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**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

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

November 12-13, 1992

Office of the Board of Regents

220 Morrill Hall

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

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

November 12-13, 1992

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

November 12, 1992

A meeting of the Audit Committee of the Board of Regents was held on Thursday, November 12, 1992, at 7:35 a.m. in Room 170, Humphrey Center.

Regents present: Regent M. Page, presiding; Regents Craig, Keffeler, and Kuderer.

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice President Pfutzenreuter; Assistant Vice President Cram; Director of Audits Patrick Spellacy.

Student Representative present: Karen Schlangen and Brian Swanson.

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

SENIOR VICE PRESIDENT'S QUARTERLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Quarterly Report.

The following items of discussion were included in the report:

- An update concerning the progress and status of internal controls since the implementation of the Financial Management System (CUFS).

Senior Vice President Erickson reported that the year-end close was challenging. However, with the implementation of a system the size of CUFS, this was not unexpected for the first closing. He recognized Carole Fleck and Sarah Scattergood for their significant work on the year-end closing. He reported that, after one year of operation, many issues are left to be resolved and stated that under the leadership of the new Associate Vice President for Budget and Finance, these issues will be addressed.

- Staffing issues in the Internal Audit Department

Senior Vice President Erickson reported that, after evaluation, it has been determined that resources in the Internal Audit Department are inadequate. As a result of that evaluation, two new auditor positions have been added and one additional electronic data position will be added in the near future.

- **CUFS Remedial Action Plan**

Senior Vice President Erickson presented a summary of the CUFS Remedial Action Plan, indicating that this plan has been prepared to complete many of the implementation tasks that were not completed when the Financial Management system project was concluded. The purpose of the plan is threefold: 1) to allow the University to protect and capitalize on its investment in the CUFS software package; 2) to use the system as a tool to effectively manage the University's financial resources; and 3) to build a foundation for future University initiatives on the financial agenda.

The committee engaged in an extended discussion.

Regent Keffeler asked when the University will be in a position to provide the variance reports needed by the Board for basic oversight.

Senior Vice President Erickson reported that variance reports will be available for the next quarter, however, variance reports on day to day budgeting will not be available for at least one year and perhaps several years. In response to a further question, he reported that it should be easier to monitor these reports on a systematic basis now that CUFS has been in use for a year.

Regent Keffeler asked if augmentation of resources could accelerate progress on this issue.

Senior Vice President Erickson responded that resources for this project are being reexamined and that he is committed to moving as rapidly as possible, adding that he does not want anyone to be overly optimistic that the problems can be solved in a short period of time.

In answer to another question, Senior Vice President Erickson reported that the reports generated by the new system are being used and were utilized to prepare the 1992-93 budget.

- **Followup on Internal Audit Report on Bank Reconciliations**

Senior Vice President Erickson called on Michael Volna, Business Services, to provide an update on the Bank Reconciliation Audit Report. Mr. Volna reviewed the issues that were identified in the internal audit as unresolved as of May 31, 1992 and as of June 30, 1992, indicating that many of those items have now been resolved. For the items outstanding, Mr. Volna provided explanation and noted the risks related to the unresolved amounts. He also noted that the system is being modified to avoid this problem in the future.

In answer to a question, Mr. Volna stated that the risks that he has examined to date are minimal, however, the volume of errors is not to be taken lightly. He added that the situation arose when CUFS was implemented and is an example of stabilization problems being experienced in the CUFS project. Modifications are being implemented to eliminate the risk in the future.

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

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

Patrick Spellacy, Director of Audits, presented the Quarterly Report on internal audit activity including audits issued since July 9, 1992, those in progress, and changes to the audit plan.

Mr. Spellacy provided an update on audits issued since the last report of July 9, 1992, including:

Office of Minority and Special Student Affairs Follow Up
Bank Account Reconciliation
Interim Report - Richard Condie
Mineral Resources Research Center
Duluth - Housing

Mr. Spellacy reported that with regard to the audits for Richard Condie and the Mineral Resources Research Center, both internal and external auditors are working on the investigation to produce final reports. He noted that President Hasselmo will be present a more detailed report on the Minnesota Anti-Lymphocyte Globulin (ALG) Program at a meeting of the Committee of the Whole scheduled for 9:30 a.m., indicating that the investigation is continuing to be pursued aggressively.

Mr. Spellacy reported that he will report changes to his audit schedule at the January 1993 meeting.

With regard to the plan for monitoring decentralization of Financial Management, Mr. Spellacy reported that substantial progress has been made towards its implementation since July and briefly reviewed some of that progress.

Mr. Spellacy also reviewed a summary of the University's Quarterly Compliance Report, indicating that the overall compliance rate for the quarter was 96 percent. He noted that all 62 unauthorized bank accounts noted in the June 1992 report have been corrected. He reported that the Medical School was not asked to provide a status report of recommendations related to the ALG program as a follow-up audit on the issue is in process.

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

Regent Keffeler asked Mr. Spellacy to consider scheduling audits for the Foundations and other related entities as well as the Medical Practice Plan.

Mr. Spellacy responded that he would like committee input on this issue and would recommend that the issue be a part of the discussion at the January meeting.

Mr. Chronister concurred with this recommendation.

Senior Vice President Erickson commended Mr. Spellacy and members of the Audit Department for their aggressive efforts during the past months on the critical issues that have arisen.

The committee voted unanimously to recommend approval of the Director of Audits Quarterly Report.

EXTERNAL AUDITOR'S REPORT

Messrs. Mark Chronister, Miles Everson, and Jon Killmer, from Coopers & Lybrand, presented an update on the status of external audit activities.

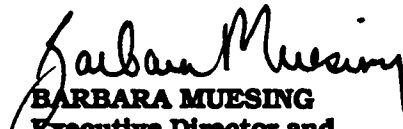
Mr. Killmer spoke briefly on preparation of the Report on Audit of Financial Statements for the year ended June 30, 1992, indicating that the report is in its final stages of preparation. He added that due to the implementation of CUFFS, this audit was the most difficult one they have had to perform.

Mr. Chronister provided an explanation on details in the report relating to significant audit adjustments, management estimates, and difficulties encountered in performing the audit. He reported that a draft of the Report to Management will be delivered to University administration by December 4, 1992 and the final letter and management response will be complete by the January 1993 meetings.

With regard to the financial statements, Mr. Chronister called attention to several significant accounting policies and unusual transactions that represented changes from last year's report which will be contained in the footnotes of the report.

Miles Everson provided a comparison of the 1992 financial statements with statements from 1991. Current Funds revenues, expenditures and mandatory transfers for the past five years were also provided.

The meeting adjourned at 9:10 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

November 12, 1992

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, November 12, 1992, at 3:40 p.m. in Room 300, Morrill Hall.

Regents present: Regent Roe, Chair; Regents Craig, and Wynia.

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

Student Representatives present: Becky Fritel and Brian Swanson.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for October 1992. A motion was moved and seconded to recommend approval of the report.

As part of the report, a brief update on the capital budgeting process was presented. A summary of the process and a proposed timetable were reviewed. Associate Vice President Markham reported that Capital Budget instructions to Vice Presidents and Vice Chancellors were distributed in September. Written descriptions and justifications of ranked capital needs in each area were returned to the Budget Office in October. Ms. Markham reported that 500 requests were submitted. Currently, needs and proposed capital projects are being analyzed and defined. Capital Budget Principles will be presented in December for discussion. The Capital Improvements Advisory Committee will hold hearings in early 1993 and will recommend a prioritized list of proposed capital projects. Presentation of the Capital Improvement Program will be scheduled for review in May 1993 with action requested in June 1993.

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

PROJECTS PREVIOUSLY SUBMITTED FOR INFORMATION

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

- a. Agricultural Utilization Research Institute
Crookston Campus
Estimated cost of the project: \$590,000
Funding: 1990 Legislative Appropriation
Estimated completion date: December 1993

**REAL ESTATE TRANSACTIONS PREVIOUSLY
SUBMITTED FOR INFORMATION**

The committee voted unanimously to recommend approval of the following resolutions relating to real estate transactions previously reviewed:

- a) **Five-Year Lease Extension for Agricultural Utilization Research Institute, Crookston, Campus**

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute a 5-year extension of the lease with the Agricultural Utilization Research Institute (AURI) for its use of space in Owen Hall at the Crookston campus.

- b) **Ten-Year Lease Extension for Ramsey County Historical Society's Gibbs Farm, Falcon Heights**

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute a 10-year extension of the lease with the Ramsey County Historical Society providing for its continued use of approximately six acres of University land located at the northwest corner of the intersection of Larpenteur and Cleveland Avenues, Falcon Heights, for its Gibbs Farm.

- c) **Sale of Parker Sanders Duluth Property**

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 Parker Sanders Duluth Property to Steve Dronen for the sum of \$300.

PROJECTS PRESENTED FOR INFORMATION

**19th Avenue Parking Ramp
Twin Cities Campus**

The committee reviewed a proposal to construct a parking ramp on 19th Avenue located on the West Bank of the Twin Cities campus. Director Linda McCracken-Hunt provided details of the proposed project indicating that the ramp will provide 500 parking spaces, elevators and stairs, and will include parking for handicapped vans. The ramp will have a mix of contract parking for University personnel and public parking, which would be available as daily rate or hourly parking. The estimated cost of the project was reported to be \$5.5 million with funding to be provided from a combination of Parking Services revenues and an internal loan. Estimated completion is August 1994.

A discussion ensued regarding parking needs of the University and the surrounding community. Assistant Vice President Tschida provided a brief summary of a recent parking and transit study and Associate Vice President Hewitt reported on the history of the project. Senior Vice President Erickson stated that while there is a high demand for parking, the University is also

trying to be environmentally conscious by promoting car pooling and the use of mass transit.

In answer to a question from Student Representative Swanson, it was reported that quarterly contract parking is available for commuter students as well as for students living in residence halls.

**Fisheries and Aquaculture Facility
(Agricultural Engineering Shops Renovation)
St. Paul Campus**

The committee reviewed a proposed project that will provide an aquatic holding facility to be located in the south bay of the Agricultural Engineering Shops Building. The holding facility will occupy 9,680 assignable square feet for fish tanks, office space, laboratories, storage, mechanical space, and water treatment areas. Estimated cost of the project was reported to be \$1,329,000 with funding to be provided from a Transgenic Fish Account, a Legislative commission on Minnesota Resources Account, Fire and Life Safety funds, and a Program Accommodations Remodeling Fund. Estimated completion is September 1993.

It was noted that the existing Agricultural Engineering Shops equipment in this area will be consolidated into other areas of the building to accommodate the new holding facility.

**Domestic Water Pipe Replacement
Duluth Campus**

The committee reviewed a proposed project to replace existing galvanized domestic hot and cold water piping, fittings, and steel valves on the Duluth campus. Existing asbestos insulation will be abated as required and new piping will be insulated. Buildings in order of priority of need of pipe replacement were noted and it was reported that the number of buildings completed will be dependent on asbestos abatement required and bids received for pipe replacement. Estimated cost of the project was reported to be \$2,048,000 with funding to be provided from a 1992 legislative appropriation for Fire and Life Safety. Estimated completion for all buildings is August 1994.

REAL ESTATE TRANSACTIONS PRESENTED FOR INFORMATION

**Purchase of Land at 1820 Riverside Avenue
Minneapolis, Minnesota
Twin Cities Campus**


The committee reviewed a proposal for the purchase of property at 1820 Riverside Avenue in Minneapolis. It was reported that the property is approximately 330 square feet in size and would be required to provide an additional entrance, as requested by the city of Minneapolis, to the 19th Avenue South Parking Ramp which is under review by the committee. The property is currently improved with a sidewalk.

**Sale of Former Dormitory Buildings
Waseca Campus**

The committee reviewed a proposal to sell three buildings that are former dormitories located on the Waseca Campus. It was reported that an offer

has been made and that the University plans to offer this property for sale by public bid. The results of the bid process would be submitted to the Board of Regents for approval of the high bid. The property consists of approximately 6.12 acres of land with three separate buildings containing 47 apartment units. The buildings are two-story structures that were constructed in 1976, 1978, and 1980, and are connected by a common passageway. Appraisals of the property are in process.

The meeting adjourned at 4:40 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Financial Operations & Legislative Committee

November 12, 1992

A meeting of the Financial Operations & Legislative Committee of the Board of Regents was held on Thursday, November 12, 1992, at 2:10 p.m. in Room 300, Morrill Hall.

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

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice President Paschke; and Director of State Relations Peterson.

Student Representative present: Courtney Jaren .

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for November 1992. A motion was moved and seconded to recommend approval of the report.

As part of his report, Senior Vice President Erickson introduced Jane Thomas who is in charge of the Small Business Procurement Program, who briefly addressed the committee reporting on the accomplishments from fiscal year 1991-92. Ms. Thomas reported that state statute requires the University to require a minimum purchase award goal of 20 percent from small businesses, small targeted group businesses (minority or women owned), and small economically disadvantaged businesses (labor surplus/low income counties). For fiscal year 1991-92, the University's goal was \$13 million, with \$22.7 million being the actual amount awarded, equaling 175 percent of the goal.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for October 1992.

PURCHASE OF GOODS/SERVICES OVER \$250,000

Senior Vice President Erickson presented the proposed pending purchases/contracts over \$250,000 for approval. A motion was moved and seconded to recommend approval of the proposed contracts included in the docket materials as follows:

- To award the 5th year of a potential 5 year contract to Midwest Business Products for computer supplies for distribution through University Stores from January 1, 1993 through December 31, 1993 at an annual volume of \$400,000.

The committee voted unanimously to recommend approval of the proposed pending purchases/contracts over \$250,000 as presented.

QUARTERLY MANAGEMENT REPORT


Senior Vice President Erickson presented the quarterly management report as of September 30, 1992. Director Carole Fleck was present to respond to any questions. It was noted that a request had been made at the Audit Committee earlier in the day that more narrative be provided in the report each quarter on issues that may be of concern to the committee members. Ms. Fleck reported that the next quarter report in December will provide the first comparison of figures since the new CUFS system was implemented. At the request of Regent Page, Senior Vice President Erickson provided a brief update on the implementation of CUFS, indicating that after the first year of operation, there are a number of issues that need to be reevaluated to determine if changes or modifications should be made. In addition, a program has been initiated to stabilize the CUFS system to provide better customer service.

LEGISLATIVE STRATEGY

Donna Peterson, Director of State Relations, presented an update on legislative activity. She reported that there are 40 new legislators as a result of the November election. An invitation has been extended to those legislators to come to the University November 18 for a tour of the campus. The program will include presentations on the teaching, research and service activities of the University, as well as undergraduate programs and initiatives. Ms. Peterson will personally visit any legislators unable to attend with the goal of contacting all 40 before the legislative session begins. She further reported that a list of all the legislators will be provided as soon as offices have been assigned. The House and Senate are currently in the process of reorganization and when committee structure and members have been decided, she will provide that information to the Regents.

Ms. Peterson reported that a hearing was held on November 3 with the Minnesota Department of Finance, indicating that the message from the Department was essentially that there is no money. She stated that this meeting was the first step in the legislative request process and she will keep the committee apprised as the process continues.

The meeting adjourned at 2:35 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

November 12, 1992

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, November 12, 1992, at 3:40 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Senior Vice President Infante; Vice Presidents Hopkins and Hughes; Executive Director Muesing; Associate Vice Presidents Barbatsis, Carrier, Johnson, and Perlmutter; Assistant Provost Spector; Assistant Vice President Tschida.

