an investment adviser or manager, a broker/dealer, or any other person or firm engaged to advise the University on Investment Transactions, to execute Investment Transactions on behalf of the University, or to otherwise manage the University's investments.

"Investment Transactions" shall mean (i) the purchase, investment in, possession, or other acquisition of an interest in a Security, (ii) the sale, conversion, exchange, transfer, or other disposal of an interest in a Security or, (iii) the pledge of a Security.

- B. **Authority to trade in Securities.** The Senior Vice President for Finance and Operations and the Treasurer shall each have the authority and power on behalf of the University to negotiate and enter into Investment Transactions.
- C. **Authority to vote Securities.** The Senior Vice President for Finance and Operations and the Treasurer shall each have the authority and power on behalf of the University to vote any voting Securities owned by the University. In voting such Securities, the Senior Vice President for Finance and Operations and the Treasurer shall comply with the Board of Regents' Social Concerns Policy.
- D. **Authority to engage Investment Advisers and brokers/dealers.** The Senior Vice President for Finance and Operations and the Treasurer shall each have the authority and power to negotiate agreements on behalf of the University to engage an Investment Adviser. The

Board of Regents shall have the exclusive authority and power on behalf of the University to engage an Investment Adviser; provided, however, in exigent situations, as determined by the Senior Vice President for Finance and Operations or Treasurer, such officers shall have the authority to engage immediately an Investment Adviser and in such instance the Senior Vice President for Finance and Operations shall seek the Board of Regents' approval of the engagement at the earliest possible date. The Senior Vice President for Finance and Operations and the Treasurer shall have the authority and power to terminate the engagement of an Investment Adviser.

The Senior Vice President for Finance and Operations and the Treasurer shall each have the authority and power:

to give written or oral instructions to Investment Advisers with respect to Investment transactions;

to bind and obligate the University to and for the carrying out of any contract, arrangement, or transaction, which shall be entered into by any such officer for and on behalf of the University with or through the Investment Advisers;

to pay in cash or by checks and/or drafts or by wire transfers drawn upon the funds of the University such sums as may be necessary in connection with any of the said transactions; to deliver securities to and deposit funds with Investment Advisers;

to order the transfer or delivery of a Security to any other person whatsoever and/or to order the transfer or record of a Security to the name of the University;

to direct the sale or exercise of any rights with respect to a Security; to execute, acknowledge, and deliver proper transfers, assignments, and letters of transmittal;

to execute consents to reorganizations, modification, or extension agreements and compromises;

to execute, acknowledge, and deliver all powers of attorney, or any other legal instruments for the purpose of splitting and issue of new certificates in exchange, transferring, and disposing of, or releasing any stocks, bonds, or other evidences of indebtedness held by this University or for any other purpose with relationship thereto in the ordinary course of business; and

to sign for the University all releases, powers of attorney, and/or other documents in connection with any such transaction, and to agree to any terms or conditions to control any such account; to direct Investment Advisers to surrender a Security to the proper agent or party for the purpose of effecting any exchange or conversion, or for the purpose of deposit with any protective or similar committee, or otherwise.

- E. Authority to delegate responsibility. The Senior Vice President for Finance and Operations and the Treasurer shall each have the authority and power to delegate some or all of the authority and powers granted such officers in this policy to the Associate Director of Asset Management, the Program Director of Asset Management, or to an employee of the University under control of such officer. Notwithstanding any such delegation, the Senior Vice President for Finance and Operations shall be responsible to the Board of Regents for the faithful execution of all Investment Transactions consistent with the policies of the Board of Regents and applicable law.
- F. Binding effect. An act taken by the Senior Vice President for Finance and Operations or the Treasurer pursuant to this policy shall be an act of and shall bind the Regents of the University of Minnesota.
- G. Certificate of authority. Upon the request of the Senior Vice President for Finance and Operations or the Treasurer, the Secretary of the Board of Regents shall certify the authority and power of the Senior Vice President for Finance and Operations and the Treasurer to enter into Investment Transactions or to invest and deal in Securities as provided in this policy.

d) Adoption of Regents' Policy on Debt Transactions, as follows:

**REGENTS' POLICY ON DEBT TRANSACTIONS**

This policy governs the process by which the university shall engage underwriters in connection with the issuance by the university of debt securities.

- A. Definition. For purposes of this policy, the term below shall have the following ascribed meaning:

"Underwriter" shall mean a person or firm engaged by the university to underwrite the issuance of the university's debt securities and instruments.

- B. Authority to engage Underwriters. The Board of Regents shall have the exclusive authority and power on behalf of the university to engage an Underwriter. The Senior Vice President for Finance and Operations and the Treasurer shall each have the authority and power to negotiate agreements on behalf of the university to engage an Underwriter, according to the following procedures:
  - (i) the administration shall encourage all interested parties to review and recommend changes from time to time to the university's debt structure;
  - (ii) if after reviewing all relevant objective information, it determines to issue a new debt security or instrument or to refinance an existing debt security or instrument, the administration



shall prepare and publicly distribute to all interested parties a request for proposals for such transaction; and

- (iii) prior to the presentation to the Board of Regents of the administration's recommendation, the Asset and Debt Management Advisory Committee shall have reviewed the proposed transaction.

The Senior Vice President for Finance and Operations and the Treasurer shall have the authority and power to terminate the engagement of an Underwriter.

- C. **Binding effect.** An act taken by the Senior Vice President for Finance and Operations or the Treasurer pursuant to this policy shall be an act of and shall bind the Regents of the University of Minnesota.
- e) **Adoption of amendments to Regents' Policy on Investments - Guidelines for Short-Term Reserves, Long-Term Reserves, and Cash Related to Arbitrage Program, as follows:**

#### **REGENTS' POLICY ON INVESTMENTS**

##### **Guidelines for Short-Term Reserves, Long-Term Reserves, and Cash Related to Arbitrage Program**

The following are the approved investment guidelines for funds in short-term reserves (Temporary Investment Pool) and long-term reserves (Group Income Pool), and any funds available for short-term investment through the University's arbitrage program.

1. U.S. Treasury Obligations, Federal Agency Securities including collateralized mortgage obligations, and obligations guaranteed or insured by an agency of the federal government with no limitations on amount. Up to 50 percent of the Temporary Investment Pool may be invested in such securities with maturities from one through seven years, provided that the average maturity of these securities does not exceed three years. There shall be no maturity limitation for the Group Income Pool. Additionally, the Group Income Pool may be invested in mortgages and mortgage related securities.
2. Commercial paper of U.S. based companies or foreign issuers whose long-term debt is rated A or better by Moody's or Standard & Poor's investment services, or whose commercial paper is rated A-1 or A-2 by Standard & Poor's or P-1 or P-2 by Moody's commercial paper rating services, respectively, or if unrated, has long-term debt and commercial paper consistent with these quality standards. Maximum limitation per name shall be 7 percent of each pool of funds.
3. Master Notes consistent in quality with other investment guidelines of up to 10 percent of each investment pool.

4. Money Market Mutual Funds, fixed income mutual funds that attempt to maintain a stable unit value, or fixed income limited partnerships with at least annual liquidity, which are approved by the senior vice president of finance and operations or treasurer.
  5. Bank paper, including certificates of deposit, time deposits, bankers acceptances, letters of credit, and documented discount notes of U.S. or foreign issuers, consistent in quality with other investment guidelines, with maximum limitation of 7 percent per name for each pool of funds.
  6. Obligations of U.S. corporate issuers and foreign issuers equipment trust certificates, flexible rate securities and convertible bonds consistent in quality with other investment guidelines with maturities not to exceed three years for the Temporary Investment Pool and Arbitrage Program, with no maturity limit for the Group Income Pool. Maximum limitation per name shall be 7 percent of the Temporary Investment Pool.
  7. Repurchase agreements, fully collateralized by items fitting the quality standards otherwise operative in the Pools or repurchase agreements fully collateralized by common stock rated A by Standard & Poor's service for maturities not to exceed 30 days. The market value of the collateral including accrued interest must at least equal the amount invested in the repurchase agreement, and the collateral a) must be delivered to the University's custodian bank or other University identified depository, and b) must be marked to market daily to ensure that the repurchase agreement is fully collateralized at all times. No limitations on amounts.
  8. High yield securities consistent in maturity with the guidelines of the investment pools, with a maximum limitation of 20 percent for each pool.
  9. Financial futures, fixed income options, and interest rate swaps consistent in quality and maturity with the guidelines of the investment pools.
  10. Equity and equity-related alternatives for the Group Income Pool of up to 33 percent of the market value of the pool.
- f) Elimination of the Regents' resolution relating to University Grove from the Regents' Policy Book.
- g) Approval of resolution re Purchase of Goods/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 the following:

- To Syncor International Corporation for radioactive and non-radioactive agents as called for from 3/11/94 to 12/31/94 for the Department of Radiology.
- To Xerox Corporation for on-site management of printing services for the Administrative Information Services Department, estimated at \$1,749,570 for the period of 3/15/94 through 3/15/99.

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

Chair Page reported that the committee also received a legislative update; reviewed the Quarterly Reports on Asset and Debt Management and Purchasing.

**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) Adoption of Regents' Policy on Recombinant DNA and Hazardous Biological Materials, as follows:

**REGENTS' POLICY ON RECOMBINANT DNA AND  
HAZARDOUS BIOLOGICAL MATERIALS**

The Board of Regents of the University of Minnesota adopts and continues its policy that all research involving recombinant DNA and hazardous biological materials conducted at the University of Minnesota shall be conducted in accordance with federal and state law including but not limited to the "Guidelines for Research Involving Recombinant DNA Molecules" ("Guidelines") established by the National Institutes of Health, 51 Fed. Reg. 16,958 (1986, and as subsequently revised).

In furtherance of that policy the Board of Regents directs as follows:

1. The University shall establish an Institutional Biosafety Committee ("IBC") whose members shall be appointed by the Vice President for Research. The IBC shall consist of at least five members with at least two members coming from the community external to the University.
2. The Director of the Department of Environmental Health and Safety shall appoint a Biological Safety Officer ("BSO") who shall also serve as a member of the IBC.

3. The BSO and the IBC shall be responsible for insuring University compliance with the Guidelines and applicable federal and state law. In addition the BSO and IBC shall monitor and review all University research and research facilities utilizing biologically hazardous materials or toxins in accordance with the policies and procedures to be established hereunder.
  4. The BSO and IBC are authorized to inspect research facilities, obtain information relating to laboratory practices and procedures, and take such actions as are in their judgment necessary to insure compliance with the Guidelines, applicable federal and state law, and the policies and procedures to be established hereunder, including the cessation of research in the event of a violation of policy or procedure which may create a safety hazard.
  5. The Vice President for Research shall be responsible for the implementation of this policy through the establishment of appropriate policies and procedures and is delegated the authority to establish and oversee such policies and procedures.
- c) Approval of resolution re University of Minnesota Gift and Fund Raising Policy, as follows:

WHEREAS, private support has become increasingly important in enabling the University of Minnesota to fulfill its academic mission;

WHEREAS, during the last decade, the level of private support for the University has increased significantly through the joint efforts of the University-recognized foundations, the development staff in the colleges and departments of the University, and other concerned faculty and staff members;

WHEREAS, private support received by the University has provided the margin of excellence necessary to make the University one of the best in the country;

WHEREAS, the Board of Regents wishes to affirm the work and efforts that have gone into developing and implementing these successful fund raising efforts as well as ensuring the continued success of these efforts, while maintaining the integrity, independence, and academic freedom of the University;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents hereby:

- Adopts a new policy concerning Gifts and Fund Raising that will replace the existing Gift Policy;
- Adopts amendments to the existing Policy on the Relationship of the University of Minnesota to Its Foundations; and
- Agrees to execute a Memorandum of Understanding between the University of Minnesota and the University of Minnesota Foundation.

**REGENTS' POLICY ON GIFT SOLICITATION  
AND ACCEPTANCE**

The University will only receive and accept gifts that are consistent with the University's overall mission. Donations to the University will be sought and accepted for programs, positions and purposes which have the appropriate academic or other approval of the University. Within these general guidelines, the University will only accept gifts which fully comply with any applicable federal or state law and which give the University control, subject to legally expressed donor intentions, over decisions regarding how such gifts are spent.

While valuable benefits, particularly tax and financial considerations may accrue to donors in certain circumstances, the donor must have a donative intent as a primary motive for making the gift to the University. Donative intent is the intention to give away something of value for the betterment of the University.

Funds received by the University and recognized foundations shall only be accounted for as gifts where such donative intent is present. Amounts received solely in exchange for services or property shall not be accounted for as gifts.

**Coordination of Fund Raising Efforts**

To ensure the most effective use of resources in seeking private support for the University, fund raising efforts on behalf of the University shall be coordinated through one of the recognized University related foundations. Foundations are recognized in accordance with established Board of Regents Policy, adopted February 9, 1990, entitled "Fund Raising: Relationships of the University of Minnesota to its Foundations." The Board of Regents reaffirms the procedures and requirements set forth in that policy. The currently recognized foundations under that policy are: University of Minnesota Foundation, Minnesota Medical Foundation, Minnesota Landscape Arboretum Foundation and 4-H Foundation.

The long term success of the development efforts on behalf of the University are dependent upon activities which generally occur at the collegiate level. The recognized foundations and the colleges shall strive to develop a close working relationship that ensures a

coordinated effort for fund raising activities. Programs should be reviewed on an on-going basis to ensure the continued success of fund raising activities.

The University of Minnesota Foundation is designated as the central development office of the University. While the University will accept gifts made directly to the University, absent unique circumstances making a direct gift to the University more appropriate, donors shall be requested to make gifts to one of the recognized foundations.

All gifts received by the University or one of its recognized foundations shall be reported to the University of Minnesota Foundation to ensure the proper receipting and recording of all gifts to the University in accordance with federal tax law.

### **Accountability and Stewardship**

In accepting gifts to the University, the University commits itself to the highest level of accountability and stewardship to the public and the donors. The University and any recognized foundations holding funds for the benefit of the University will comply with any applicable state or federal requirements regarding gifts to educational institutions and will account for any gifts received in accordance with generally accepted accounting standards and principles and University accounting policies and procedures.

The University and recognized University foundations shall exercise appropriate oversight so that donated funds received for the benefit of the University, are used for University purposes in accordance with the legally expressed intent of the donor and in accordance with policies and procedures adopted by the Board of Regents. The University and recognized foundations have primary responsibility for funds under their respective management. However, each shall take appropriate steps to ensure that donated funds are properly accounted for, that expenditures are made in accordance with the donors' wishes, and to facilitate reports to donors on the use of such funds.

## **REGENTS' POLICY ON FUND RAISING**

### **Relationships of the University of Minnesota to its Foundations**

#### **PURPOSE**

Private support for public higher education is an accepted and firmly established practice throughout the nation. Foundations<sup>1</sup> are established to enhance this practice, to enable institutions to accomplish more than public funding allows. Their private, independent nature also provides the university with the added advantages of dedicated donor services and management flexibility.

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<sup>1</sup>Charitable organizations of various legal types and descriptions. These various entities are referred to as "foundations" throughout this policy.

The University of Minnesota benefits from the activities of many foundations. The relationship with some foundations is very close and the foundations have, as their primary mission, support of the University of Minnesota and its programs. These foundations, including, as of the implementation of this policy, University of Minnesota Foundation, Minnesota Medical Foundation, Minnesota Landscape Arboretum Foundation and 4-H Foundation are accorded the status of "Recognized Foundations" as defined in the policy.

Other foundations may provide substantial support to the University and its programs while their main focus and mission are of regional or national scope or centered upon specific research or service goals. These foundations may provide support to several recipients in addition to the University of Minnesota. Generally, the mutual expectations of these foundations and the University are defined in the gift, grant or award document. To the extent that such expectations or other reciprocal arrangements, such as use of University space or services are not clearly defined, a separate written agreement should be established in order to clarify the obligations of the University and the foundation.

Aware of the value of its own long-standing foundations to the well-being of the University, yet conscious of its responsibility to assure the proper relationships with them, the Board of Regents establishes this policy with the following objectives:

- Preserve and enhance the operation of foundations appropriately recognized by the University of Minnesota.
- Support the fund raising activities of such foundations, and promote a positive relationship with their staff and volunteer members.
- Assure that the University and its foundations operate effectively and responsibly, consistent with the reasonable expectations of both public and private interests on behalf of the University.

To accomplish these objectives the Board of Regents affirms the work and conduct of those University-related foundations whose practices have consistently embodied a common set of operational and financial standards for University recognition.

The president of the University of Minnesota may afford recognition to a foundation that satisfies certain basic criteria, specified below. However, because it is desirable to have University-related gift solicitation and donor relations efforts concentrated in a limited number of organizations, a prospective foundation will be recognized only if it is determined that its proposed functions cannot be adequately met by the University or existing recognized foundations.

In principle, the Board of Regents recognizes that it cannot, and should not, have direct control over foundations that enhance

and support the University's mission. These foundations exist to serve the University, but are governed separately.

However, this relationship also requires that the Board of Regents protect the integrity and name of the University and its programs, and assure that foundations acting on its behalf exemplify the standards it has come to expect from its own recognized foundations.