Student Representatives present: Courtney Jaren and Sara Nienow.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Infante presented the Senior Vice President's Monthly Report, which was included in the docket materials, to the committee for approval. He introduced Tom Etten, who was recently appointed to serve as the University's Federal Liaison Officer. Dr. Infante noted that Dr. William Wells has been appointed as the first holder of the Mithun Land Grant Chair in Advertising.

Dr. Infante reported on an initiative to provide all University faculty, staff, and students registered in a degree program with a free Electronic Mail (E-Mail) account. He noted that this initiative has raised privacy issues, and stated that a policy to address those issues may be developed in the future. In response to Regent Keffeler, Dr. Infante stated that it would be possible for Regents to receive an E-Mail account.

Dr. Infante discussed Campus Preview Days, presented a status report on administrative searches, and reported on progress toward making the Twin Cities campus smoke-free beginning in August 1993.

Regent Reagan moved approval of the Senior Vice President's Monthly Report, and the motion was seconded by Regent Keffeler. The committee voted unanimously to recommend approval of the report.

CIVIL SERVICE RULES CHANGES

Senior Vice President Infante presented the proposed Civil Service Rules changes to the committee for approval.

Regent Reagan moved approval of the Civil Service Rules changes, and the motion was seconded by Regent A. Page. The committee voted unanimously to recommend approval of the following resolution:

WHEREAS, the Civil Service Rules Committee has, over the course of the past three years, solicited proposals for proposed changes to the Civil Service Rules from University of Minnesota academic and civil service employees, supervisors, and managers; and

WHEREAS, public hearings have been held to discuss the final proposed changes; and

WHEREAS, the Civil Service Committee and central administration of the University of Minnesota have come to agreement on the appropriate changes to be made, at this time, to the Civil Service Rules (a complete copy of which is available in the Board of Regents' Office); and

WHEREAS, according to the Board of Regents' Policy on Board Operation and Agenda Guidelines, regental approval of proposed changes to the Civil Service Rules 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 the Civil Service Rules changes as outlined in the docket for October 8, 1992.

REPORT TO THE LEGISLATURE REGARDING SECURITY AND TRAINING PLAN ON VIOLENCE AND SEXUAL HARASSMENT

Senior Vice President Infante presented a University System Plan for Campus Security and Training on Sexual Harassment and Violence, which was prepared in response to legislation directing all Minnesota post-secondary institutions to strengthen programs relating to sexual harassment and violence. Following approval by the Board of Regents, he stated that the report will be submitted to the Higher Education Coordinating Board.

Dr. Infante reviewed plans to train all members of the University community, beginning with members of the President's Cabinet. He also discussed the significant costs associated with meeting the legislative mandate, in addition to the time commitment of all University personnel involved in the training programs. In response to Regent Sahlstrom, Dr. Infante stated that a training plan for all members of the University community must be in place by May 1994.

Vice President Hughes and Assistant Provost Spector discussed strategies to implement the plan system wide, noting that a pilot program will be completed and evaluated by 1994. To address the challenges associated with the training plan, Dr. Spector discussed a proposal to appoint a staff person with expertise in this area and an internal committee to work with that person. However, she noted that the University is ahead of other systems because training and educational programs are already in place.

Regent Reagan indicated that training should start with the Board of Regents, and stated that he hopes all members of the University community understand the magnitude of the problem and volunteer their expertise to keep the costs down. Regent Sahlstrom concurred with Regent Reagan, and suggested that the University should cooperate with the other systems on this project.

Assistant Vice President Tschida and Bob Baker, Manager of Parking Services, responded to concerns expressed by Student Representative Jaren regarding safety on campus and plans to monitor all parking facilities and install an emergency telephone on the Washington Avenue pedestrian bridge. In response to Regent Sahlstrom, it was noted that all 911 emergency calls made on campus go directly to the University Police Department. In response to Regent Rosha, Mr. Baker discussed the maintenance schedule for security devices located on campus.

Following the discussion, Regent Sahlstrom expressed appreciation to everyone who participated in the presentation.

ANNUAL SUMMARY OF ACADEMIC PERSONNEL ACTIONS


Senior Vice President Infante led the discussion regarding the annual summary of academic personnel actions. He indicated that the administration is committed to providing a comprehensive analysis of the data for the Board.

Associate Vice President Carrier discussed the types of personnel appointments within the University and compared the academic staff profile for 1990, 1991, and 1992. She stated that although there has been an overall downward trend in hiring, there has been an increase in the number of minority females hired. Dr. Carrier reviewed statistics relating to promotion and tenure and external consulting, noting that approximately 19 percent of eligible faculty and staff engaged in consulting activities. She noted that a special committee has been established to review the consulting policy and the conflict of interest policy.

Dr. Carrier reviewed data regarding academic leaves, noting that the single quarter leave program is the most popular option, and individuals compete for available leaves. She noted that the full-year sabbatical leaves at half pay are not an attractive option for many people, and possible enhancements are being considered to make that program more attractive. Dr. Infante noted that he is reviewing alternatives to the current leave programs, and proposed changes will be discussed with the faculty.

Regent Sahlstrom stated that the report included in the docket materials was very comprehensive, and he thanked Dr. Infante and Dr. Carrier for their report.

The meeting adjourned at 4:50 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning and Policy Committee

November 12, 1992

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, November 12, 1992, at 2:00 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Craig, presiding; Regents Keffeler, A. Page, Reagan, and Roe.

Staff present: Chancellor Sargeant; Senior Vice President Infante; Vice Presidents Hopkins and Petersen; Executive Director Muesing; Associate Vice Presidents Perlmutter and Skaggs.

Student Representatives present: Darius Casey, Rachel Paulose, and Karen Schlangen.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Infante presented the Senior Vice President's Monthly Report, which was included in the docket materials, to the committee for approval. He noted the following items:

- Establishment of the Twin Cities Campus Tuition Advisory Committee to ensure that students are informed of and involved in discussions regarding tuition and financial aid
- Appointment of the Distance Education Policy and Planning Committee, which is chaired by Hal Miller, Dean of Continuing Education & Extension
- Statement of Purpose for the University Art Museum, which is required of each unit within the University
- Continuing progress on the Minnesota Transfer Curriculum in cooperation with the other higher education systems in the state
- Continuing activities of the Council on Liberal Education and two new outreach programs being offered by the School of Dentistry
- External Review Committee Report on the Department of Agronomy and Plant Genetics
- Conference on University-Industry Research: Practical Approaches to Balancing Public and Private Trusts, scheduled for November 19, 1992 at the Humphrey Center

- Consideration by the Faculty Consultative Committee of changes in the conflict of interest policy, followed by review by the Faculty Senate, and continuing discussions regarding the issue of faculty workload
- Approval of program proposals by the Minnesota Higher Education Coordinating Board on October 15, 1992

Regent Keffeler moved to recommend approval of the Senior Vice President's Monthly Report, and the motion was seconded by Regent Roe.

Student Representative Schlangen presented the following resolution for discussion purposes and not for committee action, noting that it is the result of a coordinated effort by students throughout the University:

WHEREAS, the general downturn in the state's economy has adversely affected higher education in general and students at the University of Minnesota and their families in particular; and

WHEREAS, the rate of inflation during the last biennium was approximately 3.5 percent per year, and is estimated to be approximately 3.5 percent per year during the next biennium; and

WHEREAS, average tuition at the University of Minnesota has increased alarmingly at rates of 9 percent and 14 percent per year respectively for each year of the last biennium; and

WHEREAS, tuition rates for individual colleges and campuses recommended by the administration and enacted by the Board of Regents for the 1992-1993 school year produced a disparity of increases ranging from 0-24 percent, creating an extremely disproportionate burden for students in many collegiate units, particularly students already engaged in a course of study and unable to avail themselves of more affordable alternatives; and

WHEREAS, programmatic cuts were recommended and enacted with little or no input on the part of students enrolled in those programs; and

WHEREAS, financial aid has not matched increases in tuition, resulting in diminishing access to higher education by students unable to afford it;

THEREFORE, BE IT RESOLVED, that the University of Minnesota hold tuition increases during the next biennium to less than 3.5 percent per year, or roughly the rate of inflation predicted during the biennium; and

BE IT FURTHER RESOLVED, that any and all tuition increases be equitably distributed among all students and across all colleges and campuses of the University system; and

BE IT FURTHER RESOLVED, that the President of the University of Minnesota appoint standing committees on each campus which include students, and that the charge of these committees will be to formulate any and all recommendations to the Board of Regents and the Legislature concerning tuition policy and programmatic changes; and

BE IT FURTHER RESOLVED, that the President of the University of Minnesota present these recommendations to the University's Board of Regents and the Legislature of the State of Minnesota.

Ms. Schlangen asked Regent Craig to relay the resolution to the full Board of Regents during her committee report, noting that the resolution may be presented to the Board for approval in the future after further refinement. In response to Regent Craig, Student Representative Paulose stated that the purpose of the resolution is to ensure student participation in the process of establishing tuition policies.

Student Representative Casey expressed concern that there are no coordinate campus representatives on the Twin Cities Campus Tuition Advisory Committee. He suggested that the Student Body President from each coordinate campus should be added to the proposed committee. Dr. Infante voiced opposition to that suggestion, stating that Regents' policies provide that tuition should be considered campus by campus.

In response to Regent Roe, Dr. Infante stated that he expects the Chancellors to provide for student involvement in the tuition process on the coordinate campuses. Chancellor Sargeant indicated that the Chancellors plan to appoint advisory committees on the coordinate campuses. Dr. Infante noted that input from the Twin Cities Campus Tuition Advisory Committee and the coordinate campus advisory committees will be considered as the administration develops tuition recommendations to be presented to the Board.

Regent Keffeler expressed support for the establishment of the Twin Cities Campus Tuition Advisory Committee, however, she urged Dr. Infante to review all existing committees that are charged with addressing matters in this domain. Regent Keffeler also noted several points contained in the students' resolution which she feels should be clarified.

Regent Craig stated that it is her understanding that students are involved in every decision that impacts students, and expressed concern regarding the students' feeling that they are not being included. Student Representative Schlangen stated that although students are included in discussions, there is a feeling that their opinions are not taken into consideration when decisions are made. Regent Roe stated that it appears that students have been informed in the past, and now they want to be involved.

Following the discussion, Regent Craig thanked the students for their efforts in developing the resolution.

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

APPOINTMENTS TO THE MINNESOTA LANDSCAPE ARBORETUM FOUNDATION BOARD OF TRUSTEES

Regent Keffeler moved approval of the following resolution, and the motion was seconded by Regent Roe:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Academic Affairs, Edward Reid and Mary McQuinn be appointed to three-year terms on the Board of Trustees of the Minnesota Landscape Arboretum Foundation.

The committee voted unanimously to recommend approval of the resolution.

REGENTS' POLICY ON DELEGATION OF AUTHORITY/ ACCEPTANCE OF SPONSORED GRANTS AND CONTRACTS

Senior Vice President Infante led the discussion regarding the proposed Regents' Policy on Delegation of Authority/Acceptance of Sponsored Grants and Contracts. He stated that the proposed policy is responsive to the recommendations of the Agenda Guidelines Committee.

Vice President Petersen reviewed the proposed policy, stating it will make the process more efficient. She indicated that substantive presentations will be provided quarterly and on an annual basis. In addition, the administration will report to the Board significant individual grants and contracts that are very large or that would have a substantial impact on the academic plan or on the University budget.

Committee members expressed concern regarding the lack of definition of the term "significant", and Regent Keffeler requested that the administration develop a definition to the extent possible before the policy is presented to the Board for approval. Dr. Infante indicated that in his opinion, significant grants should be brought to the attention of the Board at the time of submission, and Regent Keffeler asked that such a provision be included in the policy.

Following the discussion, Regent Craig stated that the proposed policy will be presented for approval at the December meeting.

REGENTS' POLICIES ON HEALTH SCIENCES

Associate Vice President Perlmutter presented the following resolution regarding proposed changes in the Regents' policies on health sciences to the committee for review:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Health Sciences, that

- The revised Delegation of Authority: General Delegations Regents' policy, as included in the docket, be adopted
- The Health Sciences Mission policy, the Policy on Health Sciences, and the Rural Physician's Associate Program policy be rescinded as Regents' policy.

Ms. Perlmutter noted that the proposed policy changes and rescissions are the result of the process of regular review of Regents' policies and the recommendations of the Hospital Governance Committee.

Regent Craig indicated that this item will be presented for approval at the December meeting.

REPORT ON TEACHING AND LEARNING STRATEGIES AND INNOVATIONS

Senior Vice President Infante led the discussion regarding teaching and learning strategies and innovations. He noted that there has been significant emphasis placed on improving undergraduate education, and Vice President Hopkins is in charge of that initiative.

Dr. Hopkins stated that the question of "how we teach" is central to the improvement of undergraduate education. She indicated that many faculty have made

creative changes in their approach to teaching and learning in recent years, and this presentation was scheduled to show the committee examples of those innovations.

Dr. Hopkins noted that General Biology is a course taken by many University students, and she introduced Richard Peifer, Education Specialist in the General Biology Program, who developed a new approach to teach that course. Dr. Peifer demonstrated the technology, stating that the initiative has had a significant impact on undergraduate students and noting that it is an example of what is on the leading edge of multimedia.

Dr. Hopkins introduced Ann Hill Duin, Associate Professor in the Department of Rhetoric. Dr. Duin demonstrated a new program to teach writing to students, stating that the goal is to help them collaborate through telecommunication. She noted that this project led to another called "Mentoring Via Telecommunications", whereby University students are connected to students at Totino-Grace High School in Fridley.

Dr. Infante stated that the presentations signify the importance the University is placing on distance learning, noting that he will present a report to the Faculty, Staff & Student Affairs Committee on the related topic of providing electronic mail accounts for all University faculty, staff, and students.

Dr. Hopkins recognized the efforts of those who developed these technologies, and expressed appreciation to everyone who participated in the presentations.

The meeting adjourned at 3:30 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

November 12, 1992

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, November 12, 1992, at 9:30 a.m. in the Cowles Auditorium of the Humphrey Center.

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

Staff present: President Hasselmo; Senior Vice Presidents Erickson and Infante; Vice President Hughes; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis and Johnson.

Student Representative present: Rachel Paulose.

PRESIDENT'S REPORT ON THE ANTI-LYMPHOCYTE GLOBULIN (ALG) PROGRAM

Regent Kuderer introduced the discussion regarding the Minnesota Anti-Lymphocyte Globulin (ALG) program. He stressed the importance of openness and accountability, and stated it is in that spirit that the matter was placed on the agenda for discussion.

President Hasselmo stated that the purpose of his report is to address serious management and accountability problems involving the ALG program. Based on an internal audit of the program that began in 1989 and is continuing, he indicated that the following serious problems have been identified and will be addressed:

- There have not been answers to basic questions that are essential in order to assure public accountability.
- There is not a requisite level of management in place to provide immediate and essential financial and business planning expertise to manage the program.
- The program has no concrete plan for its development, evolution, and appropriate structure.

President Hasselmo noted that management and oversight responsibilities will remain with Vice President Anderson. He reviewed steps that will be taken to address the problems, including the following:

- Appointment of Dr. J. Jeffrey McCullough to provide management guidance to Dr. Arthur J. Matas, Acting Director of the ALG program, during the period of investigation and restructuring and pending development and implementation of a long-range plan

- General Counsel Rotenberg will supervise a thorough investigation of the program, which will be conducted by lawyers and accountants from outside the University to insure the credibility of the investigation, and provide a status report within 60 days
- Senior Vice President Erickson and Vice Presidents Anderson and Petersen will develop a strategic business plan for the program, possibly including creation of a separate business entity and/or the eventual sale of the program's assets

President Hasselmo reported that the U.S. Food and Drug Administration (FDA) recently notified the University of conditional approval of the revised pediatric protocol for use of ALG with children. He stated that this FDA authorization to resume distribution of ALG is a reaffirmation of its prior status as anti-rejection drug used worldwide. Dr. Hasselmo noted that the development of ALG, the growth of the program under the leadership of Dr. John Najarian, and the benefit to thousands of people are a source of great pride to the Medical School and the entire University.