#### STANDARDS OF UNIVERSITY RECOGNITION

"Recognized" foundations should satisfy the following characteristics:

- Are created and operated primarily in support of the University's interests, and their work is compatible with the institution's purposes.
- Have as their primary purpose to secure, manage, and invest private support for the benefit of the University.
- Provide private support for a significant segment of the operations or programs of the University.
- Operate as private legal entities, separate from the University.
- Use sound fiscal and auditing procedures.
- Obtain and maintain status as tax-exempt, charitable organizations under state and federal income tax laws, to ensure that gifts and bequests received may qualify as deductible, charitable contributions for the donor.

In return, foundations acting on behalf of the University may be granted various privileges, which may include:

- use of the name and seal of the University, provided that University delegations of authority and policies are observed;
- use of University space, equipment, and staff in the performance of the foundation's activities; and
- the University may urge, suggest or recommend contributions to the recognized foundations in support of University activities.

Except as specifically provided in written agreement with the University, prospective foundations or non profit tax exempt organizations unable or unwilling to embody these standards should not expect the recognition and privileges accorded those foundations that satisfy University standards. Specifically, foundations not recognized by the University:

- may not occupy University facilities or property reserved for non-public uses;



- may not use any University asset, credit, goodwill, or the name of the University;
- may not be recommended for contributions; and
- may not use or assume benefit of the University's tax-exempt status under state or federal laws.

**GUIDELINES AND PROCEDURES FOR FOUNDATIONS  
OPERATING ON BEHALF OF THE UNIVERSITY**

**ESTABLISHING AND MAINTAINING RELATIONSHIPS**

1. A recognized foundation's enabling documents (e.g. articles of incorporation, bylaws, constitution) and any amendments are to be filed with and reviewed by the University president or his/her designee. These documents must include a clause requiring that in the event of its dissolution, the foundation's assets and records will be distributed to the Regents of the University of Minnesota, provided the regents remain a qualified charitable organization under relevant state and federal income tax laws.
2. The president or his/her designee must be an *ex\_officio* voting or non-voting member of a recognized foundation's governing board and of any executive or similar committee empowered to act for the governing board.
3. Officers and staff members of a recognized foundation should be bonded as appropriate in amounts to be determined by the foundation's governing board. General liability and directors' and officers' liability insurance should be obtained in amounts determined by the governing board to be reasonable and appropriate.
4. The University and the foundations want to maintain the highest levels of accountability and stewardship, and each entity shall retain primary responsibility for funds under its respective management. To accomplish those goals, they will share information, develop reporting processes and institute compliance and auditing procedures that ensure donated funds are accounted for, expenditures are made in accordance with donors' wishes and reports are made to donors on the use of such funds.
5. No unrecognized foundation, non-profit or profit organization shall, unless as an exception, represent itself to be involved directly or indirectly with the University or use the name of the University in such things as research, fund raising, testing or other activities related to the mission of the University. Exceptions must be approved in writing by the President of the University.

## OPERATING PROCEDURES FOR RECOGNIZED FOUNDATIONS

To protect and preserve their mutual integrity, the University and its recognized foundations should follow sound and appropriate operating procedures, to include the following:

### General Procedures

1. From time to time, the University may request the assistance of a recognized foundation in providing services to other support groups such as cash management, stewardship, accounting, gift and tax reporting or fund raising activities. Such assistance would be provided at the option of the foundations.
2. In general, consulting fees, loans, or perquisites may be paid to a University employee, director, officer, or staff member only with the written approval of the appropriate University official. Payments to the University president must be approved by the regents and similar payments to a foundation trustee or director approved by its board.
3. Transactions involving the foundation and the personal or business affairs of a trustee, director, officers, or staff member should be approved in advance by the foundation's governing board. In addition, trustees, directors, officers, and staff members of a recognized foundation disqualify themselves from making, participating or influencing a decision in which they have or would have a financial interest.
4. No director, trustee, officer, or staff member of a recognized foundation shall accept from any source any gift or gratuity that is offered, or reasonably appears to be offered, because of the position held with the foundation; nor should an offer of a gift or gratuity be extended by such an individual on a similar basis. This does not include informational material, such as books, reports, calendars, or other unsolicited promotional material; nor modest entertainment, such as a meal or refreshment in connection with meetings, conferences, or public ceremonies, or home hospitality.
5. No substantial part of the activities of a recognized foundation should consist of disseminating propaganda, attempting to influence legislation, or participating or intervening in any political campaign on behalf of a candidate for public office.

### Communication Procedures

1. Foundations recognized by the University make it clear to prospective donors that:
  - the foundation is a separate, legal and tax entity organized for the purpose of encouraging voluntary, private gifts, trusts, and bequests for the benefit of the University;

- responsibility for governance of the foundation, including investment of gifts and endowments, resides in the foundation's board;
  - checks for charitable gifts to any of the University's participating academic and support programs should be made payable to the foundation; and
  - gifts made for a designated purpose will be dedicated in their entirety to that purpose unless it is specifically stated that an administrative charge will be applied.
2. In accepting gifts of all kinds, recognized foundations:
- advise donors that any restrictive terms and conditions they attach to gifts for the University are subject to University approval;
  - ensure that gifts are reported to an approved for acceptance by the University president and/or Board of Regents in accordance with pertinent University policies and delegations of authority;
  - coordinate their funding goals programs, and campaigns with the University; and
  - gifts, grants or contracts that include a financial or contractual obligation binding upon the University must have prior concurrence in writing from the provost and/or appropriate vice president or their designee.

#### Financial Procedures

1. Foundations hold and invest endowments and funds functioning as endowments on a long-term basis. For this purpose, they should ensure that appropriate standards such as the following are applied:
- In general, foundation investment procedures should be conducted in accordance with prudent, sound practices to ensure that gift assets are protected and enhanced, that a reasonable return is achieved, and with due regard for the fiduciary responsibilities of the foundation's governing board. the investments must be consistent with the terms of the gift instrument.
  - Income from investments, net of administrative fees, should be administered in accordance with pertinent foundation board policies, and, where appropriate, transferred to the University and expended from the designated University department or program accounts.

- Except as provided in this paragraph, the foundations shall expend their funds through University-designated program accounts. Foundations may maintain and use accounts for the payment of expenses incurred for foundation purposes and programs in accordance with procedures approved by the University. Payments for specific authorized expenses incurred by University senior administrative officials, scholarships, honoraria, awards, appropriately documented reimbursements and other authorized University - and foundation-related projects may be paid directly from foundation accounts. The foundation shall summarize these direct expenditures in an annual report to the University.
  - The foundation shall also prepare an annual report to the University that summarizes the funds transferred to each University department. The report shall summarize these amounts by each account and the total for each department. The University and foundation shall provide each other with other reports necessary to assure proper financial oversight.
2. Consistent with good stewardship, University principals into whose department or program the foundation funds are transferred, are responsible both to account for them in accordance with University policies and procedures, and to notify the foundation on a timely basis regarding the use of such funds. The foundation in consultation with the University shall determine who shall be responsible for reporting to the donor regarding the use of such funds.
  3. Foundations should carry out financial commitments and expenditures consistent with pertinent policies, plans, and budget approved by the foundation's governing board and consistent with the University's mission.
  4. While the University will accept gifts made directly to the University or the Board of Regents, absent unique circumstances making a direct gift to the University more appropriate, donors shall be requested to make gifts to one of the recognized foundations. Where possible, without violating the terms of the gift or applicable law, and where the donor's ability to deduct the gift for tax purposes would not be impaired, donations to the University or the Board of Regents shall be deposited to the recognized foundation best suited to administer the gift.
  5. The University of Minnesota Foundation is designated as the central development office of the University. All gifts received by the University or one of its recognized foundations shall be reported to the University of Minnesota Foundation to ensure the proper receipting and recording of all gifts to the University in accordance with federal tax law.

6. Foundations should maintain books in accordance with generally accepted accounting principles, and should be audited annually by a firm of Certified Public Accountants. Copies of the audited financial statement and a current list of foundation officers, directors or trustees, should be made available to the University president.
7. Because private funds are raised to support public projects, there are occasions when it is appropriate for foundations to permit authorized University officials or their designees to inspect the pertinent foundation books and records that do not violate rights to privacy and confidential donor information.
8. The University will conduct periodic compliance reviews of the use of donated funds. These reviews will be conducted by the University on an annual basis. Their purpose will be to ensure that dispositions of donated funds have complied with the purposes and restrictions set forth by the donors and/or the foundation. The scope of the review and extent of testing will be mutually agreed upon in advance by the University and the foundation. This agreement shall take place through the Regents Audit Committee as a part of the annual audit plan approved in April of each year. A written report of the results of such review shall be provided to the foundation.
9. Funds received by the University shall only be accounted for as gifts where the appropriate donative intent is present. Amounts received solely in exchange for services or property shall not be accounted for as gifts.

#### **Affirming Relationships**

The University of Minnesota, its president and Board of Regents, affirm and encourage the work and conduct of its foundations and their volunteer boards. When members of the University community learn that concerned citizens are contemplating the creation of organizations or foundations in support of University of Minnesota programs, the prospective organizers should be urged to seek the assistance of the University, or University of Minnesota Foundation to ensure the appropriateness of their relationship with the University of Minnesota and the potential for utilizing existing foundations to achieve their objectives. In the event existing foundations cannot provide the necessary services, the new organization should seek University recognition and its related privileges by exemplifying the standards and guidelines set forth above.

- d) Approval of Intersystem Council Resolution on Cooperation, as follows:

**WHEREAS, the Intersystem Council was statutorily established in 1992 to improve communications among Minnesota's public post-**

secondary education systems on relevant policy issues;  
and

WHEREAS, the Council met on February 22, 1994, to discuss issues of common interest and concern regarding the 1994 legislative session and agreed that collaboration in planning and resource sharing is important in addressing current and future library needs throughout public and private higher education and the citizens of the State of Minnesota; and

WHEREAS, the University of Minnesota Libraries have had a long and proud tradition of leadership in statewide library access, cooperation and resource sharing; and

WHEREAS, the Libraries have demonstrated that leadership by housing and developing the MINITEX Library Information Network, a major state resource; by lending more books and journal articles to other libraries than any other library in the U.S.; by making it possible for individuals throughout the state to search the LUMINA on-line catalogue via a toll-free telephone number; by providing reference and research services to individuals regardless of institutional affiliation; by promoting strong cooperation between the Minnesota State University's PALS and the University's LUMINA on-line systems; by proposing that it serve as a library archives and overflow center to store less heavily used materials from libraries throughout Minnesota; and

WHEREAS, the University is actively involved in statewide planning for telecommunications through the HECB Telecommunications Council; and

WHEREAS, the University is committed to cooperating with both private and public educational systems and public and private agencies to achieve for the citizens of Minnesota and for the state's higher education clients the most cost-efficient and effective access to library and information technology services, including technology for the electronic access and transfer of data, computing, and distance learning;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents directs the administration of the University of Minnesota to undertake and accelerate further cooperative and collaborative planning with the state's other systems of higher education, the K-12 system, the public libraries, and other appropriate agencies to develop a vision of, and plan for, a coordinated system of statewide access to library and information services.

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

Regent Sahlstrom reported that the committee reviewed a proposed Regents' Policy on Conflict of Interest and reviewed information on Academic

Affairs units as part of the Academic Report Series. The units included in the report were Carlson School of Management, Continuing Education and Extension, College of Education, Humphrey Institute of Public Affairs, Law School, and University Libraries.

Referring to the Conflict of Interest Policy, Regent Perlman stated that the Board of Regents also has a responsibility to consider its own conflict of interest issues.

Chair Keffeler responded that she has asked Vice Chair Reagan to review the Board's policy and consult with the other members of the Board regarding the issues.

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

President Hasselmo reported that the Audit Committee did not meet this month.

The meeting adjourned at 12:05 p.m.

  
**BARBARA MUESING**  
Executive Director &  
Corporate Secretary

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**MINUTES**

**BOARD OF REGENTS' MEETING**

**AND**

**REGENTS' COMMITTEE MEETINGS**

**April 6-8, 1994**

**April 26, 1994**

**Office of the Board of Regents**

**220 Morrill Hall**



## UNIVERSITY OF MINNESOTA

## BOARD OF REGENTS

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

April 6-8, 1994

April 26, 1994

<b>CONTENTS</b>		<b>PAGE</b>
<b>I.</b>	<b>Committee Meetings</b>	
	A. Audit Committee - April 6, 1994-----	417
	B. Facilities Committee - April 7, 1994-----	420
	C. Financial Operations & Legislative Committee - April 7, 1994-----	424
	D. Faculty, Staff & Student Affairs Committee - April 7, 1994-----	426
	E. Educational Planning & Policy Committee - April 7, 1994-----	431
	F. Committee of the Whole - April 7, 1994-----	435
	G. Committee of the Whole - April 8, 1994-----	443
<b>II.</b>	<b>Board of Regents' Meeting - April 8, 1994</b>	
	<b>A. Approval of Minutes-----</b>	<b>447</b>
	<b>B. Report of the President-----</b>	<b>447</b>
	1) University 2000 Strategic Directions, Critical Measures, and Benchmarks Status Report	
	2) "University College" Report	
	3) University's Diversity Agenda	
	4) National Graduate Feeder Program	
	5) Study by Minnesota Private College Research Foundation	
	6) Employee Opinion Survey	
	7) Reorganization of Administration	
	8) Summary of Intercollegiate Athletic Awards	
	9) Faculty Awards	
	10) Events Sponsored by University of Minnesota Foundation and Minnesota Alumni Association	
	<b>C. Report of the Chair-----</b>	<b>447</b>
	1) Open Forums on Proposed Budget	
	2) Board of Governors Nominating Committee	
	3) Conflict of Interest Issues	
	4) Meeting with African American Community	
	<b>D. Receive and File Reports -----</b>	<b>448</b>
	1) Quarterly Summary of Regents' Policy Review	
	<b>E. Report of the Committee of the Whole - April 7, 1994</b>	
	1) Academic Plan-----	448
	2) Budget Plan-----	448
	3) Capital Plan-----	448
	<b>F. Report of the Committee of the Whole - April 8, 1994</b>	
	1) Approval of All-University Honors Committee-----	448
	2) University 2000 Strategic Directions, Critical Measures, and Benchmarks-----	448
	3) University 2000: University College	
	<b>G. Report of the Faculty, Staff &amp; Student Affairs Committee</b>	
	1) Approval - Senior Vice President's Monthly Report-----	449
	a) Appointment of Gail Klatt, Director of Internal Audits	
	b) Status report on Searches	
	c) Appointment of David Y. H. Pui, Director of China Center	
	d) Appointment of Diane Skomars, Director of External Relations at UMD	
	e) Promotions, Honors, & Awards	
	f) Campus Programs & Events	

2)	Adoption of amended Regents' Policy on Minnesota Extension Service Field Staff-----	449
3)	Deletion of Regents' Policy on County Extension Agents: Sabbatical Leave for County Extension Agents-----	451
4)	Approval - Labor Agreement with AFSCME Council 6 for the Technical Unit-----	451
5)	Annual Reports of the Athletic Directors-----	451
6)	Report on Student Recruitment/Admissions/Enrollment-----	451
<b>H.</b>	<b>Report of the Facilities Committee</b>	
1)	Approval - Senior Vice President's Monthly Report-----	451
2)	Adoption of Regents' Policy on Campus Health and Safety-----	451
3)	Approval - Amendments to FY 94 Capital Budget-----	452
	a) Recreational Sports, Additional Lockers, Twin Cities Campus	
	b) L.E.D. Exit Sign Retrofit, Twin Cities Campus	
4)	Approval of Real Estate Transaction-----	452
	a) Sale of Land in Rosemount	
5)	Approval of resolution re Quarterly Report, FY 94 Capital Budget-----	453
6)	Proposed Project for Annual Repairs to Parking Structures-----	453
<b>I.</b>	<b>Report of the Financial Operations &amp; Legislative Committee</b>	
1)	Approval - Senior Vice President's Monthly Report-----	454
	a) Update on decline in market activity	
2)	Approval of resolution re Purchase of Goods/Services Over \$250,000-----	454
3)	Legislative Update-----	454
<b>J.</b>	<b>Report of the Educational Planning &amp; Policy Committee</b>	
1)	Approval - Senior Vice President's Monthly Report-----	454
	a) Approval of degree program name changes	
	b) Approval of name change of program at UMC	
	c) Approval of changes in academic programs in College of Pharmacy	
	d) Diversity efforts in College of Biological Sciences	
	e) Grant for University's Consortium on Children, Youth, and Families	
	f) Agreement between Carlson School of Management and International School of General Management in Germany	
	g) Rankings of University Graduate Programs	
	h) Amendments to University Senate and Twin Cities Campus Assembly Constitutions	
2)	Adoption of Regents' Policy on College Constitutions-----	454
3)	Adoption of Regents' Policy on Conflict of Interest-----	455
4)	Academic Report Series: Agriculture, Forestry & Home Economics--	472
<b>K.</b>	<b>Report of the Audit Committee</b>	
1)	Approval - Senior Vice President's Monthly Report-----	472
	a) CUFS Milestones Report	
	b) Status Report on closing of ALG Program	
2)	Approval - Director of Audits Status Report-----	472
3)	External Auditor's Report-----	472
4)	Report on KPMG Peat Marwick External Review of Supercomputer Center-----	472
5)	Request for Proposal for External Auditor's Contract-----	472
<b>L.</b>	<b>Gifts</b> -----	472
<b>M.</b>	<b>Resolutions to Conduct Non-Public Meetings of the Board of Regents to discuss University Hospital Marketing Activity and Attorney-Client Privileged Matters</b> -----	472
<b>III.</b>	<b>Committee of the Whole - April 26, 1994</b>	
<b>A.</b>	<b>Open Forum - Proposed Budget</b> -----	474

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Audit Committee**

**April 6, 1994**

A meeting of the Audit Committee of the Board of Regents was held on Wednesday, April 6, 1994 at 3:00 p.m., in Room 300, Morrill Hall.

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

Staff present: Senior Vice Presidents Erickson and Infante; General Counsel Rotenberg; Associate Executive Director Janzen; Associate Vice President O'Connor; Controller Lauritzen; and Acting Director of Audits Willie.

Student Representatives present: Narciso Aleman and Sara Nienow.

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

Regent Hogan introduced Gail Klatt, newly-appointed Director of Audits.

**SENIOR VICE PRESIDENT'S QUARTERLY REPORT**

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

Senior Vice President Erickson indicated that a CUFS Milestones Report was included in the docket material. In response to a question from Regent Hogan, Associate Vice President O'Connor reported that CUFS Milestones are on schedule, within budget, and continue to meet the University's needs.

Senior Vice President Erickson also provided a brief status report on the closing of the ALG program.

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

**DIRECTOR OF AUDITS' QUARTERLY REPORT**

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

Acting Audit Director Allen Willie presented the Quarterly Report. Reviewing information in the docket material, he noted that there was no action needed regarding past essential recommendations or major audit issues. He

indicated that the following audit reports have been issued since the last Quarterly Report:

- Bursar's Office February 1994
- Disability Services March 1994
- Plant Services Follow-up, UMD March 1994
- Women's' Intercollegiate Athletics, Follow-up March 1994
- Selected Admissions Office Operations, UMD March 1994

In response to Regent Hogan's question about the rating categories, Acting Director Willie responded that the definitions are included in each audit report issued by the department. It was suggested that additional definition might be needed, and Senior Vice President Erickson indicated that Mr. Willie and the new Audit Director, Gail Klatt, could review the categories of findings and come back to the committee for discussion.

Acting Director Willie referred to the audit plan for 1994-95 contained in the docket and explained this was a preliminary plan. It would be reviewed by Director Klatt after she assumed her duties, and presented to the committee in final form in June or July. In response to Regent Page, Mr. Willie said that the diagnostic section of the plan is intended to be broadly focused.

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

#### **EXTERNAL AUDITOR'S REPORT**

Mark Chronister introduced the external auditor's report by noting that they were at the planning stage for the fiscal year 1994 audit. He reviewed the scope of the audit, the engagement letter, the objectives, and the timetable.

Miles Everson covered the risk factors that are considered in the process of developing the audit plan. He noted these factors are outlined in the material distributed at the meeting and on file with the docket.

Regent Hogan inquired about any special concerns that should be brought to the attention of the committee. Mr. Chronister replied that one factor that might be noted is the effort in which the University is engaged to re-negotiate its indirect-cost-rate. He also noted that the greatest unknown factor is internal counsel's conclusions regarding changes in ALG as these develop.

#### **REPORT ON KPMG PEAT MARWICK EXTERNAL REVIEW OF SUPERCOMPUTER CENTER**

Deenagh Steele, Senior Manager of KPMG Peat Marwick, presented the report of the audit of the Minnesota Supercomputer Center, Inc.(MSCI). Ms. Steele indicated that in the interest of time she would focus on section 2, Comparative Pricing Evaluation, and section 3, Customer Service Evaluation. Regent Hogan asked for an additional comment on section 4, Management and Organization Assessment.

Ms. Steele, in summarizing the pricing evaluation, said that the University of Minnesota Supercomputer Institute (MSI) users would pay considerably more for the same service if they went outside of MSCI for supercomputer needs. In response to questions, Ms. Steele said her review does not support the contention that University (MSI) use of MSCI subsidizes commercial users.

Ms. Steele indicated that interviews and questionnaires were used to assess customer service satisfaction. These indicated that commercial users were generally satisfied in all areas covered and University users were satisfied in most areas. University customers, Ms. Steele reported, wanted more input into technology planning and were concerned over management communications.

Regent Hogan inquired whether the relationships between MSCI and MSI were being addressed. Senior Vice President Erickson and Steven Pflaum, Chair of the MSCI Board, described the efforts to deal with this issue.

#### **REQUEST FOR PROPOSAL/EXTERNAL AUDITOR'S CONTRACT**

Senior Vice President Erickson introduced the draft of a Request for Proposal (RFP) for contracting with an external auditor contained in the docket material. He indicated this draft and the timetable for making a decision are similar to the RFP and process used to select the current external auditor.

The committee discussed whether to continue the policy of rotation between major audit firms. It was decided to come back to this issue at a meeting of the committee in May, at which time the Director of Internal Audits and the Senior Vice President would provide their recommendations, a review of the scope of Coopers & Lybrand activities at the University, and information about the rotation policy of other institutions.

The meeting adjourned at 4:55 p.m.

*Barbara Muesing*

**BARBARA MUESING  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Facilities Committee**

**April 7, 1994**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, April 7, 1994, at 8:30 a.m. in Room 300, Morrill Hall.

Regents present: Regent Roshia, presiding; Regents Bleyhl, Peterson, and Reagan.

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

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 April 1994, and a motion was made and seconded to recommend approval.

Senior Vice President Erickson noted the proposed Regents' Policy on Campus Health and Safety included in the Report for adoption.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report including the Regents' Policy on Campus Health and Safety.

**AMENDMENTS, FY 94 CAPITAL BUDGET**

A motion was made and seconded to recommend approval of the following resolution relating to amendments to the FY 94 Capital Budget:

**RESOLVED**, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY 1994 Capital Budget is hereby amended to incorporate the following projects:

- A. Recreational Sports, Additional Lockers, Twin Cities Campus  
Estimated cost of the project: \$849,000  
Funding: Loan to be repaid with added revenue from locker rental  
Estimated completion date: September 1994
  
- B. L.E.D. Exit Sign Retrofit, Twin Cities Campus  
Estimated cost of the project: \$400,000  
Funding: Twin Cities Campus Repairs & Remodeling Allotment from the University's State Legislative Operating Appropriation  
Estimated completion date: Approximately one year from date of approval

Linda McCracken-Hunt, Director of Project Development, and Jim Turman, Director of Recreational Sports, provided information relating to the configuration of additional lockers proposed for Recreational Sports, addressing the issue of inequity of the number of lockers between the men and women.

Ms. McCracken-Hunt reported that the proposal includes the addition of 1,870 half lockers for the women and a combination of half and box lockers totaling 1,380 for the men.

Student Representative Rogers stated that students have expressed concern about the hours the facility is open. She asked if the hours would be extended with the additional use anticipated by having more lockers.

Mr. Turman responded that the facility hours are determined by the budget at this time. Additional hours would require additional funding.

In response to a question, Mr. Turman stated that this project would complete the need for locker space in the women's locker room with half lockers. The next phase of the project would complete the locker space for the men's locker room. It was noted that because the box lockers are smaller than the half lockers, the men will have more lockers available for use when the project is complete.

Regent Rosha asked if the demand for locker space was greater for the men than women. After discussion, Regent Peterson suggested a friendly amendment to the resolution to direct the Administration to report back to the committee in April 1994 regarding the demand for use of the lockers. It was the consensus of the committee that the amendment be included in the resolution.

The committee voted unanimously to recommend approval of the amended resolution.

#### **PROPOSED AMENDMENT, FY 94 CAPITAL BUDGET**

##### **Parking Structures, Structural Repairs Twin Cities Campus**

The committee reviewed a proposed project for annual repairs to parking structures on the Twin Cities campus in 1994. It was reported that the parking structures restoration program for 1994 includes structural repairs of the Mayo, Northrop, and Nolte Garages, and the East River Road and Oak Street Parking ramps. Estimated cost of the project is \$472,000, with funding to be provided from Parking Services Deferred Maintenance Funds. Estimated completion is November 1994.

#### **REAL ESTATE TRANSACTION FOR REVIEW**

##### **Sale of 9.9 Acres and Railroad Right-of-Way Easement at Rosemount**

A motion was made and seconded to recommend approval of the following resolution relating to the sale of land at Rosemount:

**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 following

described property to CMC Heartland Partners, for the sum of \$24,000:

A strip of land approximately 100 feet in width and containing approximately 9.9 acres located in the SE 1/4 of Section 29, Township 115 North, Range 19 West, Dakota County, Minnesota.

The committee voted unanimously to recommend approval of the resolution.

#### **QUARTERLY REPORT ON FY '94 CAPITAL BUDGET**

Associate Vice President Markham presented the Quarterly Report on the FY'94 Capital Budget for April 1994. She provided a summary of the administrative amendments to the budget which included eight projects with scope increases and one new project. A summary of approved projects that make up the FY 94 Capital Budget since the last Quarterly Report was also provided. The summary included 205 approved projects of which 17 have been completed, 165 are in process, 11 are on hold, one is to be initiated, and 11 are being deleted.

Associate Vice President Markham also reported that Facilities Management has successfully implemented approximately 125 service contracts for professional designer, architectural, and engineering services.

The following resolution was presented and a motion made and seconded recommending approval:

**RESOLVED**, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the Board of Regents approve the Quarterly Report on the FY '94 Capital Budget which report includes the deletion of the following line item projects from the FY '94 Capital Budget:

<u>Project</u>	<u>Reason</u>
<b>Morris Campus</b>	
1. Physical Education Center-Replace Roof (\$162,000)	Conduct Survey of all roofs first
<b>Twin Cities Campus</b>	
2. Smith Hall-Duct/Fume Hood Sealing (\$5,000)	Funds Reallocated
3. Smith Hall-Replace Fume Hoods & Exhaust (\$20,000)	Funds Reallocated
4. Kolthoff Hall-Repair Fume Hoods/Fan Canvas Connection (\$10,000)	Funds Reallocated
5. Smith Hall/Electrical Engineering Computer Science Building (\$10,000)	Funds Reallocated
6. Vincent Hall, Murphy Hall, Architecture-Repair Entry Doors (\$30,000)	Funds Reallocated
7. Vincent Hall, Murphy Hall, Physics Access Panels/Filter Racks (\$30,000)	Funds Reallocated
8. Civil/Mineral Engineering Building Waterproof 6th Floor Mechanical Room Floor (\$8,000)	Funds Reallocated
9. Fraser Hall-Replace Light Fixtures (\$10,000)	Poor Investment
10. Physics-Integrate Fire Alarm system with BSAC (\$10,000)	Incorporated in another project
11. Riverbend Restaurant Renovation (\$1,300,000)	Project Terminated-Scope being evaluated



The committee voted unanimously to recommend approval of the resolution.

The meeting adjourned at 9:17 a.m.

*Barbara Muesing*

**BARBARA MUESING  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Financial Operations & Legislative Committee**

**April 7, 1994**

A meeting of the Financial Operations & Legislative Committee of the Board of Regents was held on Thursday, April 7, 1994, at 10:00 a.m., in Room 300, Morrill Hall.

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

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice President Paschke.

Student Representatives present: Tom Donarski and Sara Nienow.

**SENIOR VICE PRESIDENT'S MONTHLY REPORT**

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

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for April 1994.

Associate Vice President Paschke provided an update on the recent decline in market activity, indicating how it might affect the University. Mr. Paschke responded to questions from committee members.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for April 1994.

**LEGISLATIVE UPDATE**

Chair Page announced that Director of State Relations, Donna Peterson, was at the legislature and will provide a report to the committee as soon as available.

Recommendations from the Governor, House Higher Education and Senate Higher Education Committees relating to the proposed supplemental appropriation to Higher Education were distributed.

Recommendations from the Governor and House Higher Education Committee relating to the 1994 Capital Request, by project, were also presented. It was noted that the Senate Higher Education Division was currently considering the bill.

**PURCHASE OF GOODS/SERVICES OVER \$250,000**

A motion was made and seconded to recommend approval of the following resolution relating to the purchase of goods/services over \$250,000:

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 to the following:

- To Automotive Rentals, Inc. for lease of vehicles to the Fleet Services department for the period of April 1, 1994 to March 31, 1997 at an estimated volume of \$4,400,000 total for the three-year period.
- To Boston Technology for a voice messaging system to be provided to the University through the Telecommunications department at \$1,571,056.

Mr. Steve Cawley, Director of Telecommunications Services, reported on the proposed contract for the lease of vehicles. He reported this is a change of practice from purchasing vehicles for University use to leasing vehicles.

Regent Reagan asked if it would be more economical for individuals to use their personal vehicle for University business. Mr. Cawley responded that it is a policy issue and one that could be examined. He also noted that a large group of these vehicles are utility vehicles or trucks used by Facilities Management.

Senior Vice President Erickson reported that University vehicles are utilized by the Minnesota Extension Service, and that a number of administrators who are eligible for using a University vehicle, choose to use their personal vehicle.

In response to a question, Karen Triplett, Director of Purchasing indicated that the University has a travel policy that directs that the lowest applicable airline fares are to be used. She stated that preferred travel agencies are negotiated and that arrangements with airlines are made for the use of lower fares.

The committee voted unanimously to recommend approval of the resolution.

The meeting adjourned at 10:40 a.m.

*Barbara Muesing*

**BARBARA MUESING  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Faculty, Staff and Student Affairs Committee**

**April 7, 1994**

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, April 7, 1994, at 8:35 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: President Hasselmo; Senior Vice President Infante; Vice Presidents Hopkins, Hughes, and Peterson; General Counsel Rotenberg; 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:

- Appointment of Gail L. Klatt as Director of Internal Audits, effective April 18, 1994;
- Status report on the searches for a Health Sciences Provost, Health Sciences Chief Financial Officer, Vice President for External Relations, Associate to the President, Director for Research Administration, and General Director for Hospital Administration;
- Appointment of Professor David Y. H. Pul as Director of the China Center;
- Appointment of Diane Skomars as Director of External Relations at the University of Minnesota, Duluth, effective March 1, 1994;
- Promotions, honors, and awards received by University faculty, staff, and students, including election of Professor Lanny D. Schmidt to the National Academy of Engineering; selection of the pediatric residency program to receive the 1994 Outstanding Teaching Award from the Ambulatory Pediatric Association and award of the Graduate Education for Minorities scholarship in engineering and the sciences to Juan Abrahante, a senior in the College of Biological Sciences;
- Campus programs and events, including selection by America Online of the Children, Youth, and Family Consortium's Electronic Clearinghouse as one of approximately 100 "Featured Data Bases"; and

- Deletion of the Regents' Policy on County Extension Agents: Sabbatical Leave for County Extension Agents and consolidation of the Regents' Policies on County Extension Agents: Academic Rank and Field Staff Study Leaves into a policy named Minnesota Extension Service, Field Staff Agents.

Regent Anderson urged the administration to move quickly on the searches that are currently underway. Regent Keffeler stated that while progress has been made on search processes, the President should have maximum latitude in making personnel decisions, particularly in the case of selecting his own assistant. President Hasselmo stated that he is obligated to follow specific procedures, and discussed efforts to expedite search processes.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report, including the Regents' Policy on Minnesota Extension Service, Field Staff Agents.

#### **UNIT 7 COLLECTIVE BARGAINING AGREEMENT WITH AFSCME COUNCIL 6**

Associate Vice President Carrier presented the proposed collective bargaining agreement with AFSCME Council 6 to the committee for approval.

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

WHEREAS, the parties have met and negotiated over the course of the past six months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit; and

WHEREAS, AFSCME Council 6 has ratified acceptance of the agreement; and

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

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Senior Vice President for Academic Affairs, and the Senior Vice President for Finance and Operations, the Board of Regents approves this labor agreement as outlined in the docket for April 7, 1994.

#### **ANNUAL REPORTS OF THE ATHLETIC DIRECTORS**

President Hasselmo introduced the discussion, noting that the University's Departments of Men's and Women's Intercollegiate Athletics have a strong commitment to academics and have produced nationally-recognized athletic teams. He commended the athletic directors for their cooperative relationship, stating that will be important as the University continues to strive for academic and athletic excellence and to address equity issues.

Dr. McKinley Boston, Director of Men's Intercollegiate Athletics, reported on the activities of his department. He discussed the academic and athletic successes of the student-athletes, noting that the cumulative team grade point average is 2.81.

Dr. Boston reported on successful fund raising activities, and credited volunteers for raising approximately \$5.9 million for on-campus athletic facilities. He stated that debt service has placed a tremendous burden on his department's operating budget, and he is working to address those financial issues in order to stay competitive.

Regent Anderson commended Dr. Boston and Ms. Voelz for their outstanding efforts. He expressed concern about the violent behavior that is allowed in college hockey games. He noted that a search for a new commissioner of the Western Collegiate Hockey Association (WCHA) is underway, and stated all WCHA institutions must work together to ensure that the person selected is given the authority to make the necessary changes. Dr. Boston concurred with Regent Anderson's concern, and noted that the search committee for the WCHA commissioner understands the concern and agrees that the person selected should be given that authority.