In summary, President Hasselmo reiterated that serious problems exist in the ALG program and they are being addressed. He stated that the administration is committed to the Regents' October 9, 1992 resolution, which calls for proactive and corrective actions to insure compliance with regental and administrative policies by all University programs, departments, faculty, and staff to safeguard the mission of the University and to maintain accountability to the public. Dr. Hasselmo indicated that he expects the ALG program will flourish with renewed strength and with the accountability and management oversight required.

Regent Kuderer stated that the problems associated with the ALG program raise a number of questions that must be addressed, and the Board expects the administration to look seriously at those issues and take corrective action.

Regent Keffeler expressed concern that the Board may have been prematurely reassured of the quality of the overall management practices that existed in the ALG program. She thanked President Hasselmo for sharing his serious concerns regarding the program and stated that she hopes the Board, consistent with appropriate investigative procedures, can be less surprised in the future about similar types of issues. President Hasselmo responded that it has been a gradual process of determining the magnitude of the problems, and emphasized that there has been no deliberate attempt to conceal information. He noted that a time-consuming process was also required with respect to the investigation of the Mineral Resources Research Center.

In response to Regent M. Page, President Hasselmo discussed the current system of voluntary compliance in the audit process. He stated it is clear that a thorough follow-up process is necessary, and additional staff is needed to address critical management problems.

Regent Craig noted that accountability has been an important part of President Hasselmo's administration, and she expressed support for his efforts. President Hasselmo reiterated his commitment to increasing accountability.

Regent Kuderer stated that this situation raises questions regarding public-private partnerships, and he urged the Regents to attend the conference scheduled for November 19, 1992 at the Humphrey Center that will address such questions. In response to Regent Kuderer, President Hasselmo stated a citizen advisory committee and an internal committee on public-private partnerships have been appointed. Those committees will make recommendations concerning further policy development in the area of public-private partnerships, which will be presented to the Board at the

appropriate time. He also noted that he will report to the Board after he receives a status report from General Counsel Rotenberg regarding the investigation of the ALG program.

Following the discussion, Regent Kuderer concluded that the Board supports the aggressive action being taken to resolve this problem.

OPEN FORUM

Regent Kuderer convened the Open Forum at 10:00 a.m. in the Cowles Auditorium of the Humphrey Center. He welcomed everyone, stating that the purpose is to provide an opportunity for people to address the Board regarding issues of concern.

Karen Schlangen Student Representative to the Board of Regents

Ms. Schlangen stated that the Coopers & Lybrand consulting report indicated that the University should consider contracting out for food service. This could affect over 1,000 students who work for the Food Services and use this employment to pay for their education. If these student wages were reduced to minimum wages, it would mean a reduction of \$ 2.00 per hour or a 30 percent decrease. She asked that student wages in the Food Service be viewed as a form of financial aid rather than viewing the whole matter as a means of reducing costs.

Malaika McKee Member, Student Consultative Committee

Ms. McKee recited a list of activities for which she reiterated the phrase "Students have produced." The list included activities to combat racism, Project Public Life, political lobbying, tuition rallies, etc. She concluded that it is now time for the Board of Regents to produce in two areas: involving students in policy-making roles and holding the line on tuition to the cost of living.

Jan Wickstrom Chair, Student Services Fees Committee

Ms. Wickstrom expressed concern about the idea she heard that student fees were being considered as a source to fund costs of gender equity. She understood this idea included increasing current student fees, or the addition of a general fee without going through the Fees Committee. She also disputed the suggestion that students who participate in raising student fees are not credible when they object to tuition increases, and gave examples of the necessity of student fee increases. Finally, Ms. Wickstrom raised questions about the use of student fees for Boynton capital improvements.

Elizabeth Mensing Council of Graduate Students

Ms. Mensing agreed with previous speakers' statements that tuition should be held to the cost-of-living increase. She stated that graduate students should have been more fully involved in the decision to eliminate the \$30 thesis credit for advanced graduate students. She believes that there are better solutions to the problem than eliminating the reduced thesis credit. Ms. Mensing's second point was to commend and express appreciation to the Regents for their commitment to student consultation, noting especially the support of the Student Representatives to the Board.

Karen Linner
Graduate Student, Public Affairs

Ms. Linner expressed gratitude for the University's dedication to its libraries despite difficult financial constraints, but concern about the scheduling of reference hours at the various libraries. She indicated that reference assistance generally was minimally available during evening and weekend hours when students were most likely to need assistance for research projects.

Kym Kettler
Member, Student Emergency Loan Committee

Ms. Kettler spoke of the delays of up to four months in issuing financial aid checks. This causes extreme hardship in food and lodging for some students. The Student Emergency Loan Fund (SELF) is able to help, but it is not enough. The delay problem needs to be solved. She also asked that tuition be held to the cost of living.

Scott Muggli
Student

Mr. Muggli spoke about his disagreement with the University's language requirement and about the financial aid loss which would result from the limited class schedule required to be considered for service as student lobbyist. The latter was a position he considered, but did not apply for because he could not afford the financial aid loss.

Ronald Pajari
University Alumnus

Mr. Pajari discussed the question of military activity on campus, including ROTC and CIA recruiting. He argued that the problem is not that policies regarding sexual orientation for military service are contrary to University policy, but that nothing associated with the military is appropriate at the University.

Steven Brehe
Staff member, Computer Information Services

Mr. Brehe argued that the University was resisting full accountability for the Minnesota Supercomputer Center (MSC). Frequently quoting the report of the Legislative Auditor, he said the state invests millions of dollars but gets no accounting of its expenditures. Mr. Brehe concluded with three questions: (1) What is the University's first priority -- accountability or trade secrets? (2) Which is more important to the University -- trade secrets or the public's trust? and (3) Are you willing to accept the risk of substantial budget cuts for the sake of MSC's extreme secrecy?

Tom Milton
Associate Professor, Forest Products Department

Professor Milton indicated the new financial management system (CUFS) was furnishing less information on more paper than the former system. He indicated that some of the resulting problems were late payments to consultants because information wasn't processed efficiently, the necessity of "shadow systems," and the loss of 20 percent of their secretary's time.

Patricia Olson
Associate Professor, Small Animal Clinical Sciences

Professor Olson said that the University has not made acceptable progress in gender equity, noting that only 10 percent of the full professors are women and the percentage

of department chairs is not comparable to the percentage of women on the faculty. She believes it is difficult for the Office of Equal Opportunity and Affirmative Action to monitor an institution for which it works. The same difficulty exists for an internal grievance system to operate in an unbiased manner. Professor Olson proposed an "external" ombudsperson appointed through the Attorney General's Office or the Board of Regents, which position would report to the Board of Regents.

William Charlesworth
Professor, Institute of Child Development

Professor Charlesworth asked that attention be given to increased research in human development in the allocation of support dollars. In the past, funds have been directed more toward predictable results in scientific study primarily to preserve the world's physical infrastructure, when we really need to know more about how and why human beings develop as they do.

Paul Aasness
Minnesota Wheat Research & Promotional Council

Mr. Aasness discussed the importance of agricultural research to the economy of the state. He stated that the immediate need is in the area of scab research because there has been no funding for that program since the retirement of Dr. Roy Wilkinson, former head of the scab program at the University of Minnesota. Mr. Aasness stated that there is concern among growers' organizations throughout the state that the University is not committed to basic research, and he urged the Board of Regents to ensure that agricultural research is funded.

John Kraemer
Former University Employee

Mr. Kraemer indicated he was a former Civil Service employee in the Internal Audit Department. In May 1984, the Board of Regents approved a reclassification of positions in the Internal Audit Department which affected him adversely. He said this action was taken without full knowledge of the situation and asked the Regents, and particularly the Faculty, Staff and Student Affairs Committee that took the initial action, to consider reversing this reclassification.

Barbara Nesheim
Vice President, AFSCME Local at the University

Ms. Nesheim discussed the University's difficult financial situation, noting the low morale and concern about losing jobs among people with whom she works. She acknowledged that legislative funding is the source of this concern and argued that there is a need for a unified lobbying approach to the Legislature. Faculty, administrators, students, staff, and Regents need to join together in this approach, and the AFSCME local is ready to do its part.

Mary Easterling
Vice Chair, Civil Service Committee

Ms. Easterling expressed appreciation for the open communication the Board of Regents has fostered, and said this forum is an important example. The primary point she wished to convey was that Civil Service salary increases have not kept pace with the cost-of-living and with comparative groups over the last five years. Ms. Easterling distributed graphs to illustrate her argument.

Robert Hogg
Student, University Law School

Mr. Hogg noted he was coming to the Board of Regents again with concerns about the environment. Global climatic change, including the fact of global warming, is a critical issue of greater importance than particular issues like coal dust or acid rain. Global climatic change will have a profound effect on human life over time. Mr. Hogg indicated his primary purpose was to inform the Regents, and to have them keep this critical issue in mind as they make a variety of decisions that will affect the environment. His particular suggestions were to expand UBEEP, use fuel flexibility to move away from carbon heavy fuel, expand cogeneration, and do not approve the clean coal grant.

Sue Rohde
President, Prospect Park/East River Road Neighborhood Association

Ms. Rohde indicated that the University and its neighborhoods are inextricably intertwined. She suggested that the University should proactively include neighborhood representatives in earlier stages of planning activities.

Roberta Megard
Community Organizer, St. Anthony Park Association

Ms. Megard noted several ways that the relationship between the neighborhood and the University improved over time. Discussions on the transitway began with difficulties, but with work on both sides the sense of cooperation improved. The St. Anthony Park Association also monitored the matter of coal piles and dust closely, and supported the elimination of coal at the St. Paul heating plant. She indicated an eagerness to be involved in future planning, such as that concerning light rail transit and bike paths.

Linnea Stromberg-Wise
Valleyfair Amusement Park

Ms. Stromberg-Wise addressed the Regents about the relationship of the University with the tourism industry. The University has worked with the tourism industry for many years through the Minnesota Extension Service, and indicated that the potential exists for a much more comprehensive program. Ms. Stromberg-Wise said the courses exist, but a major is needed and believes a University program in tourism should be on the undergraduate, graduate, and extension level.

Al Brodie
Minnesota Motel Association

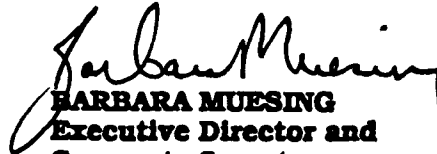
Mr. Brodie noted that tourism is a \$5.7 billion business, and is growing in all areas of the state. The new endowed Carlson Tourism Center in Extension is a start, but it is not sufficient support by the University for this major Minnesota industry. He stated that the University needs to make a greater commitment in this area.

James Smith
Associate Professor, Fisheries and Wildlife

Professor Smith spoke in support of multidisciplinary graduate programs at the University. He indicated these programs are of great value and particularly important for keeping pace with research directions. Greater support by the University is needed in ways such as increased graduate fellowships and a better system of reward for faculty involved in multidisciplinary programs. The current review in the Graduate School is an opportunity to establish policies that will encourage multidisciplinary programs.

Regent Kuderer expressed appreciation to everyone who participated in the Open Forum. He stated that the administration will review and respond to the issues that were raised.

The meeting adjourned at 12:20 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

November 13, 1992

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, November 13, 1992, at 8:30 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: President Hasselmo; Chancellors Ianni, Johnson, and Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Anderson, Hopkins, Hughes, and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Markham, Paschke, Perlmutter, and Pfitzenreuter; Assistant Vice President Vikmanis.

Student Representative present: Rachel Paulose.

Regent Keffeler stated that she would chair the meeting on behalf of Regent Kuderer, who was doing well in the University of Minnesota Hospital and Clinic.

HONORS COMMITTEE REPORT

Regent Roe moved approval of the Report of the All-University Honors Committee, and the motion was seconded by Regent Craig. The committee voted unanimously to recommend approval of the Report of the All-University Honors Committee.

SUMMARY OF EXPENDITURES

Regent Sahlstrom moved approval of the following resolution, and the motion was seconded by Regent Craig:

RESOLVED, that the Summary of Expenditures for the Office of the President, Eastcliff Maintenance, and the Board of Regents' Office for the period July 1, 1992 to September 30, 1992, is hereby approved.

The committee voted unanimously to recommend approval of the Summary of Expenditures.

HOSPITAL GOVERNANCE COMMITTEE RECOMMENDATIONS

Regent Craig moved approval of a resolution relating to the recommendations of the Hospital Governance Committee, and Regent Sahlstrom seconded the motion.

Regent Keffeler, Chair of the Hospital Governance Committee, reviewed the committee's recommendations. She noted that the committee included Regent Darrin Rosh, Vice President Anderson, Associate Vice President Perlmutter, B. Kristine Johnson, Chair of the University of Minnesota Hospital & Clinic (UMHC) Board of Governors, and Michael Dougherty, Vice Chair of the UMHC Board of Governors. With respect to the authority being delegated to the Board of Governors, she noted that the Board of Regents will retain the power to:

- review and approve the UMHC mission and strategic plan;
- review and approve the UMHC operating and capital budgets;
- review and approve capital expenditures involving legislative funding or requiring an increase in capital indebtedness;
- review and approve the Board of Governors' Bylaws;
- determine UMHC's functional structural relationship with other University bodies; and
- receive reports from the Board of Governors as the Board of Regents may deem necessary.

Regent Neel stated that he has heard concerns about lack of accessibility to the UMHC Board of Governors, and he underscored the importance of being accessible to the public. Regent Keffeler indicated that membership of the Board of Governors is a matter of public record, and noted that the expanded responsibilities being delegated to the Board of Governors may require changes in the Board's operating procedures and administrative structure. Vice President Anderson concurred with Regent Keffeler and stated that during this transition period, UMHC General Director Greg Hart will refer telephone calls to the appropriate individuals.

Mr. Hart responded to Regent M. Page's concerns regarding notice of Board of Governors' meetings and the openness of those meetings. Regent Roe asked the UMHC administration to improve the system of notifying the public of Board of Governors' meetings.

In response to an issue raised by Regent Wynia regarding the effect of the proposed delegations of authority on the employment status of UMHC employees, Mr. Hart stated he does not believe the proposal alters the employment status or conditions of employment. However, he noted that some changes will result from the UMHC Strategic Plan and cost reduction efforts, including layoffs, changes in the nature of employees' jobs, and changes in compensation and fringe benefit plans for UMHC employees. Regent Keffeler indicated that no changes are recommended with respect to labor relations and bargaining unit issues.

Regent Wynia asked if a change in employment status would be brought to the Board of Regents under the existing relationship, but by this action the Board would delegate such oversight responsibility to the Board of Governors. Regent Keffeler stated that would not be correct. Mr. Hart noted that for some time the Board of Governors has had authority for a broad range of human resources issues, and the current recommendations would not detract from previous Board of Governors' authority relative to a broad range of human resource management issues.

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

RESOLVED, that the University of Minnesota Board of Regents adopts a new Regents' policy, *University of Minnesota Hospital and Clinic - Delegation of Authority to the Board of Governors*, and approves revised Article II, Section 3 and Article III, Section 5 of the "University of Minnesota Hospital and Clinic Board of Governors' Bylaws.

RESOLVED, FURTHER, that the current Regents' policy *University of Minnesota Hospital and Clinic - Delegation of Authority to the Board of Governors*, adopted August 11, 1983, be rescinded, and existing Article II, Section 3 and Article III, Section 5 of the Board of Governors' Bylaws be deleted.

RESOLVED, FURTHER, that the Office of the Board of Regents shall review the Regents' Policy Book to ensure consistency with the new delegation of authority policy.*

RESOLVED, FURTHER, that the Board of Governors review and report to the Board of Regents by June 1993 in regard to a) composition of the Board of Governors, specifically size and geographic distribution; b) Board of Governors' internal organization and committee structure; c) possible further revision of Board of Governors' Bylaws; and d) possible means of achieving greater autonomy for the University Hospital and Clinic in regard to setting pay and benefit levels for Hospital employees, consistent with state law and existing union contracts.

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC STRATEGIC PLAN

Regent Craig moved approval of the University of Minnesota Hospital & Clinic (UMHC) Strategic Plan, and the motion was seconded by Regent Neel.

Vice President Anderson noted that the proposed UMHC Strategic Plan has been discussed at previous meetings, and he offered to respond to any questions. In response to Regent M. Page, Dr. Anderson indicated that there have been no major developments since this item was discussed at the October meeting.

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

WHEREAS, the Board of Regents recognizes the important role the University of Minnesota Hospital and Clinic (UMHC) and patient care play in the Medical School, the Health Sciences, and the University's mission; and

WHEREAS, the health care delivery system in Minnesota has evolved to a highly complex and competitive delivery system; and

WHEREAS, in light of those changes, the Board of Regents, upon recommendation by the UMHC Board of Governors, believes it is timely to set forth new strategic directions for UMHC and the University's clinical programs;

THEREFORE, BE IT RESOLVED, the Board of Regents approves UMHC's strategic plan; and

* The result of this review is that a revised Delegation of Authority: General Delegations Regents' policy is recommended to the Regents' Educational Planning and Policy Committee for review November 12 and action in December.

BE IT FURTHER RESOLVED, the Board of Regents supports the internal initiatives of UMHC in the areas of cost reduction, service improvement, and outcomes measurement; and

BE IT FURTHER RESOLVED, the Board of Regents endorses UMHC's efforts to expand its greater Minnesota health care affiliations and its outreach program in support of improved delivery of health services in greater Minnesota; and

BE IT FURTHER RESOLVED, the Board of Regents approves the initiation and development of affiliation strategies in the Twin Cities metropolitan area, and strongly supports consideration and establishment of a broad array of relationships in support of UMHC's mission of education, research, and patient care.

Regent Craig expressed appreciation to the UMHC administration and the Board of Governors for their work in developing the UMHC Strategic Plan. President Hasselmo complimented Dr. Anderson for his strong leadership during this critical period of change for UMHC, and stated that the Board of Regents will be engaged in discussions regarding major developments affecting UMHC.

REPORT OF THE NOMINATING COMMITTEE/ HOSPITAL BOARD OF GOVERNORS

Regent Craig, Chair of the Regents' Nominating Committee for the Hospital Board of Governors, indicated that the slate of candidates was sent to the Regents under separate cover. She noted that the committee included Regents M. Page and Sahlstrom, and she reviewed the process followed by the committee in determining its recommendations.

Dr. Craig stated that the committee is recommending the reappointment of four current members of the Board of Governors and the appointment of three new members. She noted that since the report was prepared, one individual being recommended for reappointment has withdrawn. A new recommendation for that position will be presented at the December meeting.

Regent Keffeler thanked the members of the Nominating Committee for their work, and indicated that the committee's recommendations will be presented for approval at the December meeting.

POWER EFFICIENCY PROGRAM GRANT APPLICATION

Regent Keffeler indicated that the power efficiency program grant application will be presented to the committee for review at this meeting because the application has not been completed. Since the application must be submitted by December 7, 1992, she noted that it will be necessary to schedule a special meeting.

Vice President Petersen introduced the following individuals who are involved in this project: Bruce Darby, Vice President for Operations, Foster Wheeler; Dr. David Dupree, Foster Wheeler, Project Manager for the Clean Coal Technology proposal; Lawford Howells, Vice President, Foster Wheeler International; Dr. David Kittelson, member of the University Steering Committee for the Power Efficiency Program and one of the faculty members who will be involved in research on this project; Associate Vice President Susan Markham, Project Director of the University of Minnesota Power Efficiency Program; and Tom Pinto, Foster Wheeler, Manager of the contract with the University of Minnesota.

Dr. Petersen led the discussion regarding the power efficiency program grant application. She reviewed the Department of Energy (DOE) requirements that would have to be fulfilled if the University is awarded a grant for a demonstration project. Dr. Petersen indicated that the University's proposal can be withdrawn at any time, but noted the University's commitment would be important for an award of a contract.

Dr. Petersen reviewed background information regarding the clean coal technology program, the preparation process and status of the proposal, and potential benefits to the University. If the proposal is selected, the University will be notified in May 1993, followed by a one-year contract negotiation period. She discussed the project schedule after the contract is negotiated.

Mr. Howells reviewed a diagram of the proposed heating plant. He indicated that the clean coal technology project will yield improved efficiency and lower emissions.

Dr. Petersen discussed research opportunities for University faculty and graduate students which would be funded through savings resulting from the DOE contract. She indicated that research will focus on making the process more efficient, reduction of particle emissions, and alternative fuels, including biomass and non-fossil fuels. Dr. Petersen noted that Foster Wheeler is funding two internships at its experimental facility in New Jersey, and stated that she is grateful Foster Wheeler is willing to collaborate with University faculty and graduate students.

In response to Regent Reagan, Mr. Pinto estimated that if the University is awarded a clean coal technology grant, the funding provided by the DOE over the three phases would be \$100-150 million. He noted that the \$50 million figure discussed previously is an estimate of the potential savings the University might realize on a present value basis if the grant is awarded.

In response to Regent Rosha, Dr. Petersen and Mr. Pinto indicated that the University will be able to maintain a wide range of fuel flexibility under a clean coal technology grant. Mr. Pinto also noted that after the three and one-half years of testing required under the terms of the grant, the University would be under no further obligation to the DOE.

Foster Wheeler representatives responded to a number of questions raised by Regent Wynia regarding the economics associated with the clean coal technology project, including total project expenditure by the University and whether the project represents an increased commitment to coal, thereby diminishing the University's fuel flexibility. Regent Keffeler stated it would be helpful to have written clarification of the fundamental economic issues raised by Regent Wynia, and Dr. Petersen indicated that she will address those issues in the summary that is provided prior to the special meeting.

Associate Vice President Paschke noted that the economic analysis that was originally done on the contract with Foster Wheeler assumed that at the end of the clean coal phase, the University would revert back to its original fuel mix of approximately 46 percent for the total campus.

In response to Regent Reagan, Mr. Howells stated that if the grant is awarded, the University may buy coal from anywhere in the United States.

Regent Neel asked about the concept of establishing a University center for the environment, which could be a multi-disciplinary collaborative effort. Dr. Petersen stated that is an exciting concept, and that the University has significant strengths in this area.

Following the discussion, Regent Keffeler thanked everyone for their participation in the presentation. She indicated that this matter will be presented to the Board for approval at a special meeting later this month.

UNIVERSITY OF MINNESOTA, CROOKSTON PROGRAM PROPOSALS AND BENCHMARKS

President Hasselmo led the discussion regarding program proposals and benchmarks for evaluation at the University of Minnesota, Crookston (UMC), stating that the context for the proposal is a changing University and higher education system in the state, as well as changing conditions in society. He indicated that the proposal for UMC to become a four-year polytechnic institution is a new concept in Minnesota, and is a cost-effective way of using the state investment. Dr. Hasselmo stated the proposal is an example of cooperation, and would allow the University to retain a presence in the northwest quarter of the state.

Donald Sargeant, Chancellor of UMC, reviewed a series of slides outlining the UMC 2002 proposal. He noted that there is no similar higher education baccalaureate institution in the state, stating that the focus will be on the process of teaching and learning. Dr. Sargeant noted that UMC is in a position to respond to the needs of students and others which have been identified because of its strong technical curriculum and faculty, an advanced telecommunication system, existing collaborative relationships, and its physical plant.

Dr. Sargeant reviewed the definition of a polytechnic college and the characteristics of such an institution. He discussed the type of students interested in this type of program and the focus of the proposed baccalaureate programs.

Dr. Sargeant reviewed the proposed benchmarks for UMC 2002 relating to enrollment and retention, quality programs and services, collaborative partnerships, incorporation of technology, and financial accountability.

Regent Sahlstrom thanked Dr. Sargeant for an excellent report. In response to Regent Sahlstrom, Dr. Sargeant stated that proposed programs in Service Industries would be responsive to the needs of the tourism industry. He also noted that the benchmarks provide for the establishment of a Program Audit Committee for each of the 12 programs, which will provide feedback on each program.

Regent M. Page raised a question regarding students who may be interested in attending graduate school following graduation from UMC. Dr. Sargeant stated that UMC will provide a focused baccalaureate degree at the technologist level, and it must be made clear to students that the graduate school they want to attend will determine whether or not the student is qualified to attend. He noted that each institution will respond differently, and the process will have to evolve over a period of time.

In response to Regent Neel, Dr. Sargeant discussed planning and mission delineation efforts by the higher education systems in the state. He stated that studies have identified the importance of regional planning in higher education and cooperation between systems that have a statewide obligation.

In response to Student Representative Paulose, Dr. Sargeant discussed UMC's enrollment management plan. Depending on student interest and demand for graduates, he noted that some programs may be eliminated and some added over a period of time.

Regent Sahlstrom expressed a concern regarding the arts and science background of students who transfer from technical colleges to UMC. Vice Chancellor

Rita Meyer stated that for the past several years the state universities, community colleges, and UMC have provided arts and science courses for degree programs at the technical colleges. In addition, she discussed the strength of UMC's general education component.

Regent Rosha expressed support for the UMC proposal, and raised a concern regarding the need to determine the role of the University within the state's higher education system. Dr. Infante noted that he has been invited to make a presentation to the Higher Education Coordinating Board (HECB) regarding the University's planning effort, and stated that he will raise questions about the best way for the higher education system to serve the needs of the state. He indicated that he also intends to present the UMC proposal, which is an attempt by the University to respond within existing resources to an educational need in the state.

Regent Wynia stated that she has some expectations with regard to the proposed benchmarks, and she asked about accountability with respect to achieving those goals. Chancellor Sargeant indicated that he takes all of the benchmarks seriously and considers them achievable. President Hasselmo noted that establishing benchmarks is an integral part of the strategic planning process, and the intention is for each unit to have a specific plan and benchmarks. He stated that he looks forward to a time when there is an agreement within the state about what the University of Minnesota is supposed to achieve and be evaluated against agreed upon benchmarks.

In response to Regent Craig, Dr. Sargeant discussed plans to increase the number of faculty, in addition to collaborative efforts with faculty from other institutions and the involvement of graduate students. He stated that one of the keys to success of the proposal is faculty development.

Regent Neel asked if it would be appropriate to engage in discussions with representatives of the Higher Education Coordinating Board (HECB) regarding the state's higher education system. Regent Keffeler indicated that this suggestion will be discussed with Regent Kuderer.

Regent Keffeler expressed concern about the financial viability of the UMC proposal and stressed the importance of setting realistic benchmarks. She asked for an analysis so the Board is aware of potential risks prior to approval of the plan. President Hasselmo stated the fundamental assumption is that the existing state investment will be invested more productively in terms of educational outcomes by going to this form of education. He noted that the benchmarks are set in financial terms to ensure the financial viability of the proposed plan without added state investment.

President Hasselmo indicated that there will be costs associated with expanded telecommunications activities, which will include UMC, but noted that is a separate expense. He stated that if the benchmarks are not met, financial viability would probably not be achieved. In that event, the plan will be re-evaluated and the University will have to take another course of action to provide educational opportunities in a cost-effective manner.

Following the discussion, Regent Keffeler stated that the UMC proposal will be considered for approval at the December meeting.

REPORT ON INVESTMENT MANAGEMENT

Senior Vice President Erickson introduced the discussion regarding the University's investment management program, which began at the October meeting. He noted that this discussion was scheduled at the request of Regent Anderson.

Associate Vice President Paschke reported on the plan to commit one-fourth to one-third of the University's endowment portfolio to an index strategy. He noted that this provides greater assurance that the endowment will perform in line with the equity market, and it will reduce risk through a greater diversification of the portfolio. Mr. Paschke discussed the possible use of the arbitrage program to augment incrementally the return off of this strategy, and noted that there will continue to be extensive use and involvement of active managers.

Dale Olseth, a member of the Investment Committee of the University of Minnesota Foundation Board of Trustees, spoke in support of the proposed investment strategy. He noted that the University Foundation has been in the top 10 percentile for endowments for all colleges and universities for the past five years, which is the result of building diversification into the portfolio. Mr. Olseth indicated that he feels indexing is a healthy approach, and stated that the University's investment process is very well managed.

Regent Anderson commended Mr. Olseth for his efforts on behalf of the University. In response to Regent Anderson, Mr. Paschke stated that the purpose of indexing is to diversify the University's portfolio to try to achieve risk reduction and it is not a speculative strategy. He noted further that the University's arbitrage program has been in existence for 12 years, and it is used to augment incrementally the return on the University's portfolio. Regent Anderson suggested comparing the results of the index program with the performance of outside advisers over a period of time, and he urged the administration to use local investment managers. Mr. Paschke indicated that the Board will be kept informed regarding the performance of investment managers versus indexing via the quarterly investment report.

Following the discussion, Regent Keffeler expressed appreciation for the report and to Mr. Olseth for his participation in the presentation.

REPORT ON PHYSICAL PLANT LEGISLATIVE AUDIT RECOMMENDATIONS

Senior Vice President Erickson introduced the discussion regarding a status report on Physical Plant legislative audit recommendations. He recognized the contributions of Associate Vice President Markham, and expressed appreciation to her and the members of the Facilities Management team for their efforts.

Ms. Markham acknowledged the efforts of Facilities Management employees, and she introduced the following individuals who were selected to represent their colleagues: Pamela Bader, Facilities Supervisor, West Bank; Butch Cavegn, Pipefitter Foreman, West Bank; Ann Durushia, Office Specialist, Human Resources; Gerald Ilstrup, Maintenance & Operations, St. Paul; Erik Kauks, Recycling, Como Yard; Charlene Klotz, Custodian; Health Sciences; Bill McGee, Electrical Foreman, IT Zone; Marcia Michalik, Finance; Keith Passow, Operations Supervisor, Off Campus Non-Support Zone; Bob Schenkel, Director of Operations; Terry Spohn, Planner, Athletic Zone; Dick Welshons, General Foreman, Plumbing Construction; and Don Yeats, Plumbing, CLA.

Ms. Markham reviewed the Facilities Management Quarterly Report, including progress made in addressing the 1988 and 1991 legislative audit recommendations. She discussed staff reductions in Facilities Management, noting that there has been a 24 percent reduction in non-supervisory employees and a 35 percent reduction in management and supervisory positions.

Ms. Markham discussed organizational changes which have been made to streamline services and simplify the organization, including implementation of a new service delivery structure and placing all building services under a single structure. She noted that a modern financial system is in place, and the key to increased

productivity is the state-of-the-art work management system which has been on line since July 1, 1992. Ms. Markham reported that Facilities Management employees have participated in implementation of the changes and in training programs.