Regent Neel suggested that Minnesota's contributions to Olympic hockey should be recognized in Mariucci Arena.

Regent Hogan commended the Athletic Departments for their work with student-athletes at risk, and he challenged the administration to extend those programs to the rest of the institution.

Chris Voelz, Director of Women's Intercollegiate Athletics, reported on the activities of her department. She stated it has been a great year for women's athletics, and thanked the Board for its support. She discussed 1993-98 goals and progress to date, including increasing minority representation on staff and teams; increasing gate receipts and fundraising income; increasing morale and staff communication; continuing progress toward Title IX and gender equity; and continuing integration of the Department of Women's Intercollegiate Athletics (WICA) into the University.

Ms. Voelz called attention to three important events: the opening of the Women's Sports Pavilion, the 1995 Women's Final Four that will be held at the Target Center, and the 20th anniversary of the WICA in Fall 1995.

Ms. Voelz reported on the academic and athletic successes of the student-athletes. She discussed the importance of a separate women's athletic department and the need to ensure continued progress toward gender equity. She reviewed her coaching compensation model for the 1990's, and expressed appreciation to the Board of Regents, President Hasselmo, and the General Counsel's office for their support as the Deli lawsuits continue.

Regent Anderson asked Ms. Voelz to provide information regarding the cost of implementing a cross country skiing program and how it would impact gender equity issues.

Following the discussion, Regent Neel commended Dr. Boston and Ms. Voelz for their pursuit of excellence and for their excellent representation of the University.

#### **REPORT ON STUDENT RECRUITMENT/ADMISSIONS/ENROLLMENT**

Regent Neel noted that an excellent article about Wayne Sigler, Director of the Office of Admissions, appeared in the morning *Saint Paul Pioneer Press*.

Vice President Hughes introduced the discussion regarding student recruitment, admissions, and enrollment. She reported that a process to review and evaluate all components of student affairs has been underway since August 1990, and the Office of Admissions has been restructured as a result of that process.

Dr. Sigler discussed admissions of new freshmen and the previous recruitment and admissions approach. He reviewed a new plan for the admission and recruitment of freshmen, noting there was an 8 percent increase in new freshman enrollment in Fall 1993.

Dr. Sigler reported that the primary goals of the Office of Admissions are to increase the number of new freshmen, increase diversity, emphasize ability level and preparation to increase retention, and provide user-friendly service. He reviewed 1994-96 enrollment targets for new freshmen and discussed progress in recruitment and admissions to date. He discussed geographic recruiting, stating that emphasis is, and will continue to be, on the State of Minnesota.

In summary, Dr. Sigler reviewed issues and challenges facing the Office of Admissions, including:

- Establish consistent goals;
- Increase retention and graduation rates;
- Improve access and recruitment of students of color;
- Increase scholarships;
- Expand efforts to increase a more user-friendly campus;
- Recognize the competitive environment for top students; and
- Promote more active pride in the University of Minnesota.

Following the presentation, Regent Neel commended Dr. Sigler for his enthusiasm.

Dr. Hughes introduced Patricia Jones Whyte, Interim Assistant Director for Student of Color Recruitment in the Office of Admissions. Dr. Sigler stated he is pleased to have Ms. Jones Whyte join his staff.

In response to Regent Hogan, Dr. Sigler stated that the University has set a minimum diversity goal of 10 percent, noting that the Fall 1993 freshman class included 18.6 percent students of color. He noted that University 2000 includes a general diversity thrust, and suggested the need to set specific enrollment targets for students of color. In terms of average students, Mr. Sigler discussed the individual review of applications and efforts to enhance chances for success. President Hasselmo stated that the results of the 1989 goals for minority recruitment and retention are being evaluated, and new goals must then be established.

In response to Regent Anderson, Dr. Sigler stated that although a current target is that 80 percent of the entering class be in the top quarter, consideration is also given to students who have a strong chance of success. In making those determinations, he noted that he works closely with the administration and colleges and has flexibility. Dr. Sigler agreed with Regent Anderson that General College will continue as it does currently, and University College does not fall under the requirement that 80 percent of the class be in the top quarter.

Regent Page suggested that the public relations effort of the Office of Admissions should be integrated with the overall public relations plan for the University, and she spoke in support of the increased preparation standards implemented by the University.

Regent Keffeler stated that the issues and challenges identified by Dr. Sigler indicated his understanding of the concerns and priorities of the Board. She suggested scheduling a discussion focusing on those issues and challenges, and Regent Neel asked Dr. Hughes and Dr. Sigler to make a presentation at the May meeting.

The meeting adjourned at 10:00 a.m.

*Barbara Muesing*

**BARBARA MUESING**  
**Executive Director and**  
**Corporate Secretary**



**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Educational Planning and Policy Committee**

**April 7, 1994**

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, April 7, 1994, at 10:15 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Chancellor Johnson; Senior Vice President Infante; Vice Presidents Allen, Hopkins, Hughes, and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Vice Presidents Brenner and 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 the Graduate School Executive Committee of the following graduate degree program name changes: M.S., M.Geo.E., and Ph.D. in Geo-Engineering to Geological Engineering; M.A. in Home Economics Education to Family Education; and M.S. and Ph.D. in Physiology to Cellular and Integrative Physiology;
- Approval by the University of Minnesota, Crookston Campus Assembly of the name change of the baccalaureate program in Applied Interdisciplinary Studies (B.S.) to Technical Studies;
- Approval by the College of Pharmacy of two changes in the academic program: As of Fall 1995, the College will no longer accept students into its three-year program for a B.S. in pharmacy curriculum and continuation of the four-year Pharm.D. program, with a restructured and refocused curriculum;
- Efforts by the College of Biological Sciences to increase diversity in the college and throughout the University;
- Receipt by the University's Consortium on Children, Youth, and Families of a grant from the McKnight Foundation to assist in implementing a multi-disciplinary community process to improve services and organizations for families and children;

- Negotiation of an agreement between the Carlson School of Management and the International School of General Management (ISGM) in Bad Waldsiedel, Germany, to cooperate in providing the two-year M.B.A. program to ISGM students;
- National reports, including *U.S. News and World Report* rankings of University graduate programs in law, engineering, business, rural medicine, chemical engineering, and management information systems; and a 1994 book by Clark Kerr entitled *Troubled Times for American Higher Education: The 1990's and Beyond* about the prospects for higher education during the early years of the twenty-first century;
- Amendments to the University Senate and the Twin Cities Campus Assembly Constitutions to establish vice chair positions; and
- Regents' Policy on Collegiate Constitutions to replace the Regents' Policies on Relation of College Constitutions to Contracts, adopted March 13, 1987 and the Collegiate Constitution Policy, adopted January 11, 1991.

A motion was made and seconded to recommend approval of the Senior Vice President's Monthly Report, including the Regents' Policy on Collegiate Constitutions.

In response to Regent Rosha, Dr. Infante discussed the cost implications of the proposed College of Pharmacy program changes. He will provide additional information regarding cost to students involved in the internship program.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report, including the Regents' Policy on Collegiate Constitutions.

#### **REGENTS' POLICY ON CONFLICT OF INTEREST**

Senior Vice President Infante presented the Regents' Policy on Conflict of Interest to the committee for adoption. He noted that the proposed policy addresses conflicts of interest, and not the relationship between the University and external agencies.

Vice President Petersen stated that the Academic Integrity Committee, chaired by Associate Vice President Brenner, is reviewing a series of policies related to academic integrity, and the proposed policy is the second to be presented to the Board for adoption. She noted that the proposed policy is the result of compromise following extensive consultation, and it establishes a process requiring annual disclosure of activities and expanded committee review. The policy includes a statement that approved activities will be vigorously defended by the University, so long as the academic employee complies with the plan of action and disclosure requirements. Dr. Petersen noted two minor changes in the proposed policy, and indicated that the effective date is July 1, 1994.

Dr. Petersen stated that many individual perspectives were presented during the consultation process, and noted that Regents' Professor James White was present and requested an opportunity to address the committee regarding the proposed policy. Regent Peterson noted that although many people asked for time and were denied, a decision was made to grant Dr. White's request because this is an open process and he was present at the meeting.

Dr. White distributed a letter in which he suggested that the statement "This policy supersedes all others with respect to matters covered herein." be stricken from the proposed policy. He stated that the revised policy appears to provide a comprehensive mechanism for dealing with situations that may compromise the professional judgment of an academic employee in carrying out University teaching, research, or service activities. He noted the special needs of the Medical School with respect to this policy, and indicated that removing the statement would allow for variations in the needs of University units.

Dr. Petersen acknowledged that Dr. White's view is important, but should be taken as an individual perspective. She noted the process requires unit peer review committees, so the nuances of those units will be reflected in the process, and the specification of allowable or unallowable activities should be uniform throughout the institution. Dr. Brenner noted this issue was debated by the Academic Integrity Committee, and the proposed policy includes an overall framework that is consistent. He added that there are nuances and sensitivities about peer review, so that will be addressed by conflict review committees at the college level.

A motion was made and seconded to recommend adoption of the Regents' Policy on Conflict of Interest, with an implementation date of July 1, 1994.

In response to Regent Roshia, Dr. White spoke in support of his position, stating the current language suggests a degree of conformity inappropriate to a university. Regent Roshia asked if deleting the statement would weaken the policy. In the process of developing the proposed policy there was strong feeling that individual units should not be able to have policies that differ from the Regents' policy, and Dr. Petersen stated the issue is whether this should be the policy of the University.

Regent Roshia suggested that the proposed policy should not be restrictive to the point where units are not able to function, and stated the Board should be informed if problems arise as a result of the policy. Dr. Petersen stated that the nuances related to particular types of activities can be variable, and review groups will take that into account.

In response to Regent Hogan, General Counsel Rotenberg stated that his office was extensively involved in the development of the proposed policy. He stated that while a statement of pre-emption is commonplace in Regents' policies that seek to consolidate and amend previous policies, the history of discussions regarding the policy is such that if the sentence were now deleted it would suggest that the practices of individual units may vary, even with respect to matters specifically covered by the policy.

In response to Regent Bleyhl, Dr. Petersen stated that these issues exist throughout the University, but the Medical School has had the most experience with deliberating on these issues.

Following the discussion, the committee voted unanimously to recommend adoption of the Regents' Policy on Conflict of Interest, with an implementation date of July 1, 1994

**ACADEMIC REPORT SERIES:  
INSTITUTE OF AGRICULTURE, FORESTRY & HOME ECONOMICS**

Vice President Allen introduced the report on the Institute of Agriculture, Forestry, & Home Economics (IAFHE). He reviewed his dual role as Vice President for IAFHE and Director of the Minnesota Agricultural Experiment Station.

Dr. Allen reported on four major themes related to diversity; the undergraduate experience; distance education; and international teaching, research, and outreach. He reviewed strategic questions associated with each theme, and how those issues are being addressed.

Regent Bleyhl suggested that it would be worthwhile to schedule a presentation, possibly at a future Regents' retreat, on the Minnesota Extension Service (MES) restructuring and the College of Agriculture. Dr. Allen agreed it would be appropriate to review progress and implications of MES restructuring.

Regent Rosha asked how such close ties have developed between faculty and students in the Institute's colleges. Dr. Allen attributed those connections to the community of the St. Paul campus, the informal mingling areas on campus, faculty who are interested in teaching and advising students, and the serious consideration of teaching evaluations.

Following the discussion, Regent Peterson asked Dr. Allen to consider Regent Bleyhl's suggestion and Dr. Allen agreed to do so.

The meeting adjourned at 11:20 a.m.

*Barbara Muesing*

**BARBARA MUESING**  
Executive Director and  
Corporate Secretary

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Committee of the Whole**

**April 7, 1994**

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, April 7, 1994, 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, and Roshia.

Staff present: President Hasselmo; Chancellors Ianni, Johnson, and Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Hopkins, Hughes, and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Brenner, Johnson, Kvavik, Markham, Perlmutter, Pfutzenreuter, Robb, and Zetterberg.

Student Representative present: Rachel Paulose.

Regent Keffeler introduced the discussion, stating that the Board of Regents will take action on the President's budget recommendations at the May meeting. She noted that the Board will hold Open Forums on those budget recommendations on Tuesday, April 26, 1994.

**ACADEMIC PLAN**

President Hasselmo introduced the discussion, emphasizing that the Academic Plan links academic planning with the budgeting process.

Senior Vice President Infante presented an overview of the 1994-96 Academic Plans. He stated that the report represents a transition in the process of integration of planning and resource allocation and a transition from the Restructuring and Reallocation Plan approved by the Board of Regents in 1991, to the evolving plan of University 2000. He noted that the report provides significant data for each unit, and a description of unit issues, strategies, and plans.

Dr. Infante reviewed common themes of the unit academic plans, including University 2000 strategic areas, continuing internal reallocations, concern for insufficient infrastructure support, emphasis on enrollment and resource management, and sensitivity to diversity, needs, opportunities, and constraints. He noted that unit plans are the foundation for the resource allocation process, and the budgetary process is centered on fiscal reductions and the strategic investment pool.

**BUDGET PLAN**

President Hasselmo introduced the discussion of the 1995 Budget Plan and noted a continuing effort to identify and provide resources for strategic investments.

including the Strategic Investment Pool and salary increases for faculty and staff. He commented on the proposed 4.2 percent tuition increase, and noted that because of specific circumstances the actual tuition rate changes range from 0 to over 25 percent.

Senior Vice President Erickson discussed the budget development process, and commended staff for preparing the budget recommendations earlier than in previous years. Dr. Infante acknowledged the participation of the Deans in the budget development process, adding that the University's \$16 million supplemental legislative request is reflected in the budget recommendations.

Regent Keffeler noted the Board is viewing a new budget approach and format, stating that the change is evident in documents provided. President Hasselmo expressed appreciation to all involved in the budget process, and particularly noted the efforts of Senior Vice Presidents Erickson and Infante and Associate Vice President Pfutzenreuter.

Associate Vice President Pfutzenreuter reported on progress toward reforming the resource allocation process. He noted that the proposed Budget Plan, which is an all funds budget, is based on the Resource Allocation Guidelines approved by the Board on January 14, 1994. The President's recommended current, non-sponsored funds Budget Plan is \$1.6 billion, an increase of 4 percent over the current year budget.

Mr. Pfutzenreuter reported that the budget includes \$10.3 million in targeted operations and maintenance (O & M) reductions, in addition to \$3.2 million in reductions related to year four of the Restructuring and Reallocation Plan. He reviewed the impact of the proposed budget adjustments, noting that no major departments or programs are eliminated. He noted an overall increase in the O & M budget of \$26 million, \$20.3 million of which is for salary increases.

Regent Keffeler asked how much of the \$10.3 million reduction was achieved by units using prior year carryforward funds. Mr. Pfutzenreuter discussed the use of carryforward funds to bridge reductions, stating that is an issue of concern.

In response to Regent Perlman, Mr. Erickson discussed budget reductions achieved by changing the way services are delivered, specifically noting examples in the College of Education and the College of Liberal Arts. Dr. Infante stated that while this process has been successful for the College of Education in the area of support services, it has resulted in a faculty hiring freeze, and he emphasized the need for long-term planning in academic units.

In response to Regent Peterson, Mr. Pfutzenreuter and Dr. Infante provided examples of potential reductions in class offerings and services.

In response to Regent Keffeler, Mr. Pfutzenreuter stated while the proposed budget will have an impact on people because the University is a labor intensive organization, a specific count is not available at this time. Before the Board is asked to approve the budget, Regent Keffeler asked for information on whether layoffs will be necessary and the administration's policy on how the employee classes will be affected.

Regent Hogan asked about the balance in the proposed budget between reductions and the goal of improving graduation rates. Dr. Infante responded that the balance varies by collegiate unit, noting that some units have more flexibility due to their faculty-student ratios.

Regent Neel expressed concern regarding the budget impact on the Health Sciences, which is a labor intensive enterprise, and emphasized the importance of controlling expenses in all areas. Dr. Infante discussed efforts to increase enrollment in

some units because resources are available, while in other areas the faculty-student ratio is inadequate.

Regent Anderson asked how the budget recommendations will improve the undergraduate experience, including increasing the number of advisers. Dr. Infante reported on significant improvements in the undergraduate experience, but noted that needs remain.

In response to Regent Rosha, President Hasselmo indicated that the University's instructional and research missions are intertwined, and both would be affected by budget reductions. Regent Rosha believes there will be a direct impact on teaching in some areas, and noted that students will be asked to pay increased tuition in some areas where teaching may be reduced.

Regent Bleyhl emphasized the value of certain segments of the economy to the University, and the service the University provides to those segments.

Mr. Pfitzenreuter reviewed the guidelines for applying for funds from the Strategic Investment Pool. He reported that funding requests exceeded \$70 million, and reviewed funding recommendations of approximately \$8.9 million. Dr. Infante emphasized that the Strategic Investment Pool recommendations illustrate how the University leverages its activities.

Regent Perlman stressed the importance of basing the Strategic Investment Pool allocation decisions on priorities established by President Hasselmo in University 2000.