Ms. Markham noted progress made on the legislative auditor's recommendations in the areas of internal control, service rates, and budgetary control. Facilities Management has achieved a reduction in maintenance costs from \$1.13 per square foot to \$.91 per square foot and a reduction in custodial costs from \$1.03 per square foot to \$.96 per square foot.

Ms. Markham indicated that the next step involves an institutional challenge for the University to decide on the scope of Facilities Management's responsibilities and provide an appropriate level of financial support. The organization has to be properly funded to support the mission of the University and ensure that its academic programs can be conducted. In summary, Ms. Markham recognized the work of Facilities Management employees, stating that they should be acknowledged for their contributions to the institution.

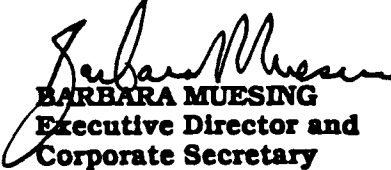
In response to concerns raised by Student Representative Paulose, Ms. Markham discussed the lack of chilling capacity on the West Bank and the difficulty of keeping buildings clean with a small number of employees and lack of equipment. She reported that \$500,000 will be invested in additional equipment this year, which will result in increased cleanliness and productivity. Ms. Markham also addressed issues related to recent custodial shift change, and Mr. Erickson clarified that the change makes the hours for all custodial shifts the same.

Regent Craig congratulated Ms. Markham for her accomplishments. In response to Regent Craig, Ms. Markham reported that all zones are in place and some are working better than others.

In response to an issue raised by Regent M. Page, Ms. Markham stressed the importance of the University investing additional resources in its facilities.

President Hasselmo stated that this progress report is front page news in accountability through the dedication of a large number of University employees. He indicated that the presentation supports the University's request to the Legislature for assistance in addressing deferred maintenance problems in an effort to preserve its assets.

The meeting adjourned at 11:30 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

November 13, 1992

A meeting of the Board of Regents of the University of Minnesota was held on Friday, November 13, 1992, at 11:35 a.m. in the Regents' Room, 238 Morrill Hall.

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

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

APPROVAL OF MINUTES

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

Board of Regents' Meeting - October 8, 1992
Facilities Committee - October 8, 1992
Financial Operations & Legislative Committee - October 8, 1992
Faculty, Staff & Student Affairs Committee - October 8, 1992
Educational Planning & Policy Committee - October 8, 1992
Committee of the Whole - October 8, 1992
Committee of the Whole - October 9, 1992
Board of Regents - October 9, 1992

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to the University's budget hearing with the Minnesota Department of Finance; the Minnesota Anti-Lymphocyte Globulin (ALG) Program; and the Reserve Officer Training Corps (ROTC) program.

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

REPORT OF THE CHAIR

Vice Chair Keffeler reported Chair Kuderer has appointed Mr. Lester Krogh, retired executive from Minnesota Mining & Manufacturing, to a three-year term on the Supercomputer Board. Chair Kuderer's letter appointing Dr. Krogh also noted that the Board of Regents will receive annual reports from the Supercomputer Board beginning in April 1993.

Vice Chair Keffeler recognized that Regent Alan Page has been elected to the Supreme Court of the state of Minnesota, indicating that the Board of Regents is proud and wishes him every success in his new endeavor. Regent

Darrin Rosha was also commended for the strong campaign he ran in Legislative District 28A.

Vice Chair Keffeler reported that Regent Roe recently announced that he will not be seeking another term as Regent and that Regent Craig announced that she will be seeking another term.

As a final item, Vice Chair Keffeler reminded members of the Board that a Public/Private Partnership Conference will be held on November 19 and encouraged members to attend.

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. Associate Vice President Fischer noted a gift from the Mr. & Mrs. George W. Taylor Foundation in the amount of \$25,000.

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

CONTRACTS AND GRANTS/APPLICATIONS AND AWARDS

Vice President Petersen submitted for approval the contracts and grants/applications and awards as presented in the docket material and on file in the Regents' Office.

The Board of Regents voted unanimously to approve the contracts and grants/applications and awards.

Vice President Petersen introduced Mr. Tom Eppen, who was recently appointed to serve as the University's Director of Federal Relations.

REPORT OF THE COMMITTEE OF THE WHOLE November 12, 1992

Regent Keffeler, Acting Chair of the committee, reported that the committee received a status report on the Minnesota Anti-Lymphocyte Globulin (ALG) program and held an open forum to provide an opportunity for individuals to speak to the Board of Regents regarding issues of concern.

REPORT OF THE COMMITTEE OF THE WHOLE November 13, 1992

Regent Keffeler, Acting Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

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

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

Documentation is filed supplement to the minutes, No. 22,318.

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

RESOLVED, that the Summary of Expenditures for the Office of the President, Eastcliff Maintenance, and the Board of Regents' Office for the period July 1, 1992 to September 30, 1992, is hereby approved.

- c) Approval of resolution re Hospital Governance Committee Recommendations, as follows:

RESOLVED, that the University of Minnesota Board of Regents adopts a new Regents' policy, *University of Minnesota Hospital and Clinic - Delegation of Authority to the Board of Governors*, and approves revised Article II, Section 3 and Article III, Section 5 of the "University of Minnesota Hospital and Clinic Board of Governors' Bylaws:

RESOLVED, FURTHER, that the current Regents' policy *University of Minnesota Hospital and Clinic - Delegation of Authority to the Board of Governors*, adopted August 11, 1983, be rescinded, and existing Article II, Section 3 and Article III, Section 5 of the Board of Governors' Bylaws be deleted.

RESOLVED, FURTHER, that the Office of the Board of Regents shall review the Regents' Policy Book to ensure consistency with the new delegation of authority policy.*

RESOLVED, FURTHER, that the Board of Governors review and report to the Board of Regents by June 1993 in regard to a) composition of the Board of Governors, specifically size and geographic distribution; b) Board of Governors' internal organization and committee structure; c) possible further revision of Board of Governors' Bylaws; and d) possible means of achieving greater autonomy for the University Hospital and Clinic in regard to setting pay and benefit levels for Hospital employees, consistent with state law and existing union contracts.

REGENTS' POLICY

HOSPITAL AND CLINIC

University of Minnesota Hospital & Clinic Delegation of Authority to the Board of Governors

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

WHEREAS, the Board of Regents recognizes the highly competitive situation confronting the University of Minnesota

* The result of this review is that a revised *Delegation of Authority: General Delegations* Regents' policy is recommended to the Regents' Educational Planning and Policy Committee for review November 12 and action in December.

Hospital and Clinic and its need to respond decisively and flexibly to this situation so that the Hospital and Clinic may fulfill its teaching and research mission and remain financially viable to serve the health care needs of the people of Minnesota; and

WHEREAS, the Board of Regents recognizes the special expertise and capability of the University of Minnesota Hospital and Clinic Board of Governors in responding to these concerns:

THEREFORE, BE IT RESOLVED, that the Board of Regents hereby delegates to the University of Minnesota Hospital and Clinic Board of Governors all the powers and authority necessary or expedient to direct the affairs of the Hospital and Clinic, except that the Board of Regents shall retain the following powers and prerogatives:

- (1) Review and approve the Hospital and Clinic's statement of mission and strategic plan;
- (2) Review and approve the Hospital and Clinic's operating and capital budgets;
- (3) Review and approve capital expenditures by the Hospital and Clinic that involve requests for legislative funding or that require an increase in capital indebtedness;
- (4) Review and approve the Bylaws of the Board of Governors;
- (5) Determine the Hospital and Clinic's functional and structural relationships with other University of Minnesota bodies; and
- (6) Receive from the Board of Governors 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 the Hospital and Clinic.

RESOLVED, FURTHER, that the Board of Governors shall establish standards of conduct for its members, subject to review and approval by the Board of Regents;

RESOLVED, FURTHER, that nothing in this resolution shall be interpreted to affect in any way the Board of Regents' power to select the members of the Board of Governors and to specify the manner of such selection;

RESOLVED, FURTHER, that this delegation of authority by the Board of Regents to the Board of Governors is intended to be broad, including, by way of example, the authority to exercise control over all aspects of Hospital and Clinic personnel, purchasing, financial planning, strategic planning, capital expenditures, physical facility planning, and other aspects of management, consistent with applicable law and this policy; and

RESOLVED, FURTHER, that by requesting reports and otherwise, the Regents shall encourage and provide opportunity

for active communication with the Board of Governors and, whether or not a specific report has been requested, the Regents shall expect timely communication from the Board of Governors on matters having a significant impact upon University policies and programs.

RESOLVED, FURTHER, that all previous policies and related delegations of authority dealing with the matters addressed in this policy are hereby amended to be consistent with this policy.

A copy of the Board of Governors' revised Bylaws is filed supplement to the minutes, No. 22,319.

- d) Approval of resolution re University of Minnesota Hospital & Clinic Strategic Plan, as follows:

WHEREAS, the Board of Regents recognizes the important role the University of Minnesota Hospital and Clinic (UMHC) and patient care play in the Medical School, the Health Sciences, and the University's mission; and

WHEREAS, the health care delivery system in Minnesota has evolved to a highly complex and competitive delivery system; and

WHEREAS, in light of those changes, the Board of Regents, upon recommendation by the UMHC Board of Governors, believes it is timely to set forth new strategic directions for UMHC and the University's clinical programs;

THEREFORE, BE IT RESOLVED, the Board of Regents approves UMHC's strategic plan; and

BE IT FURTHER RESOLVED, the Board of Regents supports the internal initiatives of UMHC in the areas of cost reduction, service improvement, and outcomes measurement; and

BE IT FURTHER RESOLVED, the Board of Regents endorses UMHC's efforts to expand its greater Minnesota health care affiliations and its outreach program in support of improved delivery of health services in greater Minnesota; and

BE IT FURTHER RESOLVED, the Board of Regents approves the initiation and development of affiliation strategies in the Twin Cities metropolitan area, and strongly supports consideration and establishment of a broad array of relationships in support of UMHC's mission of education, research, and patient care.

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

Regent Keffeler reported that the committee delayed action on the Power Efficiency Program Grant Application until November 30, when a special meeting of the Committee of the Whole will be held to consider the item.

She reported that the committee reviewed several items for information which included a report from the Nominating Committee/Hospital Board of Governors; program proposals and benchmarks for the University of Minnesota, Crookston; a report on Investment Management; and a report on the Physical Plant Legislative Audit recommendations.

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

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

- a) Approval of the Senior Vice President's Monthly Faculty, Staff and Student Affairs Report as listed in the docket material.
- b) Approval of resolution re Civil Service Rules Changes, as follows:

WHEREAS, the Civil Service Rules Committee has, over the course of the past three years, solicited proposals for proposed changes to the Civil Service Rules from University of Minnesota academic and civil service employees, supervisors, and managers; and

WHEREAS, the public hearings have been held to discuss the final proposed changes; and

WHEREAS, the Civil Service Committee and central administration of the University of Minnesota have come to agreement on the appropriate changes to be made, at this time, to the Civil Service Rules (a complete copy of which is available in the Board of Regents' Office); and

WHEREAS, according to the Board of Regents' Policy on Board Operation and Agenda Guidelines, regental approval of proposed changes to the Civil Service Rules 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 the Civil Service Rules changes as outlined in the docket for October 8, 1992.

A copy of the revised Civil Service Rules Changes is filed supplement to the minutes, No. 22,320.

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

Chair Sahlstrom reported that the committee also reviewed a Report to the Legislature regarding Security and Training Plan on Violence and Sexual Harassment and reviewed the Annual Summary of Academic Personnel Actions.

REPORT OF THE FACILITIES COMMITTEE

Before presenting his report, Regent Roe asked if administration would clarify the length of the contract approved at the October meeting relating to the contract award to Kraft American to supply and distribute food products on the Twin Cities campus.

President Hasselmo requested that a response be provided as soon as possible.

Regent Roe, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Facilities Report which included reports pertaining to purchasing, project status, property accounting, and miscellaneous items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution regarding a project previously submitted for information, as follows:

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

1. Agricultural Utilization Research Institute
Crookston Campus
Estimated cost of the project: \$590,000
Funding: 1990 Legislative Appropriation
Estimated completion date: December 1993
- c) Approval of resolution regarding real estate transactions previously approved:
 - a) Five-Year Lease Extension for Agricultural Utilization Research Institute, Crookston, Campus

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute a 5-year extension of the lease with the Agricultural Utilization Research Institute (AURI) for its use of space in Owen Hall at the Crookston campus.

- b) Ten-Year Lease Extension for Ramsey County Historical Society's Gibbs Farm, Falcon Heights

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute a 10-year extension of the lease with the Ramsey County Historical Society providing for its continued use of approximately six acres of University land located at the northwest corner of the intersection of Larpenteur and Cleveland Avenues, Falcon Heights, for its Gibbs Farm.

c) **Sale of Parker Sanders Duluth Property**

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 Parker Sanders Duluth Property to Steve Dronen for the sum of \$300.

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

Regent Roe reported that the committee also reviewed several projects for information which included a proposed parking ramp on 19th Avenue, West Bank campus; a proposed Fisheries and Aquaculture Facility; and a Domestic Water Pipe Replacement Project on the Duluth campus. In addition, two proposed real estate transactions were reviewed: 1) purchase of property at 1820 Riverside Avenue in Minneapolis; and 2) Sale of former dormitory buildings on the Waseca campus.

REPORT OF THE FINANCIAL OPERATIONS & LEGISLATIVE COMMITTEE

Regent Sahlstrom, Acting Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Financial Operations and Legislative Report including accounts receivable, central reserves, debt management, and miscellaneous items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution re Purchase of Goods and Services over \$250,000 as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate staff are authorized to award pending purchases/contracts over \$250,000 as presented to the committee in the docket material and filed in the Regents' Office.

The following contract was included in the material:

- To award the 5th year of a potential 5 year contract to Midwest Business Products for computer supplies for distribution through University Stores from January 1, 1993 through December 31, 1993 at an annual volume of \$400,000.

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

Regent Sahlstrom reported that the committee also reviewed the Quarterly Management Report and received a legislative update.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

Regent Craig, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Educational Planning and Policy Report as presented to the committee in the docket material.
- b) Approval of resolution re Appointments to the Minnesota Landscape Arboretum Foundation board of Trustees, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Academic Affairs, Edward Reid and Mary McQuinn be appointed to three-year terms on the Board of Trustees of the Minnesota Landscape Arboretum Foundation.

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

Regent Craig reported that the committee also reviewed a proposed Regents' Policy on Delegation of Authority/Acceptance of sponsored Grants and Contracts as well as several proposed Regents' Policies on Health Sciences. A Report on Teaching and Learning Strategies and Innovations was also presented.

In addition, Regent Craig reported that a resolution was presented by the student representatives for discussion relating to tuition rates for the next biennium.

REPORT OF THE AUDIT COMMITTEE

Regent M. Page, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

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

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

Chair Page reported that the committee also received a report from the external auditors relating to the preparation of the Report on Audit of Financial Statement for the year ended June 30, 1992.

OLD BUSINESS

Senior Vice President Erickson reported with regard to Regent Roe's question relating to the Kraft American contract, that action from the October meeting approved the contract from September 1992 to September 1995 with contract extensions possible up to 1998.

The meeting adjourned at 12:20 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

MBA
M661

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

MINUTES

BOARD OF REGENTS' MEETING

AND

REGENTS' COMMITTEE MEETINGS

December 10-11, 1992

Office of the Board of Regents

220 Morrill Hall

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

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

December 10-11, 1992

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

November 30, 1992

A special meeting of the Committee of the Whole was held on Monday, November 30, 1992, at 3:30 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Anderson, Craig, Keffeler, M. Page, Reagan, Roe, Rosha, Sahlstrom, and Wynia. Regents Kuderer, Neel, and A. Page participated by telephone.

Staff present: Senior Vice Presidents Erickson and Infante; Vice Presidents Hughes, and Petersen; Executive Director Muesing; and Associate Vice Presidents Markham, and Paschke.

Student Representative present: Rachel Paulose.

Messrs. David Dupree and Tom Pinto from Foster Wheeler also participated by telephone.

POWER EFFICIENCY PROGRAM GRANT APPLICATION

Chair Kuderer called the meeting to order indicating that the purpose of the special meeting was to vote on the resolution relating to the application grant for the Power Efficiency Program. He reported that the application had been discussed by the Board of Regents at its November 13, 1992 meeting and called on Vice President Anne Petersen to present a summary of the application.

Vice President Petersen presented highlights from the grant application, entertaining any additional questions from committee members.

A motion was made and seconded to approve the proposed resolution and Chair Kuderer asked if there were any questions.

In answer to a question posed by Student Representative Paulose, it was reported that Foster Wheeler is exclusively responsible for repayment of the Department of Energy's investment and that under the terms of the contract, the University would have no obligation for repayment.

Regent Wynia posed several questions pertaining to cost savings. It was reported that the preliminary estimated cost of the Clean Coal Technology project is \$150 million with a \pm 30 percent accuracy. The University will fund 50 percent of the project. Mr. David Dupree, Foster and Wheeler, reported that the costs submitted to the Department of Energy will portray every aspect of the project, including operations and maintenance costs. He further reported that this is not a fixed price project and as the project progresses, negotiations regarding costs will continue.

In answer to a question from Regent Sahlstrom, it was reported that the flexibility to use alternative fuels with the clean coal technology will exceed the flexibility provided in the non clean coal proposal.

Representatives from Foster Wheeler responded to a number of questions raised by Regent Keffeler pertaining to the technology of the project and cogeneration. Questions were also raised regarding emissions and required utilization of coal. Mr. Paschke reported that the only time the University is required to burn 100 percent coal is during the two week test periods for each of the three years during the demonstration periods.

Regent Rosha requested that as the application and discussions with the Department of Energy proceed, information be provided regarding the extent of the new public/private partnership involving the University, and the gains or losses resulting from the commercialization of any new technology.

Senior Vice President Erickson added that the process is intended to create more options rather than taking options away.

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

WHEREAS, the Board of Regents passed a resolution in June 1992 directing the administration to develop a clean coal technology program grant application for Board of Regents' consideration and approval at the November 1992 meeting;

WHEREAS, the application does not obligate the University to any specific course of action with regard to the implementation of clean coal technology;

WHEREAS, if the application is selected by the United States Department of Energy for negotiation of a contract for a clean coal technology grant, such contract must be approved by the Board of Regents;

WHEREAS, any proposed use of clean coal technology is subject to complete review within the Environmental Impact Statement (EIS) process applicable to the University's steam production and distribution system;

THEREFORE BE IT RESOLVED, on the recommendation of the President and the Vice President for Research, the Board of Regents approves the Power Efficiency Program Grant Application for a demonstration project using clean coal technology. The grant application is for submission to the United States Department of Energy from the University of Minnesota and Foster Wheeler, USA.

RESOLVED FURTHER, that up to \$2.5 million of any savings resulting from the successful implementation of clean coal technology be directed to research related to energy use and efficiency of the University's steam production and distribution system. The Vice President for Research shall oversee the allocation of such funds and shall report annually to the Board of Regents on the results of the research as part of the annual report on the status of the University's research and sponsored grant and contract activity presented each January.

The meeting adjourned at 4:25 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

November 30, 1992

A special meeting of the Board of Regents of the University of Minnesota was held on Monday, November 30, 1992, at 4:26 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Anderson, Craig, Keffeler, M. Page, Reagan, Roe, Rosha, Sahlstrom, and Wynia. Regents Kuderer, Neel, and A. Page participated by telephone.

Staff present: Senior Vice Presidents Erickson and Infante; Vice Presidents Hughes, and Petersen; Executive Director Muesing; and Associate Vice Presidents Markham, and Paschke.

REPORT OF THE COMMITTEE OF THE WHOLE

November 30, 1992

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

- a) Approval of resolution re Power Efficiency Program Grant Application, as follows:

WHEREAS, the Board of Regents passed a resolution in June 1992 directing the administration to develop a clean coal technology program grant application for Board of Regents' consideration and approval at the November 1992 meeting;

WHEREAS, the application does not obligate the University to any specific course of action with regard to the implementation of clean coal technology;

WHEREAS, if the application is selected by the United States Department of Energy for negotiation of a contract for a clean coal technology grant, such contract must be approved by the Board of Regents;

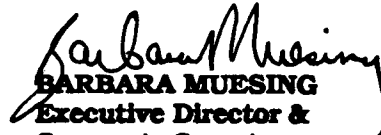
WHEREAS, any proposed use of clean coal technology is subject to complete review within the Environmental Impact Statement (EIS) process applicable to the University's steam production and distribution system;

THEREFORE BE IT RESOLVED, on the recommendation of the President and the Vice President for Research, the Board of Regents approves the Power Efficiency Program Grant Application for a demonstration project using clean coal technology. The grant application is for submission to the United States Department of Energy from the University of Minnesota and Foster Wheeler, USA.

RESOLVED FURTHER, that up to \$2.5 million of any savings resulting from the successful implementation of clean coal technology be directed to research related to energy use and efficiency of the University's steam production and distribution system. The Vice President for Research shall oversee the allocation of such funds and shall report annually to the Board of Regents on the results of the research as part of the annual report on the status of the University's research and sponsored grant and contract activity presented each January.

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

The meeting adjourned at 4:28 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

December 10, 1992

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, December 10, 1992, at 2:00 p.m. in the Regents' Room, 238 Morrill Hall.

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

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

Student Representatives present: Corey Mitteness and Brian Swanson.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for December 1992. A motion was made and seconded to recommend approval of the report.

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

PROJECTS PREVIOUSLY SUBMITTED FOR INFORMATION

The committee reviewed the design and construction of the following projects for action:

- a. Hockey Arena, Scope Increase
Twin Cities Campus
Estimated increase in project: \$138,000
Total estimated cost of the project: \$20,138,000
Funding: Revenue supported bonding program; University Building Energy Efficiency Project (UBEEP); and Facilities Management
Estimated completion date: August 1993

It was noted that a tour of the athletic facilities is scheduled during the February meetings of the Board of Regents. Regent Neel suggested that tours of other on-going projects be scheduled as well in the near future. Senior Vice President Erickson responded that tours can be scheduled for any projects that committee members wish to see.

The committee voted unanimously to recommend approval of the project.

- b. 19th Avenue Parking Ramp
Twin Cities Campus
Estimated cost of the project: \$5,500,000
Funding: Parking Services Revenues and internal loan
Estimated completion date: August 1994

Harvey Turner, Assistant Director in Facilities Management, reported that this project is ready to proceed pending the purchase of a small parcel of land needed to complete the ramp. He stated that an agreement had been reached for the purchase, however, the neighborhood residential Project Area Committee (PAC) group has requested that the University provide more spaces for public parking in the ramp and has asked the city to delay action on the sale. He further reported that the business group in the area as well as the councilperson representing the area have indicated their support for the project proceeding.

After some discussion, the committee voted unanimously to recommend approval of the project. It was noted that the project would come back to the committee if there were any changes as a result of the PAC's request.

- c. Domestic Water Pipe Replacement Program
Duluth Campus
Estimated cost of the project: \$2,048,000
Funding: 1992 Legislative Appropriation for Fire and Life Safety
Estimated completion date: April 1993

The committee voted unanimously to recommend approval of the project.

**REAL ESTATE TRANSACTIONS PREVIOUSLY
SUBMITTED FOR INFORMATION**

The committee voted unanimously to recommend approval of the following resolutions relating to real estate transactions previously reviewed:

- a) 99-Year Land Lease to City of Morris and Acquisition of .705 Acre as Lease Consideration, West Central Experiment Station, Morris

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute the necessary documents for (1) the acquisition of .705 acre of land from the City of Morris at \$1.00 and (2) the lease of approximately 8 acres of land located in the South One-Half of Section 36, Township 125, Range 42 West, Stevens County, to the City of Morris for 99 years.

- b) Sale of 6,500 Square Feet of Land at Vacated Colorado Avenue and 24th Avenue East, Duluth Campus

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute the appropriate documents providing for the sale of 6,500 square feet of

land at vacated Colorado Avenue and 24th Avenue East, to Donald B. and Carlyn J. Crouch, for the sum of \$5,111.

In response to a question raised about disposition of University property, Associate Vice President Hewitt presented a brief update on issues being addressed by the Master Planning Committee. Regent Neel stated that divestment of excessive land holdings would provide financial gains for the University and should be continually reviewed.

PROJECTS PRESENTED FOR INFORMATION

North Stadium Parking Lot and Bus Drop Off Twin Cities Campus

The committee reviewed a proposal to construct a 60-car North Stadium parking facility that will provide metered parking for visitors and a limited quantity of contract parking for University staff. It was reported that this lot will replace some of the parking which was eliminated by the development of the University Recreational Sports Center. A drop-off lane for buses will also be constructed. Lighting and landscaping to compliment the adjacent plaza is included in the scope of the project. Estimated cost of the project was reported to be \$107,000 with funding provided from Parking Services funds and the Department of Recreational Sports funds. Estimated completion is June 1993.

The committee discussed the importance of providing for future pedestrian links between University buildings as projects are proposed. Associate Vice President Hewitt reported that the Master Planning Office is currently engaged in an inventory of existing connections for determination of future pedestrian links.

The committee also received a brief update concerning the Memorial Arch and progress on the Alumni Center. Senior Vice President Erickson reported that with regard to the Alumni Center, fundraising is in process. With regard to the Memorial Arch, it was reported that options regarding the site will be presented to the committee in the near future. Regent Roe urged that the matter be scheduled as soon as possible and that enough time be scheduled on the agenda for a thorough discussion before action is requested.

University Drive and Parking Lot B Restoration Duluth Campus

The committee reviewed a proposed project for the reconstruction of University Drive and Parking Lot B on the Duluth campus, including the replacement of street lighting. Vice Chancellor Greg Fox presented details of the project, indicating that the estimated cost of the project was reported to be \$570,000 with funding to be provided from UMD Repair and Replacement Funds and Parking Reserves. Estimated completion is August 1993.

Partial Tuckpointing of Sports and Health Center, Life Science Greenhouse, Cina Hall, Bohannon Hall, Kirby Student Center, and Washburn Hall Duluth Campus

The committee reviewed a proposed project to complete partial tuckpointing on the following buildings:

- A. Sports and Health Center Building
- B. Life Science Greenhouse

- C. Cina Hall
- D. Bohannon Hall
- E. Kirby Student Center
- F. Washburn Hall

Vice Chancellor Fox reported that the project is necessary to protect and maintain the physical assets of the University. Estimated cost of the project was reported to be \$144,000 with funding to be provided from the UMD Repair and Replacement Fund. Estimated completion is August 1993.

**Roof Replacement for Marshall Performance Arts Center,
A. B. Anderson Hall (Upper Roof), Humanities, Tweed Museum, Concourse B, and
Sports and Health Center South Entrance
Duluth Campus**

Vice Chancellor Fox reviewed a proposed project to replace the existing roofs on the following buildings: 1) Marshall Performance Arts Center; 2) A. B. Anderson Hall (upper roof); 3) Humanities; 4) Tweed Museum; 5) Concourse B; and 6) Sports and Health Center South Entrance. He reported that roof leaks have occurred on a frequent basis and replacement is necessary to protect and maintain the buildings. Estimated cost of the project was reported to be \$583,000 with funding to be provided from UMD Plant funds. Estimated completion is September 1993.

REAL ESTATE TRANSACTIONS PRESENTED FOR INFORMATION

**Purchase of .647 Acre of Land at Oak and 5th Street SE
Minneapolis, Minnesota**

The committee reviewed a proposal for the purchase of .647 acre of land at Oak and 5th Street SE to be used for a trailer parking to the new Hockey Arena now under construction. Associate Vice President Hewitt explained details of the project and responded to questions, reporting that appraisals will be brought back to the committee for final approval.

**Sale of 4.31 Acres and Temporary Easements for Highway 169 Improvements,
North Central Experiment Station
Grand Rapids**

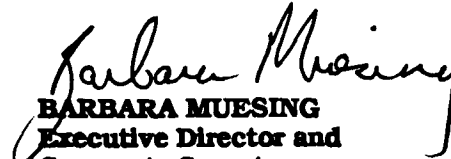
The committee reviewed a proposal to sell 4.31 acres of land and temporary easements for Highway 169 improvements to the Department of Transportation. Associate Vice President Hewitt reported that agreement has not been reached with the Department of Transportation regarding a price for the property and negotiations are still pending. The committee will be kept apprised on the status of the negotiations.

**Sale of the Friedell Building
Rochester, Minnesota**

The committee reviewed a proposal for the sale of the Friedell Building in Rochester, Minnesota. Associate Vice President Hewitt provided details of the proposal indicating that University programs presently housed at the Friedell Building will soon be relocated to the University Center on the campus of the Rochester Community College. He reported that all other tenants of the building have a termination date in 1993 and the building can then be declared as surplus and offered for sale. Mr. Hewitt reported that two appraisals have been obtained and a third appraisal is in process.

In answer to a question relating to Master Planning, Associate Vice President Hewitt reported that there is a definite relationship between the Capital Planning Principles and the Master Plan, indicating that the principles provide a means for the implementation and execution of the Master Plan.

The meeting adjourned at 3:30 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Financial Operations & Legislative Committee

December 10, 1992

A meeting of the Financial Operations & Legislative Committee of the Board of Regents was held on Thursday, December 10, 1992, at 3:55 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice President Paschke; Assistant Vice President Cram; and Director of State Relations Peterson.

Student Representatives present: Courtney Jaren and Corey Mitteness.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for December 1992. A motion was made and seconded to recommend approval of the report.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for December 1992.

QUARTERLY PURCHASING REPORT

The committee reviewed the Quarterly Purchasing Report. Highlights of the report included the following :

- A total of 85,803 transactions were processed for a value of \$62,572,364. From this total, 29 were justified sole source awards totaling \$1,628,488.
- There were no Regents' policy violations.
- Eight change orders exceeded \$100,000.
- 17 purchase awards were made that were over \$100,000 and under \$250,000.

Purchasing Director Karen Triplett was present to respond to any questions.

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 September 30, 1992 was included in the report:

- Endowment and reserves on September 30, 1992 were \$926.8 million for the University and \$271.9 million for the University Foundation.
- The Permanent University Fund (PUF) is valued at \$120.8 million and is included in the endowment assets of the University.
- The Consolidated Endowment Fund returned 4.2 percent and 9.7 percent for the past quarter and 12 months respectively vs. the benchmark returns of 3.8 percent and 11.8 percent (65 percent equities/35 percent fixed income), and 3.2 percent and 11 percent (composit index of endowment and Foundation funds.) Over the past 10 years, the Consolidated Endowment Fund has generally exceeded the returns of the composites of other endowment funds.
- Performance of University Equity Managers for the past 12 months ranged from 10.1 percent to 3.2 percent compared to the Standard and Poors 500 return of 11 percent.
- Performance of University Fixed Income Managers for the past 12 months ranged from 30.1 percent to 12.6 percent compared to the Lehman Brothers Government Corporate Index return of 13.2 percent.
- The performance of the Long-Term Reserves was 15 percent for the past 12 months compared to the fixed income benchmark return of 14.6 percent. For most periods, the performance of the long-term reserves exceeded the benchmark returns.
- The average yield for the Short-Term Reserves was 6.9 percent for the past 12 months vs. 3.9 percent for Treasury Bills and 4.1 percent for Money Market Funds.