In response to Regent Hogan, Dr. Infante stated that the Strategic Investment Pool recommendations represent a shift in resources from areas where the marginal reduction in educational activities will be minimized to investments in facilities and infrastructure. Dr. Infante agreed with Regent Keffeler that funds are being taken from areas where the marginal impact is less than the marginal gain in the investment. President Hasselmo indicated that this issue emphasizes the importance of long-range planning, stating that funding shifts should not be undertaken if there is no marginal advantage. Regent Perlman suggested it is important to be careful about the context of discussions about these items, stating the focus should be on reducing costs and making decisions about the University's mission and allocation of resources against that mission.

In response to Regent Page, Dr. Infante stated that the Strategic Investment Pool funding requests were impressive, and he would have liked to fund \$30 million in requests. Regent Keffeler stated she does not want to be interpreted as not supporting the proposed 4.2 percent tuition revenue increase, but asked if the administration could achieve a 3 percent tuition increase by increasing the number of budget reductions or decreasing the number of investments. Dr. Infante discussed reasons for the proposed tuition increase, stating that a lower tuition increase would need to be offset by a reduction in Strategic Investment Pool recommendations.

In response to Regent Rosha, Regent Perlman reiterated his belief that the important point is whether or not the Strategic Investment Pool recommendations are consistent with objectives of the strategic plan.

Regent Hogan reiterated his concern about investments versus reductions, stating that at some point it is important to look at marginal gains on investments. Regent Keffeler noted that while it is difficult in a strict economic sense to evaluate return on the margin, the recommended areas of investment are proposed to be more productive in terms of the Board's strategic priorities. She noted that if revenue is reduced, the difference can be made up by reducing investments or increasing reductions, and this is still an open issue.

Mr. Pfitzenreuter reviewed the proposal to increase overall regular tuition revenue by 4.2 percent, noting that the agreement with the Legislature and Governor limited the overall increase to 5 percent. He reviewed quality initiatives that relate to the tuition increase above 3 percent, which would generate \$1.6 million.

Dr. Infante reviewed alternative undergraduate tuition options for the Twin Cities campus, including 1) a \$30 per quarter registration fee and tuition rate increases and 2) a \$30 per quarter registration fee, an increase in the free credit band to 15-19 credits, and tuition rate increases. He noted his support of the \$30 per quarter registration fee. Regent Keffeler suggested that because the alternative tuition options are revenue neutral, the Board should focus on the President's core proposal at this time. She invited the President to recommend alternative proposals at any time during the year.

In response to Regent Keffeler, Dr. Infante stated that a 3 percent tuition increase is recommended for the University of Minnesota, Crookston (UMC) due to an increase in the computer fee from \$235 to \$250 per quarter. Regent Keffeler noted that tuition rates are market or cost based and, because access to individual computers is not a systemwide benefit, the UMC computer fee should not be considered in the overall equation. President Hasselmo emphasized that tuition income from other parts of the University is not subsidizing the lower tuition increase at UMC, stating that UMC is managing on its own within the 3 percent increase.

Student Representative Paulose raised concerns about the impact of the proposed budget on access, the proposed fees for quality initiatives, and the tuition increases, stating that the increases do not comply with Regents' guidelines. She indicated that students want to see specific guidelines for the proposed guaranteed tuition plan, and see it expanded to all campuses. Regent Keffeler noted that the 3 percent approved by the Board in January was only a guideline, so it would not be inconsistent for the Board to set a tuition revenue increase over that amount.

In response to Regent Rosha, Ms. Paulose discussed issues of concern to students. This included applying the principle of tuition increases at or below the rate of inflation to all students, and the impact of regular tuition increases on high-need students. She indicated the Student Representatives would prefer low tuition increases for all groups, with consideration of access and financial aid or scholarships if market increases are necessary.

Dr. Infante responded to Ms. Paulose's concerns regarding the proposed tuition increase for the College of Pharmacy and the Institute of Technology (IT) computing fee, stating that the IT Student Board voted unanimously to support the fee. Regent Keffeler stated it would be helpful if the administration provided the Board with comparisons of proposed tuition increases for various units with tuition rates for similar units at benchmark institutions.

Regent Perlman expressed concern that the discussion regarding tuition misses the question of public policy, stating he would like to understand the implications of the proposed increases. Mr. Erickson noted that the public policy implications are set in large part by the Legislature, and stated that this will be an important element in reframing the University's biennial budget request.

Regent Rosha stated that the limited resources available to subsidize programs in which students enroll at the University is an important issue. He believes that increases in overall cost affect people at the undergraduate level more than at the graduate and professional level, noting that graduate level tuition is very low, particularly non-resident rates. He expressed a preference for increasing rates in those areas in exchange for keeping undergraduate rates lower. In response to an issue raised by Regent Rosha regarding dramatic tuition increases for several Extension



programs, Dr. Infante stated large increases are proposed to make the rates consistent with day school rates.

Regent Hogan suggested limiting the tuition increase to 3 percent, and not investing the \$1.6 million to be generated from the extra 1.2 percent tuition increase. Dr. Infante spoke in support of the proposed \$8.5 million in investments from the Strategic Investment Pool, noting that the Graduate and Professional Student Association approved a resolution expressing a high level of concern about the University's current situation and suggesting that the average tuition increase should be approximately 5 percent.

Regent Anderson asked the administration to consider the option of admitting 1,200 additional students to avoid a tuition increase. Dr. Infante responded that enrollment is being increased in some areas, including agriculture and nursing. However, he noted that an increase in enrollment in many areas would require an increase in resources.

Mr. Pfutzenreuter reviewed the fund forecast for centrally allocated funds and compared the proposed 1995 budget with the 1994 budget. He discussed the proposed guaranteed tuition plan, a \$15 increase in the UMC technology fee to \$250 per quarter, and a new Institute of Technology computing fee of \$50 per quarter. Mr. Pfutzenreuter also reviewed the following proposed student services fees:

Crookston	\$72.70
Duluth	\$104.30
Morris	\$103.00
Twin Cities	\$139.48

Mr. Pfutzenreuter discussed the issue of structural budget imbalances, which arise when recurring expenditures exceed recurring revenues. He noted that an early warning sign is the expenditure of prior year carryforward funds to pay for recurring costs, stating that the administration intends to monitor unit budgets to determine the existence of such imbalances.

In summary, Regent Keffeler noted that Regents requested the following additional information regarding the proposed budget:

- Market rate comparisons on major tuition categories;
- Identification of areas where enrollment increases are recommended and the net impact of enrollment situation;
- Projected impact of the proposed budget on the University's entire workforce; and
- Impact and administrative recommendations related to keeping tuition revenue at the 3 percent level.

Regent Keffeler emphasized she is not implying the Board will not sustain the 4.2 percent tuition revenue recommendation, stating the Board wants to see the impact of reducing the increase to 3 percent.

Regent Neel observed that the bottom line of the proposed 1995 budget for centrally allocated funds appears to be business as usual, noting an overall increase of 4 percent and reduction only in the research area. Mr. Pfutzenreuter discussed efforts to improve structural imbalances, noting it is an issue that must be addressed in central reserves. Mr. Erickson emphasized that the proposed budget represents anything but a business as usual approach, stating that a comparison with budgets

over the past five years will show significant adjustments. He discussed unusual major expense items, and noted a conservative approach to recognizing projected income for the next fiscal year. He also noted the significant reductions in state funding to the University, and the resulting reallocation and restructuring process. Regent Neel urged the administration to communicate those issues to external constituencies.

Regent Page raised issues related to investment earnings on central reserves and whether tuition and inflation rates match anywhere in higher education. Mr. Erickson discussed investment earnings on central reserve funds. David Berg, Director of Management Planning and Information Services, responded that tuition rates exceeding inflation is a national problem, particularly for public institutions, and that is due to withdrawal of state appropriation support. He indicated that the Legislative Auditor's Report indicates that this is a problem in Minnesota. Regent Keffeler noted that the Legislative Auditor accepted an invitation to meet with the Board in June to discuss his report.

Regent Keffeler acknowledged the Board's interest and need to discuss the proposed budget. She asked for Regents' input regarding scheduling additional time for discussion, and stated she will consult with the President and Vice Chair about the best use of the Board's time.

Regent Perlman stated that the Board must begin to discuss a fundamental restructuring of the University to reduce the cost base dramatically in order to carry out the strategic initiatives identified by the President. President Hasselmo concurred with Regent Perlman, but emphasized the significant restructuring and reinvestment of resources that have occurred since 1991 and will continue as part of University 2000. Regent Perlman acknowledged that President Hasselmo has done a superb job, stating the need for further restructuring remains, particularly in light of the fundamental strategic plan.

Gregory Hart, President of the University of Minnesota Health System (UMHS), presented preliminary information on the 1994-95 University of Minnesota Hospital and Clinic (UMHC) budget. He reviewed highlights of the proposal, noting a successful long-term effort to substantially reduce operating costs, a moderate price increase of 3 percent to continue progress toward price competitiveness, and an annual goal of achieving a positive operating margin. He discussed a draft document "University of Minnesota Health System Financial Objectives and Investment Principles," and suggested that the Board of Regents should discuss the document in the future.

In response to Regent Neel, Mr. Hart reviewed a summary statement of operations for fiscal year 1993-94 and budget year 1994-95. Regent Neel conveyed concerns he has heard related to no faculty salary increases and resulting retention problems.

In response to Regent Perlman, Mr. Hart stated that the staff will be reduced from a peak of 4,100 to approximately 3,300 by next year. He noted that the reductions have been accomplished without a large number of layoffs.

#### **CAPITAL PLAN**

Associate Vice President Kvavik led the discussion regarding the Capital Budget Plan. He reviewed Board actions taken to date, a definition of capital projects, and capital budgeting objectives.

Associate Vice President Markham reviewed recommended projects, noting that the recommendations include 175 projects valued at \$200 million. She discussed the 1995 Legislative Capital Request, including \$107 million in bonding priorities

established by the Board. She noted that if the Legislature funds a different capital program for the University, the Board will be asked to formally amend the Capital Budget.

Ms. Markham reviewed the proposed projects by fund source. Mr. Erickson discussed the \$16 million internal loan funds proposed for replacement of the FMC/Lauderdale facilities, stating the administration intends to evaluate all options before the lease on the FMC facility expires in 1997.

Ms. Markham stated that the 175 projects include programmatic renewal, new construction/acquisition, renewal, and code improvements. She noted major capital projects currently underway, and reviewed major projects that have to be combined with University 2000 priorities.

Ms. Markham reviewed the implications of the 1995-2000 capital improvement program. She noted that the 1995 Capital Budget reflects increased priority given to enhancement and renewal of existing facilities, consistent with capital principles approved by the Board.

In summary, Ms. Markham stated that in May the Board will be asked to confirm previously approved capital projects, approve the 1995 Capital Budget, and accept the 1995-2000 Capital Improvement Program for further evaluation and development. She also noted that the Board will be asked to approve amendments to the 1995 Capital Budget as additional needs, opportunities, and funding are identified throughout the year.

In response to Regent Hogan, Ms. Markham stated that achieving a balance between new buildings coming on line and facility renewal will require a partnership with the Legislature, noting that progress has been made during the current legislative session. She also noted that the Department of Finance administration is addressing facility renewal issues on a statewide basis, and hearings will take place this summer.

In response to Student Representative Paulose, Ms. Markham reported on the short-term renewal plan for Williamson and long-term plans for a one-stop location for all student services.

In response to Regent Neel, Ms. Markham stated that buildings are no longer constructed without including operating funds in the cost and noted that the University is beginning to build a reserve for systems replacement. Mr. Erickson added that the University is doing life cycle costing, which involves considering the trade-off between different grades of equipment.

Regent Bleyhl asked for additional information on issues related to Glensheen, and Regent Keffeler asked for a status report on the University Showboat.

In summary, Regent Keffeler thanked President Hasselmo for outstanding work on the preparation of his budget recommendations. She asked him to convey the Board's appreciation and enthusiasm to everyone who contributed to this process. President Hasselmo extended his appreciation to the staff members for an outstanding job, stating that they are dedicated to bringing about changes.

#### **NEW BUSINESS**

Regent Keffeler acknowledged the resignation of Barbara Muesing as Executive Director of the Board of Regents and Corporate Secretary of the Regents of the University of Minnesota. She thanked Ms. Muesing for her valuable service, and stated the Board is happy about her new position at the University of Minnesota, Crookston.

President Hasselmo noted Ms. Muesing's contributions to the interactions between the Board, Board staff, and the administration. He thanked her for her efforts, and wished her good luck in her new position.

The meeting adjourned at 5:10 p.m.

*Barbara Muesing*

**BARBARA MUESING  
Executive Director and  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Committee of the Whole**

**April 8, 1994**

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, April 8, 1994, 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, and Rosha.

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

Student Representative present: Rachel Paulose.

**HONORS COMMITTEE REPORT**

The committee voted unanimously to recommend approval of the recommendations of the All-University Honors Committee.

**UNIVERSITY 2000 STRATEGIC DIRECTIONS,  
CRITICAL MEASURES, AND BENCHMARKS**

President Hasselmo introduced the discussion regarding the University 2000 strategic directions, critical measures, and benchmarks.

Associate Vice President Kvavik reviewed the process of developing benchmarks for University 2000, and discussed the objectives of the process. He noted the critical link between planning, performance, evaluation, and resource allocation, and the increased demand to demonstrate performance.

Dr. Kvavik reviewed the timetable for future discussions, noting that the administration will define terms, develop principles, identify performance measures, and conduct internal and external consultation. He stated that in June and July the Board will be asked to consider and approve a core set of institutional performance measures and establish annual performance benchmarks for each measure beginning with the 1995-96 Biennial Request.

Dr. Kvavik discussed the preliminary principles that have been identified, and reviewed working examples of discussion questions related to the five strategic areas identified in University 2000.

Regent Keffeler stated it is her understanding that the administration wants feedback from the Board on the proposed approach to measurement and benchmarks,

and the discussion questions, measures, and benchmarks will be discussed further in June.

Regent Hogan raised a concern about establishing appropriate measures, using as an example the discussion question "Is the University recruiting, retaining, and graduating a diverse student population who can benefit from the University's educational environment?" He stated that he is worried about the University serving students, rather than students benefiting from the University.

Regent Perlman stated it is important for the University to work hard on measurements, particularly related to the management process. He believes that benchmarking is critical because it forces the institution to look outward. Dr. Kvavik indicated the major decision the Board must make relates to institutional measures, noting that each unit will be expected to develop similar measures.

Regent Anderson suggested that retention be a more important goal than graduation rates. Dr. Kvavik agreed that retention is important, stating that the University needs multiple measures. Regent Anderson added that providing the individual attention received by student-athletes to all students would improve retention rates.

In response to Regent Neel, Dr. Infante discussed measurements of outcomes. He emphasized that the University wants to measure the same things as other institutions for benchmark purposes, noting that one measurement is the performance of University students nationally on graduate record examinations.

Following the discussion, Regent Keffeler stated the Regents look forward to further discussion of measures and benchmarks in June and July.

#### **UNIVERSITY 2000: UNIVERSITY COLLEGE**

President Hasselmo introduced the discussion regarding University 2000: University College, to include an overview of the work of the University College Working Group, chaired by Vice President Allen. He stated the purpose of the report is to inform and receive input from the Board, and emphasized the following concepts:

- University College is a concept to ensure that the University serves students according to their needs;
- The University must be sensitive to changing educational needs in the marketplace; and
- As discussions continue about the special ways to meet the special needs of students, keep in mind that the University's undergraduate experience is geared toward full-time students participating in the full intellectual life of the institution.

Vice President Allen introduced Dr. Harold Miller, Dean of Continuing Education & Extension (CEE). He stated that the task force met with many groups, and the report reflects input from those groups.

Dr. Allen reviewed higher education patterns and resulting consequences taken from *Troubled Times for American Higher Education: The 1990's and Beyond* by Clark Kerr. He stated that the working group reached similar conclusions after studying data and considering issues regarding University College.

Dr. Allen stated the proposed mission for University College is to improve the University's ability to serve the evolving educational needs of students, including lifelong learners. He indicated that the vision for University College is to provide a student-centered delivery system that will improve access to existing courses and degrees; assess and meet external demand; create a new relationship with colleges and other educational partners; and better meet the variety of student objectives.

Dr. Allen reviewed the conceptual framework for University College, including:

- Student-centered delivery system throughout the University and in Minnesota and beyond;
- User-friendly registration system;
- Strategically integrated and systematic programming with the colleges;
- Admission and performance standards for degree programs;
- Committed to the University's diversity initiatives;
- Assess and meet community and workforce needs in areas where the University has unique strengths and resources;
- Develop appropriate partnership programs with other systems; and
- Integrate distance education and information technologies into delivery of programs.

Dr. Allen discussed part-time students, noting that while the number has been increasing in Minnesota, the University's proportion of part-time students has been 38 percent over the past six years despite a decrease in enrollment over that period. He reviewed a profile of CEE, and characteristics of students currently enrolled in day school and CEE.

Dr. Allen noted that policy issues to be addressed as part of the evolution and implementation of University College include its name, tuition and fees, registration system, admission and performance, nature of partnership agreements, and graduation rates. He gave the reasons he believes the proposed name "University College" should be retained, and emphasized that the proposal is not just CEE with a new name.