After a short discussion, Regent Kuderer commended Mr. Paschke for his excellent work managing the University's investments.

LEGISLATIVE STRATEGY

Donna Peterson, Director of State Relations, presented an update on legislative activity. She distributed a preliminary directory of addresses for legislators indicating that committee assignments have been made in the Senate and are still pending in the House. She reported that the committee structure has been changed, describing some of the changes made to date.

Ms. Peterson reported that a tour for new legislators was provided November 18 with 17 legislators attending. She reported that various presentations on the teaching, research and service activities at the University were given, indicating that she felt the tour was informative and successful. She further reported that visits with all legislators are still being scheduled.

Ms. Peterson reported that the Alumni Association is hiring an individual to coordinate its efforts at the legislature and reported that Jim Lewis, 4-H Foundation, has been asked by administration to coordinate initiatives with the deans during the legislative session.

Regent Sahlstrom stressed the importance of including the students when coordinating efforts for the legislative session.

The meeting adjourned at 4:30 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

December 10, 1992

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, December 10, 1992, at 2:00 p.m. in Room 300, Morrill Hall.

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

Staff present: Chancellors Ianni and Johnson; Senior Vice President Infante; Vice Presidents Hopkins, Hughes, and Petersen; Executive Director Muesing; Associate Vice Presidents Barbatsis, Carrier, and Johnson; Assistant Provost Spector.

Student Representatives present: Courtney Jaren and Sara Nienow.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Infante presented the Senior Vice President's Monthly Report, which was included in the docket materials, to the committee for approval. He stated that the Faculty Workload Task Force Report was adopted by the University Senate, and is being considered by the administration. He discussed the University-Preidential Opportunity Program (U-POP) '92, and noted the status of administrative searches. In response to Regent Reagan, Dr. Infante stated that the search for the Director of the Minnesota Sea Grant Program is proceeding.

In response to Regent Sahlstrom, Dr. Infante discussed implementation of the Faculty Workload Task Force Report, stating that each unit will develop separate workload policies because of the diversity of the University. He indicated that the implementation process will provide an opportunity for the University community and the public to become aware of all components of faculty workload at a research institution. Regent Sahlstrom stated he hopes faculty who participate in outreach activities are suitably recognized and rewarded as they are for teaching and research, and Dr. Infante noted that the report addresses that issue.

Dr. Infante concurred with Regent Keffeler's suggestion that the Board should approve the recommendations of the Task Force, since they address significant matters related to expectations of the University faculty and the balance among teaching, research, and outreach. Vice President Hopkins suggested that the faculty workload principles be approved by the Board, noting that the process and appendices will be improved over time and should remain flexible.

Following a brief discussion, Regent Keffeler noted that the consensus of the committee is that the Board approve portions of the Faculty Workload Task Force Report that have policy implications. Dr. Infante asked for clarification on whether the committee wants the administration to devise a document in the form of Regents' policy. Regent Keffeler stated that she feels the Board should approve the faculty workload

principles at this point, noting that the administration should then determine whether to present the final document to the Board for approval as a resolution of support or as Regents' policy.

Regent Rosha moved approval of the Senior Vice President's Monthly Report, and the motion was seconded by Regent Keffeler.

Dr. Sallye McKee reported on the U-POP program and discussed follow-up that has taken place with the program participants, stating that the goal is to provide a more enriched program next summer. Regent Sahlstrom stressed the importance of the U-POP program, and commended Dr. McKee and others for their efforts.

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

**REPORT TO THE LEGISLATURE REGARDING
SECURITY AND TRAINING PLAN ON VIOLENCE AND SEXUAL HARASSMENT**

Regent Keffeler moved approval of the following resolution regarding the report to the Legislature on the University's System Plan for Campus Security and Training on Sexual Harassment and Violence, and the motion was seconded by Regent Reagan:

WHEREAS, campus security is essential to ensure a sense of community with diversity, and successful education can only occur in an atmosphere of mutual respect, free from sexual and racial harassment and other forms of intolerance and their harmful effects; and

WHEREAS, the Board of Regents regularly reviews the University's policy on sexual harassment, as well as reports of offices, committees, and other units responsible for campus security and educational programming and training to prevent violence and harassment;

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

- fully supports and is in agreement with the spirit and intent of the recent legislation directing Minnesota post-secondary institutions to strengthen programs to prevent sexual harassment and violence;
- approves the University of Minnesota System Plan for Campus Security and Training on Sexual Harassment and Violence to be forwarded to the Higher Education Coordinating Board;
- directs the administration to begin implementation in 1992-93 with full implementation to be accomplished by 1994-95; and
- directs the administration to report to the Board in November 1993 about progress toward implementing and evaluating the Plan and associated educational programs.

Senior Vice President Infante discussed the report, noting that there have been no fundamental changes since it was presented to the committee for review at the November meeting.

A lengthy discussion ensued regarding implementation of the plan. Regent A. Page suggested providing students with the required training through a mandatory

credit course. Senior Vice President Infante, Vice Presidents Hopkins and Hughes, and Assistant Provost Spector discussed various options for delivery of training to faculty, staff, and students, including the possibility of meeting the objectives of the report through the cultural diversity requirement. In response to Regent Rosha, Dr. Hopkins stated that the Curriculum Committee will consider courses that meet the requirements of the report as the new curriculum is developed. Dr. Spector noted that a new committee will be appointed to address implementation issues.

Regent Keffeler expressed support for requiring training for faculty, staff, and students. However, she stated that while the Board's desire should be conveyed to the faculty, she would not feel comfortable with the Board directing such a curriculum requirement.

Regent Rosha stated that he feels all students should have access to training within their first two years at the University. Dr. Infante stated that the intent is to provide access to training, although he expressed discomfort with the concept of making such training a course requirement that carries academic credit.

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

In response to Regent Keffeler, Regent Sahlstrom noted that the resolution states that responsibility for implementation of the plan rests with the administration. Dr. Hughes stated that the administration will report back to the committee after an implementation strategy is developed. Dr. Infante noted that the implementation strategy will be campus-based and will address training at different levels throughout the University community.

ANNUAL REPORTS OF ALL-UNIVERSITY AND CAMPUS INDIAN ADVISORY COMMITTEES

Regent Sahlstrom introduced Dr. Josie Johnson, the new Associate Vice President for Academic Affairs with responsibility for minority affairs, and welcomed her to the committee. Senior Vice President Infante introduced the annual reports of the American Indian advisory committees, noting that representatives from the advisory committees on the Duluth and Twin Cities campuses were present.

John Day, a member of the University of Minnesota, Duluth American Indian Advisory Board (UMD-AIAB), introduced Mike Munnell and Carol DeVerney, members of the UMD-AIAB and the Anishinabe Club. Mr. Day stated that the opportunity to address the Board regarding the Advisory Board's concerns illustrates the Board's concern for the American Indian population.

Mr. Day addressed the issue of disposition of profits generated by the sale of the salt spring lands. He reviewed background information, noting that the UMD-AIAB adopted a resolution in 1988 calling for 80 percent of the profits from such sales to be earmarked for the Duluth campus. On behalf of the Advisory Board, Mr. Day requested the Board to make a final determination at this time regarding the proposed distribution formula.

Mr. Munnell expressed appreciation for the chance to address the Board. He stated for the record that the Anishinabe Club requests that the 80 percent distribution formula passed by the AIAB in 1988 be uniformly applied to all profits from the sale of salt spring lands. Mr. Munnell indicated that nothing less will ensure that American Indian children will receive equal educational opportunities. He noted that the AIAB's top priority is to establish an endowed professorship in American Indian Education.

Dr. Infante reviewed a history of the salt spring lands, which was owned by Native Americans and transferred to the federal government. He indicated that 1986 legislation authorized the University to sell the land, noting that 1988 legislation provides that proceeds from the land sales should be used on the coordinate campuses. Dr. Infante noted that the Board of Regents did not act on the 1988 UMD-AIAB resolution.

Dr. Infante reported that UMD received \$250,000 of the \$295,000 proceeds from the sale of salt spring lands to date, and discussed a recommendation by the President's Development Committee that each coordinate campus should receive an appropriate proportionate share of the proceeds. He indicated that the \$250,000 provided to UMD was matched by an equal amount from the Permanent University Fund for an endowed professorship in American Indian Education. However, he noted that the \$27,000 generated from that investment is insufficient to support a full-time professor.

In response to Regent Sahlstrom, Dr. Johnson discussed the current status of the salt spring lands sales. She stated that gross revenues from the sales through 1994-95 will total approximately \$950,000.

Regent Reagan spoke in support of the distribution formula recommended by the UMD-AIAB, noting UMD's aggressive efforts to meet the needs of American Indians. Dr. Johnson concurred with Regent Reagan's comments regarding UMD's significant contributions. She acknowledged previous misunderstandings regarding the distribution of salt spring lands proceeds and stressed the importance of creating an atmosphere of trust. Dr. Johnson stated that the administration would like to have an opportunity to work with representatives from all coordinate campuses to ensure fair distribution of the proceeds. Regent Reagan asked if such discussions could take place before the January Board meeting, and Dr. Infante stated that he did not feel that would provide sufficient time for discussion and suggested the February meeting as an alternative.

Regent Keffeler stated that she feels the way reports are presented to the Board can result in misunderstandings. She noted that the proposed 80 percent distribution formula could be misleading if it is neutralized by an equity arrangement for all of the coordinate campuses, and stated that she looks forward to further discussion of this issue.

Regent Rosha stated that this situation presents the Board with an opportunity to reward UMD for its minority recruitment and retention efforts. He suggested that the administration should develop a comprehensive approach throughout the University to reward units who achieve such success.

Regent M. Page suggested that discussions regarding this issue should involve American Indian representatives, in addition to administrators. In an effort to expedite resolution of this issue, Regent Reagan suggested that American Indian representatives from each campus should meet to discuss the situation. Dr. Johnson stated that the administration wants to be clear, equitable, and fair in its effort to resolve the matter, stating that she hopes the community and the Board have faith in that effort.

In response to Regent Reagan's suggestion, Mr. Day stated that within a month he could personally arrange a meeting with representatives from the other coordinate campuses to discuss this issue and develop a resolution on the matter.

In summary, Regent Sahlstrom stated that Mr. Day will discuss this issue with American Indian representatives from the Crookston and Morris campuses and that an administrative recommendation will be presented to the committee as soon as possible. He expressed appreciation to everyone who participated in the discussion.

**REPORTS OF THE OFFICE OF THE ASSOCIATE VICE PRESIDENT FOR
ACADEMIC AFFAIRS AND ASSOCIATE PROVOST WITH SPECIAL
RESPONSIBILITY FOR MINORITY AFFAIRS AND THE OFFICE OF
EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION**

and

REPORT ON FALL QUARTER ENROLLMENT

The discussions regarding these two items were postponed until the January meeting due to time constraints.

The meeting adjourned at 3:45 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Educational Planning and Policy Committee
December 10, 1992

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, December 10, 1992, at 3:50 p.m. in Room 300, Morrill Hall.

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

Staff present: Senior Vice President Infante; Vice Presidents Anderson, Hopkins, and Petersen; Executive Director Muesing.

Student Representatives present: Darius Casey and Andy Kuehnel.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Regent Roe moved approval of the Senior Vice President's Monthly Report, and the motion was seconded by Regent Keffeler.

Senior Vice President Infante reviewed the report, which was included in the docket materials, and noted the following:

- Approval by the Higher Education Coordinating Board (HECB) of the proposal for the Master of Liberal Studies (M.L.S.) Degree at the University of Minnesota, Duluth

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

In response to Regent Roe, Dr. Infante reported on the status of the State Grant Program funding proposal currently being considered by HECB. He emphasized that although he does not think the proposal represents good public policy, he does not want to be associated with a possible division between the public and private sectors of higher education. Committee members expressed concern regarding the proposal, and regarding HECB's lack of consultation with the higher education systems in the state during the development process.

**APPOINTMENTS TO THE MINNESOTA LANDSCAPE ARBORETUM
FOUNDATION BOARD OF TRUSTEES**

Regent Keffeler moved approval of the following resolution, and the motion was seconded by Regent Roe:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Academic Affairs, Charlotte Drake and Helen

Hartfiel be appointed to three-year terms on the Board of Trustees of the Minnesota Landscape Arboretum Foundation.

The committee voted unanimously to recommend approval of the resolution.

**REGENTS' POLICY ON DELEGATION OF AUTHORITY/
ACCEPTANCE OF SPONSORED GRANTS AND CONTRACTS**

Regent A. Page moved adoption of the proposed Regents' Policy on Delegation of Authority: Acceptance of Sponsored Grants and Contracts, and the motion was seconded by Regent Roe.

Senior Vice President Infante and Vice President Petersen reviewed the proposed policy. They noted provisions developed in response to issues raised at the November meeting regarding definitions of significant grants and substantial impact on the University's academic plan and budget.

Regent Keffeler suggested the addition of a provision requiring Regents' approval of the submission and receipt of significant grants, stating that the Board has a fundamental responsibility to ensure that such grants are consistent with the University's mission. Dr. Infante and Dr. Petersen expressed concerns regarding the proposed provision, including potential problems with the timing of such approvals because of grant application deadlines. Dr. Petersen noted that the administration understands the spirit of the proposal, citing the Power Efficiency Project as an example of a grant that would require Regents' approval under this policy. She stated she would be comfortable with a provision requiring Regents' approval of the receipt of significant grants. Dr. Infante commented on the administration's participation in the grant application process, and suggested including a provision requiring Regents' approval of either the submission or the receipt of significant grants.

Regent Neel noted for the record that he feels it would be inappropriate for the Board to be involved in the approval process on every grant. To address the problem associated with grant application deadlines, he suggested that the administration inform the Board about large or sensitive grant proposals during the preliminary application process.

Regent Keffeler moved approval of the following amendment to the resolution, and the motion was seconded by Regent Neel:

The Board of Regents shall approve the submission or receipt of such significant grants. In such cases as significant grants are submitted without prior approval of the Board of Regents, a report will be provided to the Board of Regents at the earliest possible time explaining the potential implications of the grant and the reasons that occasioned the necessity to submit the grant without Board approval.

In response to Dr. Petersen, Regent Keffeler stated that she would leave the timing and type of report noted in her proposed amendment to the discretion of the administration. Following a brief discussion, the committee voted unanimously to recommend approval of the amendment.

The committee voted unanimously to recommend adoption of the following policy:

RESOLVED, that the Regents of the University of Minnesota hereby delegate the authority to formally accept sponsored grants and contracts to the president, or his/her designee.

To be accepted, grants and contracts must adhere to appropriate University policies, such as those on hazardous biological materials, secrecy in research, use of human subjects in research, and animal care and usage. In addition, other policies and practices will be followed, including prior dean and department head approval of proposal and principal investigator, fiscal soundness including recovery of indirect costs, prior approval of any required institutional matching funds, availability of suitable space, prior disclosure of any conflict of interest including financial interest in a company affected by the proposal, and public disclosure of information.

Information on grants and contracts shall be reported to the Regents on a quarterly basis. Significant individual grants and contracts shall be reported to the Regents in timely fashion on an ad hoc basis. The Board of Regents shall approve the submission or receipt of such significant grants. In such cases as significant grants are submitted without prior approval of the Board of Regents, a report will be provided to the Board of Regents at the earliest possible time explaining the potential implications of the grant and the reasons that occasioned the necessity to submit the grant without Board approval. Significant grants are those that are very large, (more than 1 percent of the prior year's externally funded research expenditures), or that would have a substantial impact on the academic plan or on the budget of the University. Examples of substantial impact would include special facilities requirements or a substantive area that is new or unusual to the University. The president, or his/her designee, shall make a formal presentation to the Regents annually on the status of the University's research and on its sponsored grant and contract activity.