In response to issues raised by Regent Anderson, Dr. Allen stated that admission standards for degree programs will be the same for University College and day school students. However, he noted individuals will continue to have access to courses prior to admission to a degree program, and good performance will improve the chance of admission to a degree program. He added that CEE courses are currently taught by a similar percentage of top professorial faculty as day school courses, and that will continue to be the case in University College. Regent Anderson added that he believes "University College" is a good name.

Student Representative Paulose expressed disappointment that no students serve on the University College Working Group, and asked that a student member be added. Dr. Allen stated the working group felt it was important to get views from many students, rather than having one student representative. Dean Miller stated that the CEE Student Board endorsed the University College concept, noting that he has asked three representatives from that Board to participate in further discussions on the development of University College. Regent Roshia agreed with Ms. Paulose, and asked

that a student be appointed to the working group. Regent Keffeler noted that the administration has heard the discussion, and the point has been made.

Regent Neel stated that the University should be a leader in the area of distance education, and suggested it must become a priority. He agreed with the working group's idea of seeking broad input from students, and stated that the decision-making process has to be streamlined.

In response to Regent Hogan, Dr. Allen stated that University College is being planned with the idea that General College will be positioned to do a better job on developmental educational issues. He noted that while University College and General College would work together, University College would serve General College as a delivery mechanism and they would be separate entities. Dean Miller noted similarities and differences between CEE and the University College proposal, including the development of more strategic relationships with colleges than currently exist and the similarities of CEE students with University College students of the future. Regent Hogan stated what he hears is taking CEE and making a grander design and he emphasized that for the University College concept to succeed, it has to be simple.

Regent Hogan agreed with Regent Keffeler's assessment that the substance of the University College proposal addresses the objective of improving the University's ability to serve evolving educational needs. Regent Keffeler emphasized that the Board does not want to send a message that the direction of the activity is inconsistent with the policy the Board established in University 2000.

President Hasselmo summarized the fundamental changes represented by the University College proposal, including a change in philosophy and attitude geared toward serving students with different needs, a change in the infrastructure to make it more user-friendly to serve students with different needs, and integration of participation by the colleges throughout the University.

The meeting adjourned at 10:15 a.m.

*Barbara Muesing*

**BARBARA MUESING**  
Executive Director and  
Corporate Secretary



**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**April 8, 1994**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, April 8, 1994, at 10:30 a.m., in the Regents' Room, 238 Morrill Hall.

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

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

**APPROVAL OF MINUTES**

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

Facilities Committee - March 10, 1994  
Financial Operations & Legislative Committee - March 10, 1994  
Faculty, Staff & Student Affairs Committee - March 10, 1994  
Educational Planning & Policy Committee - March 10, 1994  
Board of Regents - March 10, 1994  
Committee of the Whole - March 11, 1994  
Board of Regents - March 11, 1994

**REPORT OF THE PRESIDENT**

President Hasselmo presented his monthly report, which pertained to the University 2000 Strategic Directions, Critical Measures, and Benchmarks status report; a "University College" Report; the University's diversity agenda; the National Graduate Feeder Program; a study by the Minnesota Private College Research Foundation; an Employee Opinion Survey; reorganization of Administration; a summary of Intercollegiate Athletic awards; faculty awards; and events sponsored by the University of Minnesota Foundation and Minnesota Alumni Association recently held in California and Arizona.

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

**REPORT OF THE CHAIR**

Chair Keffeler reported that the Board will hold forums on the proposed budget April 26, 4:30 p.m. with internal constituencies, and 7:00 p.m. for the general public. In addition, the Board will be advised of any correspondence received in the Regents' Office relating to the proposed budget.

She reported that Regent Reagan will be chairing the Board of Governors Nominating Committee with Regents Bleyhl and Perlman also serving on the committee. The first meeting is scheduled for 2:30 p.m. on April 26. Anyone

wishing to nominate individuals to serve on the Board of Governors can contact any member of the Nominating Committee or the Regents' Office.

Chair Keffeler provided an update on conflict of interest issues relating to the Board of Regents. She referenced a report from Vice Chair Reagan summarizing conversations he had with the other members of the Board of Regents. Regent Reagan's suggestions include establishing a peer committee on ethical standards and an ad hoc committee to review the Regents' Code of Conduct. She stated that she had taken the report under advisement and she will continue to consult with members of the Board regarding future steps. She noted the receipt of a letter from the Minnesota Alumni Association offering to review the issue and indicated that, at this time, she does not feel it necessary for the Minnesota Alumni Association to review the issue, but that the Board is always open to suggestions from any constituency. She added that all Regents have been properly elected to serve the interests of the University as a whole, and once elected are guided by the Board's Code of Conduct. When an issue arises that poses a conflict of interest to a Regent, the Regent will so disclose and abstain from voting or influencing the issue. If there are concerns that conflicts are not being appropriately managed by any individual on the Board, the concern should be called to the attention of the individual and the Chair of the Board.

Chair Keffeler also reported that she had met with members of the African American Community regarding the relationship between the University and the African American membership. She stated she had received a paper from the constituency and would distribute it to members of the Board.

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

President Hasselmo noted the receipt and filing of the Quarterly Summary of Regents' Policy Review.

#### **REPORT OF THE COMMITTEE OF THE WHOLE**

**April 7, 1994**

Chair Keffeler reported that the committee reviewed information and engaged in discussions relating to the Academic Plan and the proposed Budget and Capital Plans.

#### **REPORT OF THE COMMITTEE OF THE WHOLE**

**April 8, 1994**

Chair Keffeler reported that the committee voted unanimously to recommend:

- a) Approval of the recommendations of the All-University Honors Committee as presented to the committee and filed supplement to the minutes, No. 22,333.

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

Chair Keffeler reported that the committee also reviewed University 2000 Strategic Directions, Critical Measures, and Benchmarks, and received a report on University 2000: University College.

**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 Presidents' Monthly Faculty, Staff & Student Affairs Report as presented to the committee and contained in the docket material.
- b) Adoption of amended Regents' Policy on Minnesota Extension Service Field Staff, as follows:

**Regents' Policy on Minnesota Extension Service Field Staff**

**MINNESOTA EXTENSION SERVICE, FIELD STAFF AGENTS**

**Academic Rank**

Minnesota Extension Service Field Staff Agents shall be eligible to appropriate academic rank upon recommendation of the dean and director of the Minnesota Extension Service, the vice president of the Institute of Agriculture, Forestry and Home Economics, and the president, and approval by the regents, with the understanding that the Regulations Governing Academic Tenure in the University will not apply to county extension agents in the Minnesota Extension Service.

**Field Staff Study Leave**

**PURPOSE**

To encourage and provide for study, research and/or other activities which keep agents up to date; provide for the completion of the master's degree; contribute to the effectiveness of the Minnesota Extension Service program.

**ELIGIBILITY**

Open to county or cluster agents with an appointment of 75 percent or more time after three years of service (for a single quarter leave) or six years of service (for a two-quarter leave, if no previous single quarter leave was used).

**REMUNERATION**

Full salary for one quarter after three years of service or for two quarters after six years of service.

Agents granted study leaves may accept grants or scholarships to defray travel, study and/or research expenses, provided such grants or scholarships are not for personal services. Agents are not to accept additional paid employment during the time of the leave.

## **TYPES OF APPROVED LEAVE ACTIVITIES**

1. Graduate level course for an advanced degree
2. Graduate level courses for credit and not intended for an advanced degree (courses are to be related to the job and enhancing job performance and results)
3. In-depth non-credit studies in areas closely related to extension programs

## **APPLICATION AND SELECTION PROCEDURES**

The Minnesota Extension Service is to maintain procedures and standards for application and selection. The process must include:

- application forms/materials providing detail of the planned activities and the appropriateness to the position
- application and notification deadlines reasonable to allow staff members to make necessary arrangements for coverage, changes in work schedule, travel and housing should the leave be granted
- the use of a review team that makes recommendations to the dean and director
- no more than 3 percent of county and cluster agent staff will be granted leave for any one academic term

## **OBLIGATIONS AND CONDITIONS**

County or cluster agents granted a paid leave assume the obligation to:

- return to University employment for at least one year following the leave
- repay salary paid during the leave for any period of less than one year employment following the leave
- submit a report to the dean and director of the Minnesota Extension Service following completion of the leave

The Minnesota Extension Service agrees, during the time of the paid leave, to:

- continue retirement, insurance and health benefits as already in force for the agent on leave

Vacation leave is not earned or accumulated during the period of the study leave.

## **SOURCE OF FUNDS**

All funds paid as salary or to benefits during the study leaves as described above will be provided from sources within the Minnesota Extension Service budget.

This policy supersedes the Regents' policies on County Extension Agents, Academic Rank, adopted June 16, 1945, amended March 14, 1952; and Field Staff Study Leave adopted January 11, 1991.

- c) Deletion of Regents' Policy on County Extension Agents: Sabbatical Leave for County Extension Agents.
- d) Approval of resolution re Labor Agreement with AFSCME Council 6 for the Technical Unit, as follows:

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

WHEREAS, AFSCME Council 6 has ratified acceptance of the agreement; and

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

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Senior Vice President for Academic Affairs and the Senior Vice President for Finance and Operations, the Board of Regents approves this labor agreement as outlined in the docket for April 7, 1994.

The Board of Regents voted unanimously to approve the recommendations of the Faculty, Staff & Student Affairs Committee. Regent Bleyhl abstained from voting on the Labor Agreement with AFSCME Council 6 for the Technical Unit.

Regent Neel reported that the committee also reviewed the Annual Reports of the Athletic Directors and the Report on Student Recruitment/Admissions/Enrollment.

## **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 to the committee and contained in the docket material.
- b) Approval of adoption of Regents' Policy on Campus Health and Safety, as follows:

## **REGENTS' POLICY ON CAMPUS HEALTH AND SAFETY**

The University of Minnesota is committed to providing a safe, secure and healthy environment for its students, faculty, staff, patients and visiting public. Campus Health and Safety encompasses personal security and public safety, safe and efficient movement to and throughout the campuses, preservation of physical and fiscal resources, safe and healthful facilities, emergency management, and protection of the environment.

University administration will provide leadership by example and implement programs system-wide to reduce or eliminate hazards to persons and facilities, facilitate movement on campus, and prevent harm to the campus environment and surrounding community. The University expects that students, faculty and staff will fulfill their individual responsibilities toward achieving safety excellence and environmental responsiveness.

The President is directed to provide resources to implement an effective campus health and safety program and to require University operating units to comply with internal and external standards promulgated for the same.

- c) **Approval of amended resolution re Amendments, FY 94 Capital Budget, as follows:**

**RESOLVED**, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the FY 1994 Capital Budget is hereby amended to incorporate the following projects:

- A. **Recreational Sports, Additional Lockers, Twin Cities Campus**  
Estimated cost of the project: \$849,000  
Funding: Loan to be repaid with added revenue from locker rental  
Estimated completion date: September 1994

Additionally, the Administration is directed to report back to the committee in April 1994 regarding demand for use of the lockers.

- B. **L.E.D. Exit Sign Retrofit, Twin Cities Campus**  
Estimated cost of the project: \$400,000  
Funding: Twin Cities Campus Repairs & Remodeling Allotment from the University's State Legislative Operating Appropriation  
Estimated completion date: Approximately one year from date of approval

- d) **Approval of resolution re Real Estate Transaction relating to sale of 9.9 acres of land and railroad right-of-way easement at Rosemount, as follows:**

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute the appropriate documents providing for the sale of the following described property to CMC Heartland Partners, for the sum of \$24,000:

A strip of land approximately 100 feet in width and containing approximately 9.9 acres located in the SE 1/4 of Section 29, Township 115 North, Range 19 West, Dakota County, Minnesota.

- e) Approval of resolution re Quarterly Report, FY 94 Capital Budget, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the Board of Regents approve the Quarterly Report on the FY '94 Capital Budget which report includes the deletion of the following line item projects from the FY '94 Capital Budget:

Project	Reason
<b>Morris Campus</b>	
1. Physical Education Center-Replace Roof (\$162,000)	Conduct Survey of all roofs first
<b>Twin Cities Campus</b>	
2. Smith Hall-Duct/Fume Hood Sealing \$5,000	Funds Reallocated
3. Smith Hall-Replace Fume Hoods & Exhaust (\$20,000)	Funds Reallocated
4. Kolthoff Hall-Repair Fume Hoods/Fan Canvas Connection (\$10,000)	Funds Reallocated
5. Smith Hall/Electrical Engineering Computer Science Building (\$10,000)	Funds Reallocated
6. Vincent Hall, Murphy Hall, Architecture-Repair Entry Doors (\$30,000)	Funds Reallocated
7. Vincent Hall, Murphy Hall, Physics Access Panels/Filter Racks (\$30,000)	Funds Reallocated
8. Civil/Mineral Engineering Building Waterproof 6th Floor Mechanical Room Floor (\$8,000)	Funds Reallocated
9. Fraser Hall-Replace Light Fixtures (\$10,000)	Poor Investment
10. Physics-Integrate Fire Alarm system with BSAC (\$10,000)	Incorporated in another project
11. Riverbend Restaurant Renovation (\$1,300,000)	Project Terminated-Scope being evaluated

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

Chair Rosha reported that the committee also reviewed a proposed project for annual repairs to parking structures on the Twin Cities campus for 1994.

#### 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 a resolution re Purchase of Goods/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 the following:

- To Automotive Rentals, Inc. for lease of vehicles to the Fleet Services department for the period of April 1, 1994 to March 31, 1997 at an estimated volume of \$4,400,000 total for the three-year period.
- To Boston Technology for a voice messaging system to be provided to the University through the Telecommunications department at \$1,571,056.

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

Chair Page reported that the committee also received a legislative update. President Hasselmo provided a brief update on the status of the Senate bonding bill.

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

Regent Peterson, Acting 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) Adoption of Regents' Policy on College Constitutions, as follows:

#### **REGENTS' POLICY ON COLLEGE CONSTITUTIONS**

1. Each college, institute, or school of collegiate rank must have a constitution which establishes the college's internal governance structure and embodies the authority delegated to the colleges by the Board of Regents and the University Senate to govern their own educational and administrative affairs.
2. The Board of Regents delegates to the Senior Vice President for Academic Affairs the authority to approve collegiate constitutions and amendments to the constitutions consistent with the principles set forth in this policy. The Senior Vice President for Academic Affairs is directed to provide a model constitution or other administrative guidelines to assist the colleges in developing their constitutions.



3. College constitutions are not intended to be and are not part of the contract between the University and any of its employees. Constitutions are statements of general policy and operating procedures and, when read together with other University policies, they should guide administrative action. They are not, however, part of the terms and conditions of employment of University employees. College constitutions shall include the following statement: "This constitution is not part of the employment contract between the University and its employees. It does not establish terms and conditions of employment."
4. College constitutions must be consistent with other University policies, including Board of Regents' policies and administrative policies that have University-wide application. To the extent any provision of a college constitution conflicts with a University-wide policy, the University-wide policy controls.

This policy supersedes the Regents' Collegiate Constitution Policy adopted January 11, 1991 and the Regents' Policy on Relation of College Constitutions to Contracts adopted March 13, 1987.

- c) Adoption of Regents' Policy on Conflict of Interest, as follows:

#### **REGENTS' POLICY ON CONFLICT OF INTEREST**

##### **I. STATEMENT OF GENERAL POLICY**

The University of Minnesota actively encourages and participates in interaction with both the public and private sectors as an important component of its research, education, and public service activities. The University encourages the recruitment, retention, and recognition of individuals with creative abilities who can contribute to technology transfer and interactions with BUSINESS<sup>1</sup> and public entities consistent with their primary commitment to the University. ACADEMIC EMPLOYEES involved in such interactions may receive personal financial compensation in accordance with the principles and guidelines provided in this policy. Research activities supported by grants, contracts, or GIFTS from public and private entities as well as individuals provide a valuable source of funds, equipment, and topics for University research. Professional interactions, including consulting arrangements, between ACADEMIC EMPLOYEES and public entities and private BUSINESSES advance the University's ability to provide a high-quality research and educational experience for students and enhance

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<sup>1</sup> Definitions of terms appearing in small capital letters are listed in Appendix A.

employment opportunities for students. University licensing of technology, ACADEMIC EMPLOYEE's consulting, assisting in new BUSINESS start-ups, and other forms of technology transfer to both public and private entities are critical to meeting society's needs. The University is committed to fostering the welfare of the State of Minnesota through interaction by the University with other public entities and the private sector.

At the same time, the University and its employees are committed to conducting themselves and University activities in accordance with the highest standards of integrity and ethics. This includes the identification of the potential for conflicts of interest and the assurance that they do not improperly affect University activities. It is the purpose of this policy to set forth the principles for identifying such potential for conflicts and the procedures for reviewing and addressing the potential for conflicts that occur.

## **2 CONFLICT OF INTEREST and EXTERNAL RELATIONSHIPS**

A conflict of interest occurs when an ACADEMIC EMPLOYEE compromises his/her professional judgment in carrying out University teaching, research, outreach, or public service activities because of an external relationship that directly or indirectly affects the FINANCIAL INTEREST of the ACADEMIC EMPLOYEE, any FAMILY<sup>2</sup> member, or any ASSOCIATED ENTITY.

The potential for conflicts arises because of the nature and scope of activities engaged in by the University and its employees. The University assumes that potential for conflicts will occur regularly in the normal conduct of activities. However, it is essential that the significant potential for conflicts be disclosed and reviewed by the University. After disclosure the University can then make an informed judgment about a particular case and require appropriate oversight, limitations, or prohibitions on the activity in accordance with this policy. ACADEMIC EMPLOYEES may not engage in activities in which an actual conflict of interest occurs.

ACADEMIC EMPLOYEES are encouraged to PARTICIPATE in technology transfer activities and interactions with other public entities and with BUSINESS. Such activities, referred to in this document as **external relationships**, may have the potential for conflicts of interest. However, no wrongdoing is implied by the existence of external relationships.

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<sup>2</sup> See definition of FAMILY (IMMEDIATE FAMILY and EXTENDED FAMILY) in Appendix A.

## **Significant Combinations of Activities and External Relationships**

The potential for a conflict of interest arises when certain behaviors on the part of the ACADEMIC EMPLOYEE occur and are coupled to the existence of certain external relationships. Some combinations (Category I below) are assumed to not represent a conflict of interest. Other combinations represent sufficient potential for conflict of interest (Category II below) that they require review and prior approval by the University before the ACADEMIC EMPLOYEE can engage in the activity. Category III below addresses an activity combined with an external relationship that is presumed to be a conflict of interest and is therefore not allowed.

The following is a representative, though not inclusive, list of activities and external relationships covered by this policy. The categories are general guidelines, and application of appropriate review and oversight will always be in accordance with maintaining the full integrity or reputation of the University and its employees within the context of academic freedom.

Any combination of activity and external relationship not specifically represented in Categories I-III that an ACADEMIC EMPLOYEE reasonably believes constitutes a potential conflict of interest must be reported in writing to the ACADEMIC EMPLOYEE's department head.<sup>3</sup> The department head will determine whether the relationship represents an activity requiring further review.

**CATEGORY I - Allowable combinations of activities and external relationships:** The following are not considered conflicts of interest and do not require disclosure. They are allowable, if they are consistent with other policies of the University including the Consulting and Patent and Technology Transfer policies:<sup>4</sup>

a) An ACADEMIC EMPLOYEE receiving royalties and honoraria for published scholarly works, occasional lectures, and other writings or creative works.<sup>5, 6</sup>

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<sup>3</sup> Department head is used as a generic term for the immediate administrator, which is normally the department head, department chair, or director.

<sup>4</sup> This Conflict of Interest Policy does not supersede the "Patent and Technology Transfer Policy" or any future policies on intellectual property.

<sup>5</sup> Products produced for a specific University job assignment are excluded and remain the property of the University.

<sup>6</sup> Consistent with the Academic Personnel Policy on "Use of Educational Materials, the Sale of which Benefits Personally Faculty or Staff Members," the approval of the appropriate department head or dean is required when an ACADEMIC EMPLOYEE selects materials for assignment to University students the sale of which will provide personal income to the employee.

b) An ACADEMIC EMPLOYEE receiving honoraria for serving as a special reviewer or serving on review panels for academic, governmental, or not-for-profit entities.

c) An ACADEMIC EMPLOYEE receiving royalties under the University's or another academic institution's royalty-sharing policies but the employee does not have any other relationship with the royalty-granting entity as specified in Category II.

d) An ACADEMIC EMPLOYEE participating in a Private Practice Plan pursuant to policies adopted by the Board of Regents.

**CATEGORY II - Combinations of activities and external relationships that have the potential for conflict of interest:** The following combinations range from those that are considered to have minimal to moderate potential for conflict of interest (Section A) to those that have a moderate to high potential for conflict of interest (Section B). The activities in Section A are ordinarily allowable following disclosure and, where necessary, the implementation of oversight or other management procedures. The activities and external relationships listed in Section B require case-by-case review and only some of the specific relationships may be approved. Special oversight or management procedures are likely to be required (see Section 3 for disclosure and approval procedures).

**SECTION A - Combinations of activities and external relationships in which there is a minimal to moderate potential for conflict of interest.**

**Research Activities**

a) An ACADEMIC EMPLOYEE participating in research on a technology, process, or product developed in whole or in part by that ACADEMIC EMPLOYEE in which the employee, a member of his/her Immediate Family, or an ASSOCIATED ENTITY is entitled to receive royalties from an existing agreement with a BUSINESS under the University's or another academic institution's royalty-sharing policies, but has no other FINANCIAL INTERESTS in the project.

b) An ACADEMIC EMPLOYEE assigning students, postdoctoral fellows, or other trainees to research projects in which the ACADEMIC EMPLOYEE, a member of his/her Immediate Family, or an ASSOCIATED ENTITY is entitled to receive royalties from an existing agreement with a BUSINESS under the University's or another

academic institution's royalty-sharing policies, but has no other FINANCIAL INTERESTS in the project.

#### **Instructional Activities**

c) An ACADEMIC EMPLOYEE assigning students or other trainees to instructional projects, for example, design projects, in which the ACADEMIC EMPLOYEE, a member of his/her Immediate Family, or an ASSOCIATED ENTITY has a FINANCIAL INTEREST.

**SECTION B - Combinations of activities and external relationships in which there is a moderate to high potential for conflict of interest.**

#### **Research Activities**

a) An ACADEMIC EMPLOYEE participating in clinical trials or evaluation or development of a technology, process, or product owned or controlled by a BUSINESS in which the employee, a member of his/her Family, or an ASSOCIATED ENTITY has a FINANCIAL INTEREST.

b) An ACADEMIC EMPLOYEE assigning students, postdoctoral fellows, or other trainees to projects supported by a BUSINESS (through Sponsored Research or a Gift) in which the ACADEMIC EMPLOYEE, a member of his/her Family, or an ASSOCIATED ENTITY has a FINANCIAL INTEREST, other than royalty income or the entitlement to future royalty income under university royalty-sharing policies.

c) An ACADEMIC EMPLOYEE receiving University-supervised Sponsored Research support or GIFTS (whether in dollars or in kind) for research from a BUSINESS in which he/she, a member of his/her Family, or an ASSOCIATED ENTITY has a FINANCIAL INTEREST, other than royalty income or the entitlement to future royalty income under university royalty-sharing policies.

#### **Board Memberships**

d) An ACADEMIC EMPLOYEE receiving research support (Sponsored Research or a GIFT) from a BUSINESS in which the employee or a member of his/her Family serves on the board of directors or advisory board.

#### **External Activities**

e) An ACADEMIC EMPLOYEE holding an EXECUTIVE POSITION in a BUSINESS engaged in commercial or research activities directly related to his/her University responsibilities.

### **Administrative Responsibilities**

f) An ACADEMIC EMPLOYEE taking administrative action on behalf of the University with respect to the University or any University-affiliated organization that is beneficial to a BUSINESS in which he/she, a member of his/her Family, or an ASSOCIATED ENTITY has a FINANCIAL INTEREST.

g) An ACADEMIC EMPLOYEE taking administrative action on behalf of the University with respect to any supported research activity (Sponsored Research or a GIFT) in which the ACADEMIC EMPLOYEE, a member of his/her Family, or an ASSOCIATED ENTITY has a FINANCIAL INTEREST in the sponsor or donor.

### **Professional Referrals**

h) With the exclusion of consulting activities that conform to the consulting policy, an ACADEMIC EMPLOYEE while acting in the context of his/her University duties making professional referrals to a BUSINESS in which he/she, a member of his/her Family, or an ASSOCIATED ENTITY has a FINANCIAL INTEREST of which the ACADEMIC EMPLOYEE is aware or reasonably should be aware.<sup>7</sup>

**CATEGORY III - A combination of an activity and an external relationship that is prohibited:** The following activity creates a conflict of interest and is not allowed for ACADEMIC EMPLOYEES:

#### **Purchasing goods or services**

a) ACADEMIC EMPLOYEES involved with or who may influence purchasing decisions or contracting on behalf of the University must comply with Minn. Stat. § 15.43, Acceptance of Advantage by State Employee, which is fully set forth in Appendix D.

### **3. IMPLEMENTATION - CONFLICT OF INTEREST**

Successful implementation of this policy assumes a shared responsibility by all ACADEMIC EMPLOYEES and the administration of the University. ACADEMIC EMPLOYEES are expected to comply with all the disclosure requirements described below. Once proposed activities have been administratively reviewed with a plan of action completed and approved, University administration has the responsibility to vigorously defend the activity so long as the ACADEMIC EMPLOYEE complies with the plan of

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<sup>7</sup> Only in special situations should full-time ACADEMIC EMPLOYEES be permitted to engage in this type of activity, for example, when the function is not generally available from other sources and the employee fully discloses his/her relevant FINANCIAL INTEREST to prospective clients.

action, the disclosure requirements, other University policies, and the law.

#### **A. DISCLOSURE REQUIREMENTS**

**Requirements for disclosure of FINANCIAL INTERESTS:** Any time an ACADEMIC EMPLOYEE plans to initiate an activity that may be classified under Category II of this policy, the ACADEMIC EMPLOYEE must obtain approval of the proposed activity before commencing the activity. For the purposes of this policy, disclosure is required when the interest in a BUSINESS by an ACADEMIC EMPLOYEE or by an Immediate Family member exceeds \$5,000 in annual income of all types, equity or ownership interest valued at 1 percent or more, or commitment for any future royalties. Disclosure is also required when an EXTENDED FAMILY member holds an EXECUTIVE POSITION in a BUSINESS, or holds equity or ownership interest valued at ten percent or more in a BUSINESS.

**Disclosure at the time of submitting a proposal for Sponsored Research or receipt of a GIFT:** All ACADEMIC EMPLOYEES must disclose relevant FINANCIAL INTERESTS to their department heads at the time of their application for research support (from internal or external funding sources) or technology transfer, or upon receipt of a GIFT if the proposed falls under the provisions of this policy. Funding for the project will not be accessible to the ACADEMIC EMPLOYEE until the disclosure of FINANCIAL INTEREST is reviewed and approval is given, and other appropriate measures have been implemented in accord with this policy.

**Annual disclosure:** All ACADEMIC EMPLOYEES are required annually to complete and submit to their department heads the Disclosure Form reporting all FINANCIAL INTERESTS related to research activities and consulting activities. Whenever substantial changes occur that the ACADEMIC EMPLOYEE believes may alter the FINANCIAL INTERESTS previously disclosed, an updated form must be submitted within thirty (30) days.

**Disclosure when involved with review or advisory activities:** All ACADEMIC EMPLOYEES must temporarily excuse themselves from any University committee or review process that is considering an activity in which they have a FINANCIAL INTEREST.

In addition, ACADEMIC EMPLOYEES must also disclose to committee chairs or the appropriate administrator any interest (BUSINESS, Financial, or Family) that might cause the employee to compromise his/her judgment while serving as a committee member or making administrative decisions. An example is serving in an

**EXECUTIVE POSITION** for any organization that does business with the University or sets policies or rules that affect the University's activities.

**Disclosure when involved with technology transfer:** When ACADEMIC EMPLOYEES are involved with transferring technology through patents or licensing to a BUSINESS in which the employee has a FINANCIAL INTEREST, the employee must disclose the FINANCIAL INTEREST to the Associate Vice President, Office of Research and Technology Transfer.

**Disclosure to external entities:** ACADEMIC EMPLOYEES must disclose relevant FINANCIAL INTERESTS to sponsors of research and in reporting by either written or oral communication research results.<sup>8</sup> Disclosure must also be made by any employee who makes an appearance, either in person or by way of a written communication, before any public body, commission, group, or individual, to present facts or to give an opinion respecting any issue or matter up for consideration, discussion, or action.<sup>9</sup>

**Additional information:** When considering approval of Category II activities or monitoring Category III activities, the department head, dean, or appropriate academic vice president/vice chancellor may require the ACADEMIC EMPLOYEE to submit additional clarifying information pertinent to the activity under review. This supplemental information will be treated as non-public information to the extent allowed by law.

**Waiving the requirement for disclosure of FINANCIAL INTEREST:** In special situations, ACADEMIC EMPLOYEES may request a waiver of the requirement to file a financial disclosure to participate in a specific activity if they can document that they are not in a position to influence the accuracy of the outcome of the research or the timely and accurate dissemination of the results of the research. A request for a waiver must be submitted to the ACADEMIC EMPLOYEE's department head. The administrative review process should follow the procedure described below for Category II - Section A activities. If the request for the waiver is denied, then the ACADEMIC EMPLOYEE must either comply with the disclosure requirements or not participate in the proposed activity.

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<sup>8</sup> When submitting a paper for publication, an ACADEMIC EMPLOYEE must disclose to the editor any FINANCIAL INTEREST that may be affected by publication. This provision also applies to release of information to news media.

<sup>9</sup> This is taken from the Regents' Policy on "Presenting Testimony - Identification of Affiliations." The intention is to replace that policy by including its basic provisions in the Conflict of Interest Policy and also in the Conflict of Commitment Policy.



## **B. REVIEW OF APPLICATIONS FOR EXTERNAL SUPPORT OR RECEIPT OF GIFTS**

**Review process:** The general purpose of reviews is to assist employees and the University in avoiding or controlling risks to integrity and reputation engendered by such relationships, while at the same time protecting and furthering the interests of employees, the University, and society in the activities supported by Sponsored Research and GIFTs (see Appendix B.1.b for general guidelines for the review process).

**Category II - Section A:** The department head is the responsible administrator for this section. When a department head receives the disclosure form, he/she will consider the appropriateness of the activity and will determine a course of action that will be reported in writing to the dean to whom the department head reports. The dean will either approve the department head's action or submit the disclosure for review following the Category II - Section B procedure. In those instances when the dean does not concur, the activity may not proceed until approval is obtained by the Category II - Section B review procedure. Review and decisions on proposed activities for this section must be completed within twenty (20) working days after the department head receives the written disclosure.

**Category II - Section B:** The dean is the responsible administrator for this section. When a department head receives the disclosure form, he/she will consider the appropriateness of the activity and will recommend a course of action that will be submitted to the dean to whom the department head reports. The dean will refer the proposed activity to the appropriate Conflict Review Committee (described below) with or without his/her specific recommendation. The Conflict Review Committee will either endorse the dean's recommendation or suggest to the dean a course of action. The dean will then determine the course of action for the proposed activity and submit the decision to the academic vice president or vice chancellor to whom the dean reports. The vice president/vice chancellor will either concur or return the plan of action to the dean for revision. For those proposed activities that would benefit from an additional perspective, the vice president/vice chancellor will forward a request to the Vice President for Research to refer the activity to the Public-Private Partnership Committee (PPPC). The advice from the PPPC will be submitted to the dean, who will determine the course of action and submit the decision to the vice president or vice chancellor to whom the dean reports. The vice

president/vice chancellor will either concur or return the plan of action to the dean for revision. Review and decisions on proposed activities for this section must be completed within thirty (30) working days after the department head receives the written disclosure except for those activities referred to the PPPC. The proposed activities that are reviewed by the PPPC must be completed within an additional thirty (30) working days.

**Conflict Review Committees (CRCs):** Each academic vice president or vice chancellor will determine whether the review committee(s) should be organized at the collegiate level or by area (multiple colleges) and, in consultation with appropriate deans, will be responsible for appointing review committee members (see Appendix B). Academic Employees will have the opportunity to meet with the CRC to discuss the situation and possible actions.

**Appeal/reconsideration process:** If an ACADEMIC EMPLOYEE believes the determined course of action is inappropriate, the employee may appeal or ask for the decision to be reconsidered by the dean. The dean will then refer the appeal to the Conflict Review Committee to have the activity reconsidered. Upon completion of the review, the dean will act on the recommendation.

**Record retention:** Each dean will maintain records of all financial disclosure statements filed and all actions taken by the institution, on an award-by-award basis, for at least three (3) years beyond the termination of the award or until resolution of any action by the University or governmental agencies involving the records. All records will be maintained in a manner to protect confidentiality.

#### **C. REPORTING OF PREVIOUSLY APPROVED RELATIONSHIPS**

Each dean annually will submit a written report to the appropriate academic vice president/vice chancellor summarizing all requests and actions regarding Category II external relationships. In addition, the dean must report on ongoing Category II relationships to ensure that management and oversight activities are being carried out as required. These reports will be forwarded by the vice president or vice chancellor to the Vice President for Research for transmission to the Public-Private Partnership Committee, which will review activities for consistency and make suggestions for modification of operating principles and procedures. On behalf of the committee, the Vice President for Research will communicate its recommendations in writing to the vice presidents and vice chancellors, who in turn will communicate in writing with their deans. The Vice

President for Research also will consult with appropriate faculty governance committees regarding proposed changes in the operating principles and procedures.

#### **4. COMPLIANCE**

The University expects ACADEMIC EMPLOYEES to comply fully and promptly with all the requirements of this policy. Breaches of this policy include, but are not limited to, failure to file, intentionally filing an incomplete, erroneous, or misleading disclosure form, or failing to provide additional information as required by the approving authority. A violation of this policy may be the basis for discipline of an ACADEMIC EMPLOYEE. If sanctions are necessary, they will be imposed in accordance with the Regulations Concerning Faculty Tenure and the Academic Professional and Administrative Staff Policies and Procedures. The potential sanctions may include, but are not limited to, the following:

- Letter of admonition;
- Ineligibility of the ACADEMIC EMPLOYEE for grant applications, Institutional Review Board (IRB) approval, or supervision of graduate students;
- Suspension;
- Nonrenewal of appointment;
- Dismissal.

#### **5. OTHER APPLICABLE POLICIES AND LAWS**

The statement of principles contained in this policy complements the provisions of other applicable policies, regulations, and laws. These include Regents' policies on "Patent and Technology Transfer"; "Consulting and Outside Affiliations: Outside Consulting, Service Activities and Other Outside Work"; and the "Faculty and Staff Grievance Procedure." Other relevant guidelines include the "Regulations Concerning Faculty Tenure"; Purchase of Services Policies and Procedures, and applicable state and federal law. This policy is intended to help implement and expand upon these other related requirements.

This policy supersedes all others with respect to matters covered herein.

#### **Appendix A - OPERATING DEFINITIONS**

a) ACADEMIC EMPLOYEE means any person possessing either a full-time (any employee holding an appointment of more than 66 percent time) or part-time academic or staff appointment at the University and includes all persons with the following class numbers:

Academic Administrative 93xx; Faculty 94xx; Minnesota Extension Service 96xx; and Academic Professionals 97xx. Also included in this category are those individuals, whether salaried or not salaried, who on behalf of the University are responsible for writing and submitting grants.

b) An ASSOCIATED ENTITY of an ACADEMIC EMPLOYEE means any trust, organization, or enterprise over which the employee, alone or together with his/her Family, exercises a controlling interest.

c) BUSINESS means any corporation, partnership, sole proprietorship, firm, franchise, association, organization, holding company, joint stock company, receivership, business or real estate trust, or any other nongovernmental legal entity organized for profit, not-for-profit, or charitable purposes.

d) EXECUTIVE POSITION refers to any position that includes responsibilities for a significant segment of the operation or management of a BUSINESS.

e) EXTENDED FAMILY of an ACADEMIC EMPLOYEE includes children who do not qualify as dependents for tax purpose, parents, and siblings.

f) The FAMILY of an ACADEMIC EMPLOYEE includes both Immediate Family and EXTENDED FAMILY.

g) A FINANCIAL INTEREST is an interest in a BUSINESS consisting of: (1) any stock, stock option, or similar ownership interest in such BUSINESS, but excluding any interest arising solely by reason of investment in such BUSINESS by a mutual, pension, or other institutional investment fund over which the ACADEMIC EMPLOYEE does not exercise control; or (2) receipt of, or the right or expectation to receive, any income from such BUSINESS whether in the form of a fee (e.g., consulting), salary, allowance, forbearance, forgiveness, interest in real or personal property, dividend, royalty derived from the licensing of technology or other processes or products, rent, capital gain, real or personal property, or any other form of compensation, or any combination thereof. For the purposes of this policy, disclosure is required when the interest in a BUSINESS by an ACADEMIC EMPLOYEE or by an Immediate Family member exceeds \$5,000 in annual income of all types, equity or ownership interest valued at 1 percent or more, or commitment for any future royalties. Disclosure is also required when an EXTENDED FAMILY member holds an EXECUTIVE POSITION in a BUSINESS, or holds equity or ownership interest valued at 10 percent or more in a BUSINESS.

h) GIFT means an unrestricted donation of assets to the University or any portion of the University. The donor may specify the general purpose for which the GIFT may be used, but there may be no other terms and conditions concerning the use of such assets. Assets may be in the form of cash, securities, tangible personal property, partnership interests, or pledges for acceptable assets that are assigned to the University. For the purposes of this policy, disclosure is required when (a) a GIFT is from a BUSINESS in which an ACADEMIC EMPLOYEE has a FINANCIAL INTEREST or (b) the value of the GIFT exceeds \$1,000 in a given year.

i) IMMEDIATE FAMILY includes the ACADEMIC EMPLOYEE's spouse or domestic partner, and children who qualify as dependents for tax purposes.

j) Participate means to be part of the described activity in any capacity, including, but not limited to, serving as the principal investigator, co-investigator, research collaborator, or provider of direct services or patient care. The term is not intended to apply to individuals who provide primarily technical support or who are purely advisory, with no direct access to the data (e.g., control over its collection or analysis) or, in the case of research with human subjects, to the study participants, unless they are in a position to influence the study's results or have privileged information as to the outcome.

k) Sponsored Research means research, training, and instructional projects involving funds, materials, or other compensation from outside sources under agreements that contain any of the following: The agreement binds the University or an affiliated institution to a line of scholarly or scientific inquiry specified to a substantial level of detail; a line-item budget is involved; financial reports are required; the award is subject to external audit; unexpended funds must be returned to the sponsor at the conclusion of the project; or the agreement provides for the disposition of either tangible or intangible properties that may result from the activity.

#### **Appendix B - CONFLICT REVIEW COMMITTEES**

##### **1) Conflict Review Committees**

###### **(a) Formation and Membership**

Academic vice presidents and vice chancellors will form one or more Conflict Review Committees (CRCs) for their

areas to review the potential for conflicts of interest respecting Sponsored Research, funding and GIFTS. Committees may be organized by area (multiple colleges) or for particular colleges where the number of such cases or their nature justify a separate committee. Three-quarters of the voting membership of each CRC will be faculty members from the area or college(s) to be served. The remaining one-quarter of the voting members will include faculty from outside the college(s) and representatives from outside the University. Some of the members should be individuals who have participated in approved external relationships. Each CRC will also include nonvoting staff representation from the Office of Research and Technology Transfer. The academic vice president/vice chancellor will decide on the composition of each CRC and select its members in consultation with the appropriate deans.

**(b) Guidelines**

The principal objective for the review committees and responsible administrators is to help guard ACADEMIC EMPLOYEES and the University from engaging in activities where the risk to integrity and reputation as a result of an external relationship outweighs the value of the activity to academic and societal goals. Relevant factors for the review committees and responsible administrators to consider are the size of the FINANCIAL INTEREST, when the relationship commenced, whether the conditions of the relationship have changed during the past year, the likelihood of actual conflict (will the results of the activity likely be affected by or affect the FINANCIAL INTEREST), mechanisms to ensure integrity (peer review, other independent research sites, and independent monitors or controls), the importance of the proposed activity, and the availability of alternatives to avoid the conflict or apparent conflict.

One possible recommendation as a result of the review is approval of the activity as proposed if it is concluded that the potential for conflict is so remote or inconsequential that there is minimal probability for biasing the objectivity of the activity. Other possible recommendations are to require periodic peer review of the activity (oversight) by individuals independent of the ACADEMIC EMPLOYEE, outside monitors for the activity, divestiture of the FINANCIAL INTEREST, modification of the plan of work, or assignment of different ACADEMIC EMPLOYEES without a FINANCIAL INTEREST to control the activity. To the extent possible and reasonable under the circumstances, and in light of the importance of the activity, the review committees and responsible administrators will work with ACADEMIC EMPLOYEES to develop means for the activity to take place while

protecting the integrity and the reputation of the ACADEMIC EMPLOYEES and the University. In special circumstances upon receiving advice from the PPPC, the academic vice president/vice chancellor may approve the activity for a limited period of time due to the potentially great benefit from the activity even though there is a high potential for conflict of interest.

## **2) Public-Private Partnership Committee**

### **(a) Formation and Membership**

The Vice President for Research will form a Public-Private Partnership Committee (PPPC) to advise the University administration on complex ethical issues that cannot be resolved by direct application of existing policies. Although some members of this committee will be drawn from within the University to provide relevant information and guidance, the majority will represent a broad spectrum of constituencies outside the University.

### **(b) Guidelines**

The PPPC will provide advice on how to handle proposed activities that require an additional perspective beside that provided by the CRC. The PPPC will also annually perform a retrospective review of all decisions involving Category II relationships and provide advice on how policies and procedures might be modified to maintain the integrity of the institution. The Vice President for Research will serve as the liaison between the PPPC and the other vice presidents/vice chancellors. The Vice President for Research also will confer with appropriate faculty governance committees regarding proposed changes in the operating principles and procedures.

## **Appendix C - EXISTING RELATIONSHIPS**

This policy takes a broader view of the potential for conflict of interest and contains more stringent guidelines than the policy it replaces. As a result, it is expected that certain existing relationships of ACADEMIC EMPLOYEES will have to be modified. In order to implement the policy, ACADEMIC EMPLOYEES must disclose all existing external relationships to department heads for review as specified in Section 3. This provision also applies to all new ACADEMIC EMPLOYEES hired after this policy is adopted. The following section sets forth transitional rules for removing identified conflicts. They apply to activities department heads and deans have determined to be unallowable.

### **Mechanisms for Remediation**

If a department head or dean decides an existing combination of an activity and external relationship is unallowable, the ACADEMIC EMPLOYEE can do any of the following to remove the potential for conflict of interest:

- \* **Divestiture of FINANCIAL INTERESTs in publicly traded BUSINESSES:** Within three months following the administrative decision, the ACADEMIC EMPLOYEE must divest at least 75 percent of relevant stock holdings; 100 percent of the stock must be divested by the end of the sixth month.
- \* **Divestiture of FINANCIAL INTERESTs in privately held BUSINESSES:** The ACADEMIC EMPLOYEE will be required to divest himself/herself of his/her interest at the earliest reasonable time in the judgment of the department head or dean. The University must be assured that the ACADEMIC EMPLOYEE will not be obligated to future activities or responsibilities for the BUSINESS.
- \* **Retaining FINANCIAL INTERESTs but withdrawing from University activity:** In lieu of divestment of a FINANCIAL INTEREST, an ACADEMIC EMPLOYEE may retain the interest and instead discontinue the University activity in question. In such circumstances the ACADEMIC EMPLOYEE may continue to participate in the research for a period not to exceed six months following notification that the combination of activities and external relationships is not approved. Under such circumstances, the implementation of appropriate monitoring procedures may be warranted during such period.
- \* **Resigning or taking a leave from an EXECUTIVE POSITION in BUSINESS related to an ACADEMIC EMPLOYEE's University activity:** A full-time ACADEMIC EMPLOYEE with an EXECUTIVE POSITION in a BUSINESS that is deemed unallowable must resign or take a leave of absence from the position within a period determined to be reasonable under the circumstances. In no case will this period exceed six months from the determination that the relationship is not acceptable. In making these arrangements, efforts will be made to minimize the disruption the change might create for the parties involved.



**Appendix D - MINN. STAT. 15.43, ACCEPTANCE OF  
ADVANTAGE BY STATE EMPLOYEE**

Subdivision 1. Financial interest of agents. No employee of the state or of the University of Minnesota in direct contact with suppliers or potential suppliers to the state or the university, or who may directly or indirectly influence a purchasing decision or contract by establishing specification, testing purchased products, evaluating contracted services, or otherwise has official involvement in the purchasing or contracting process may:

- (1) Have any financial interest or have any personal beneficial interest directly or indirectly in contracts or purchase orders for goods or services used by, or purchased for resale or furnished to a department or agency of the state or the university; or
- (2) Accept directly or indirectly from a person, firm, or corporation to which a contract or purchase order has been or may be, awarded, a rebate, gift, money, or anything of value other than items of nominal value. No such employee may further accept any promise, obligation or contract for future reward.

Subd. 2. Textbooks exempted. Textbooks authored by an employee of the state's education systems or of the University of Minnesota may be used as required course material upon receipt of written approval from the head of the department. Instructors in state institutions and at the university may accept free samples of textbooks and related teaching materials.

Subd. 3. Other exemptions. The commissioners of human services and corrections, and the chancellors of the state university and community college systems may by rule prescribe procedure for the acceptance of gifts from any person or organization, provided that such gifts are accepted by the commissioner or chancellor, or a designated representative of the commissioner or chancellor, and that such gifts are used solely for the direct benefit of patients, inmates or students under the jurisdiction of the accepting state officer.

Subd. 4. Penalties. A violation of this section is a misdemeanor.

History: 1973 c 349 s 2; 1973 c 400 s 1; 1975 c 321 s 2; 1982 c 560 s 7; 1984 c 654 art 5 s 58; 1986 c 444

This policy supersedes Regents' Policies on Disclosure of Conflict of Interest, adopted May 13, 1988; and Presenting

Testimony - Identification of Affiliations, adopted March 9, 1973.

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

Regent Peterson reported that the committee reviewed information on the Institute of Agriculture, Forestry & Home Economics as part of the Academic Report Series.

#### **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 and contained in the docket material.
- b) Approval of the Director of Audits Status Report as presented to the committee and contained in the docket material.

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

Chair Hogan reported that the committee reviewed the External Auditor's Report, the Report on KPMG Peat Marwick External Review of the Supercomputer Center, and a request for proposal for the External Auditor's Contract.

#### **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.

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

#### **RESOLUTIONS TO CONDUCT NON-PUBLIC MEETINGS OF THE BOARD OF REGENTS TO DISCUSS UNIVERSITY HOSPITAL MARKETING ACTIVITY AND ATTORNEY-CLIENT PRIVILEGED MATTERS**

Chair Keffeler moved the following resolutions:

RESOLVED, that on the recommendation of the President and the General Counsel and as provided by Minnesota State Statute 144.581 Subd. 5, a non-public meeting of the Board of Regents be held on Friday, April 8, 1994 at 11:00 a.m. in the Regents' Room, 238 Morrill Hall, for the purpose of discussing University of Minnesota Hospital and Clinic marketing activity and contracts.

**RESOLVED**, that on the recommendation of the President and as provided by Minnesota State Statute 471.705 Subd. 1d, a second non-public meeting of the Board of Regents be held following the non-public meeting to discuss Hospital marketing activity and contracts on Friday, April 8, 1994, in the Regents' Room, 238 Morrill Hall, for the purpose of discussing attorney-client matters.

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

The meeting adjourned at 10:50 a.m.

*Barbara Muesing*

**BARBARA MUESING  
Executive Director &  
Corporate Secretary**

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Committee of the Whole**

**April 26, 1994**

Forums for feedback were held by the Committee of the Whole of the Board of Regents on Tuesday, April 26, 1994, in the Regents' Room, 238 Morrill Hall.

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

Staff present: President Hasselmo; Senior Vice President Erickson; and Associate Executive Director Janzen.

Student Representative present: Rachael Paulose.

Meeting with the Committee of the Whole at 4:30 p.m. were representatives from the faculty. The session was opened with a summary presentation by Professor Judith Garrard, Chair of the Faculty Consultative Committee, followed with presentations by John Adams, Robert Bruininks, Judith Garrard, Kenneth Heller, and Irwin Rubenstein.

Meeting with the Committee of the Whole at 5:15 p.m. were representatives from the Civil Service Committee. Presentations were given by Susan Carlson Weinberg, Larry Etkin, James Gregory, Carol Siegel, and Karen Stutelberg.

Meeting with the Committee of the Whole at 5:45 p.m. were representatives from the Academic Staff Advisory Committee. Presentations were given by Harriett Haynes, Chair, Kathryn Sedo, Gerald Rienhart, Earl Nolting, and Charlene Mason.

After a recess, the following individuals addressed the Committee of the Whole at an Open Forum beginning at 7:00 p.m.:

**Barb Nesheim**  
University Employee representing AFSCME Clerical Union  
Topic: U2000 Issues - cutbacks

**Joe Burns**  
University Hospital Employee representing AFSCME  
Topic: Budget

**Cecil Smith**  
University Graduate Student representing GAPSA  
Topic: Tuition and Fees

**Love Goel**  
Student Consultative Committee  
Topic: Budget

**Aaron Roberts**  
CLA Student Board  
Topic: Spending for Undergraduate Education and  
Reallocation of SIP Money

**Sheila Corbett & Mark Paulson**  
Candidates for MSA President and Vice President  
Topic: Tuition Issues

**Peter Swanson**  
Representing Students Against Fee Excess  
Topic: General Amount of Fees

**Matt Heikes**  
Representing University Speaker Series  
Topic: Appeal of Fee Request for  
University Speaker Series

**Denise Tolbert**  
University Student  
Topics: 1) Student Service Fee and 2) Composition and Foreign  
Language Changes

**Ryan Peterson**  
College of Pharmacy Student  
Topic: Tuition Hike

**Todd Niemor**  
Institute of Technology  
Topic: Institute of Technology Computing Fee

**Brian Mielke**  
Institute of Technology Student Senator  
Topic: Computer Fee Proposed by IT Deans

**Norman Kerr**  
Professor, College of Biological Sciences  
Representing CBS Educational Policy Committee  
Topic: Undergraduate Tuition Differentials between Colleges

**Archibald Leyasmeyer**  
Professor, Department of English  
Topic: Process; Recommendations for Composition Requirement

**William Rankin and Kim Surgan**  
Representing Composition Program  
Topic: Proposed CLA Cuts in Upper Division Composition  
and Foreign Language

**Andres Moreno**  
Spanish & Portuguese Department  
Topic: CLA Retrenchment & Budget Cuts

**Burton Paulu**  
University of Minnesota Retirees Association  
Topic: U of M Pensions

Anne Sales  
Topic: Report of Task Force on User Friendliness

The meeting adjourned at 8:20 p.m.

*Barbara Muesing*

**BARBARA MUESING**  
**Executive Director and**  
**Corporate Secretary**