UPDATE - MINNESOTA HIGHER EDUCATION COORDINATING BOARD STATE GRANT PROGRAM FUNDING PROPOSAL

Dr. Infante reported that he just received word that the Minnesota Higher Education Coordinating Board took the following actions with respect to the State Grant Program funding proposal:

- Approved by a 6-3-1 vote the proposal to increase total funding for the State Grant Program by approximately \$70 million, with an amendment that the Legislature should be asked to provide the additional funds from general operating funds and if that fails, the funds should come from the public higher education allotment.
- Rejected by a 5-5 vote the proposal to prevent tuition increases to fund the State Grant Program by recommending that the Governor propose to the Legislature a salary freeze for employees in order to fund the increase in the program.

Following the report, Regent Craig expressed gratitude on behalf of the Board to Dr. Infante for his efforts regarding this issue.

REGENTS' POLICIES ON HEALTH SCIENCES

Regent Keffeler moved approval of the following resolution, and the motion was seconded by Regent A. Page:

RESOLVED, on the recommendation of the President and the Senior Vice President for Health Sciences, that

- The revised Delegation of Authority: General Delegations Regents' policy, as included in the docket, be adopted
- The Health Sciences Mission policy, the Policy on Health Sciences, and the Rural Physician's Associate Program policy be rescinded as Regents' policy.

The meeting adjourned at 4:50 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

December 10, 1992

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, December 10, 1992, at 10:15 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: President Hasselmo; Chancellors Ianni, Johnson, and Sargeant; Senior Vice President Erickson; Vice Presidents Allen, Anderson, Hopkins, Hughes, and Petersen; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Kvavik, Markham, Paschke, Perlmutter, and Pfitzenreuter.

Student Representative present: Rachel Paulose.

REPORT ON RELATIVE TUITION STANDING

President Hasselmo introduced the discussion regarding the University's relative tuition standing. David Berg, Director of Management Planning & Information Services, discussed the University's tuition situation, stating that the administration is concerned about students' ability to attend, based on tuition increases and changes in financial aid. Mr. Berg reported that tuition rates at all major public research institutions are increasing rapidly, and noted that Minnesota's undergraduate resident rate continues to rank fifth among the Big Ten public institutions. He stated that dependence on tuition income has been rising, and state and federal financial aid has not kept pace with tuition increases.

Mr. Berg reported on a proposal by the Higher Education Coordinating Board (HECB) to increase tuition at public higher education institutions and use the revenue to finance an increase in the State Grant Program. He discussed the potential impact of the proposal on the University.

President Hasselmo presented a resolution opposing the HECB proposal. Regent Anderson moved approval of the following resolution, and the motion was seconded by Regent Craig:

WHEREAS, the Minnesota Higher Education Coordinating Board is considering a proposal to finance an increase in the State Grant Program for undergraduate students by reducing the proportion of taxpayer funds allocated directly to the public higher education systems; and

WHEREAS, this proposal would offset the reduction in public system funding through an increase in tuition at public institutions; and

WHEREAS, this proposal would levy the tuition increase on students who are not eligible for support from the State Grant Program -- non-resident non-reciprocity students who currently pay the full cost of instruction and graduate and professional students ; and

WHEREAS, this proposal does not take into account the adverse impact on the University's ability to subsidize high-cost professional and graduate programs; and

WHEREAS, this proposal further differentiates the State of Minnesota from its reciprocity states and Manitoba in tuition levels and financial aid, and may therefore call into question reciprocity agreements in their present form; and

WHEREAS, this proposal's tuition increase may result in a loss of access to higher education by lower-middle and middle income students that is in excess of gains in access for lower income students; and

WHEREAS, this proposal, in a time of financial hardship for the state, establishes a level of funding exceeding what is mandated by state and federal law including adjustments for inflation and a tuition cap for private colleges, which may be in excess of the actual average cost of comparable undergraduate programs at public institutions; and

WHEREAS, the Board of Regents has encouraged the development of state financial assistance, with special attention to the needs of low income people, and recognizes the need for additional resources by the State Grant Program to respond to changes in assistance policy by the federal and state governments and by inflation; and

WHEREAS, the Board of Regents resolved on December 13, 1991 its expression of concern for the financial hardship created by the increases in tuition and challenged the public and private higher education systems to aggressively seek additional sources of state and federal support to aid financially disadvantaged students; and in a letter to Governor Arne Carlson on September 11, 1992 indicated that raising tuition is a hardship that cannot continue to be imposed on the families of Minnesota students in future years, and that reduced state appropriation and increased tuition are the wrong choices for the future of our students and our citizens.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents reaffirms its expression of concern for the financial hardship created by increases in tuition and supports adequate funding of the State Grant Program.

BE IT FURTHER RESOLVED, that the Board emphasizes the need for the Minnesota Higher Education Coordinating Board to undertake a thorough analysis and evaluation of the effects and consequences of this proposal, and to consult with the other governance boards of Minnesota's higher education systems on tuition and public financial assistance policy.

BE IT FURTHER RESOLVED, that the Board of Regents convey to the Minnesota Higher Education Coordinating Board its opposition to the method of using tuition at public institutions to fund the State Grant Plan, and encourages the Minnesota Higher Education Coordinating Board and the public and private higher education systems to seek

alternative sources of state and federal support to aid financially disadvantaged students.

Regent Reagan noted for the record that he is vehemently opposed to the HECB proposal, stating that it is an attempt to privatize public education.

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

Regent Rosha stated the University and Board of Regents have a responsibility to take a stronger position on the role of tuition in funding higher education in the state. Regent Kuderer noted that on September 11, 1992 he sent a letter to Governor Carlson expressing the Board's position regarding tuition increases.

President Hasselmo indicated that the Biennial Request includes the basic assumption that tuition should not rise beyond the rate of inflation, and welcomed suggestions on how to make that point stronger. He stated that while he is sympathetic to a resolution passed by student groups recommending that tuition increases should not exceed the 3 1/2 percent inflation rate, he cannot commit himself to that position at this time because of the unknown factors which impact the University's financial situation.

In response to Regent Neel, President Hasselmo and Associate Vice President Kvavik indicated that the HECB did not consult with the University or the other systems as the proposal was developed. Regent Neel expressed concern regarding the lack of consultation, and Regent Kuderer noted that the HECB Board is conducting a hearing regarding the impact of the proposal on public education and has not yet taken action.

Regent Craig acknowledged the students' resolution regarding tuition, in spite of the fact that the Board cannot approve the proposal because it would restrict the President as he develops the budget.

Regent Sahlstrom stressed the importance of all public higher education systems uniting in an effort opposing the HECB proposal. Dr. Kvavik stated that the HECB proposal would have a negative impact on all of the public higher education systems, noting that other systems have also expressed opposition to the recommendation.

Regent M. Page expressed frustration regarding tuition and state funding issues, stating she is concerned about the impact of public policy on higher education in the state. President Hasselmo stated that Regent Page's concern is at the heart of the matter. He noted the University's efforts to act responsibly and work within the state's limitations, citing profound changes resulting from the restructuring and reallocation plan. He discussed the University's limited capacity to make further major reductions, and stated that the administration will work with the Board to present this matter to the state.

Regent Roe noted that the other higher education systems did not share in the pain that resulted from the University's restructuring and reallocation plan, and stated that future actions must be coordinated with the other systems.

Regent Anderson stated he is pleased to see the unanimity on this issue, and thanked President Hasselmo and the administration for their attention to the HECB proposal.

Regent Neel stated that Arthur Hauptman, a higher education policy consultant, discussed issues related to state financing of higher education in the March 1992 issue

of **Policy Perspectives**. He suggested that the Board should discuss these issues at a future retreat or meeting:

- tuition and student aid
- tying tuition to a percentage of the median or per capita income within the state
- stabilizing how public higher education is financed on a long-term basis through a system of reserves and counter cyclical debt financing
- providing incentives to schools that want to downsize without being penalized for doing so

In response to Student Representative Paulose, Mr. Berg reported that although renegotiation of reciprocity agreements is under consideration by the HECB, the impression is that the HECB Board is not inclined to renegotiate. He also discussed the percentage of instructional costs paid by students in reciprocity states. Dr. Kvikvik noted that if the tuition increase proposed by the HECB is passed, Minnesota would be third in the nation in terms of students paying a percentage of instructional costs. Regent Kuderer stated that if the HECB proposal is adopted, it would seriously jeopardize the UMC plan.

Regent Anderson noted that when reciprocity went into effect, students paid the resident tuition of the state where they attended school. However, that policy was later changed so students now pay the resident tuition rates of their home state.

Student Representative Paulose distributed a comparison of 1991-92 resident undergraduate tuition and fees for the 50 states, noting that Minnesota is tenth among all the states. She urged the administration to consider the market when developing a recommendation for tuition increases for the coming year.

President Hasselmo stated that this is a very important public policy issue. He noted that the administration has responded to the Regents' request for a tuition policy in a pragmatic way, given the budget situation. He stated that a response will be developed in policy terms, noting that the policy statement may become a confirmation of the principles being applied to address the tuition situation.

Following the discussion, Regent Kuderer noted that the report was received, accepted, and will be filed. He expressed appreciation to the administration for the presentation, and to the Board for a thoughtful discussion of a difficult subject.

INTERIM REPORT OF THE UNIVERSITY OUTREACH COUNCIL

Vice President Allen led the discussion regarding the interim report of the University Outreach Council. He noted the membership of the committee and the staff support provided by Jeanne Markell and Steve Laursen. Dr. Allen reported that the committee has gained interesting perspectives and insights relative to this mission of the University, and noted that the University is one of the glories of the state because of the rich array of outreach activities it provides.

Dr. Allen stated that the interim report is the result of interviews done internally and externally, and indicated that it has been distributed to deans, Senate committee members, and the coordinate campuses. It will be used as a centerpiece for a second round of meetings with deans, faculty groups, and staff and student groups interested in this topic.

Dr. Allen discussed the issues that have been raised during the committee's deliberations, including a definition of outreach as part of the University's mission in contrast to public service. He noted that public service has been difficult to define in a mission sense, and stated that the University must define the three components of its mission and how it rewards those who perform them.

Dr. Allen discussed a proposed Vision Statement for Outreach at the University of Minnesota, and reviewed a conceptual understanding of outreach. He stated that the University shares knowledge with others through teaching and outreach, noting that outreach is a two-way process that contributes to the University's teaching and research agendas. In response to the question of why the University should have outreach as a major portion of its mission, he noted the close link between research and outreach. Dr. Allen reviewed nine strategic questions that the council believes will assist deans and department heads with strategic planning related to outreach programs and faculty workload principles.

In summary, Dr. Allen discussed overall perspectives that have been gained through the work of the council. He noted there is a general view among deans that the outreach portion of the University's mission is very important, and outreach is a critical part of how higher education can help society. Dr. Allen expressed concern that the University does not receive sufficient credit for its rich agenda of outreach activities. He also noted that it is frequently difficult to quantify and give appropriate credit to the individuals responsible for outreach programs in the same way that teaching and research activities are recognized, and that issue must be addressed.

Dr. Allen noted that feedback resulting from consultation across the institution will continue to come in through the council, and will be the fuel for its next report. He emphasized that the council has not yet addressed structural issues, including distance education to facilitate outreach programs.

Regent Kuderer reported that he and Regent Craig attended a session of the Outreach Council and noted that some of the issues being addressed are very difficult, including whether or not outreach activity is adequately acknowledged. Regent Craig stated that attending the meeting was a good experience, and stressed the importance of communicating the scope of the University's outreach activities.

Regent Sahlstrom expressed concern about an adequate reward system for outreach activities, and stressed the need for legislative support and the importance of communication regarding these efforts. In response to issues raised by Regent Sahlstrom, Dr. Allen stated that outreach includes credit and non-credit programs offered on and off campus, and he stressed the significance of feedback that results from these programs. He noted that activities associated with public relations, University promotion, and student recruitment are types of non-academic outreach. Regent M. Page stated that she is pleased by the fact that the University is enriched by the exchange of knowledge through outreach.

Regent Wynia stated that she hopes at some point the Board will be asked to adopt a policy that would ensure outreach and teaching are valued and rewarded at the University. Dr. Allen stated he will keep that in mind as the work of the council proceeds. President Hasselmo noted that the Senate recently adopted faculty workload principles, which will help establish a reward structure.

Regent Neel congratulated Dr. Allen for his efforts, and stressed the significance of telecommunications to the University's outreach efforts.

Regent Roe stated that the United States should have a food policy, and suggested that the University should facilitate a national conference on establishing such a policy. Dr. Allen discussed the possibility of a major food conference being held

in conjunction with the conclusion of the University's Moroccan project. He also noted that his role on the council is not as Vice President of the Institute of Agriculture, Forestry, and Home Economics, but rather as a central officer.

Following the discussion, Regent Kuderer thanked Dr. Allen and the members of the council for their efforts. He noted that the report was received, accepted, and will be filed. President Hasselmo also expressed his appreciation, and reminded the Board that the report is one in a series of reports that will be presented to the Board regarding the University's strategic planning efforts.

SIX-YEAR CAPITAL BUDGET CALENDAR AND PRINCIPLES

Senior Vice President Erickson introduced the discussion regarding the Six-Year Capital Budget Calendar and Capital Budget Principles. He reported that the proposed documents are the result of an extensive consultative process, and noted that this is one of the most important endeavors the University has undertaken.

Associate Vice President Markham reviewed the proposed Capital Budget Calendar, stating that it reflects capital budget reform, provisions in the Regents' Policy on Board Operation and Agenda Guidelines, and a desire to integrate capital decisions with the University's operating budget. She noted that the University needs policies for capital budgeting, and those policies and principles can only be set by the Board.

Associate Vice President Pfutzenreuter reviewed the proposed Capital Budget Principles, including revenue and expenditures principles. He stated that the principles will guide development and review of the Capital Budget.

Regent Kuderer discussed the timetable for approval of the Capital Budget Calendar and Capital Budget Principles. He noted that the Board could take such action prior to the report by Associate Vice President on the Master Plan, which is scheduled for the February meeting.

Regent Keffeler indicated that she likes the proposed principles, stating that they provide a solid basis for capital planning. In response to Regent Keffeler's request for reassurance that the principles will be applied to the existing base of capital projects and not only increments, Mr. Pfutzenreuter stated that is the administration's intention. Ms. Markham noted that all new capital requests and existing capital activities will be reflected in the Capital Improvement Plan that will be submitted to the Board in May. Mr. Erickson noted that Board action will be necessary on a number of projects prior to approval of the Capital Improvement Plan, and stated that the administration will take responsibility for addressing any variation with the proposed principles.

In response to Regent Neel, Mr. Erickson stated that approval and uniform application of the proposed principles will eliminate the ad hoc decision-making process that has made the administrative process difficult for years. He also noted that the issue of skyways will be addressed in the Master Plan. In response to Regent Neel, Ms. Markham agreed that existing capital expenditures is a euphemism for addressing the University's \$200 million in deferred maintenance projects.

In response to Regent Craig, Ms. Markham reported that all current capital activities will be reflected in the Capital Improvement Program. By approving the plan, the Board will be reaffirming its commitment to those projects.

Regent Wynia stated that she likes the general conceptual approach of the plan. In response to a concern raised by Regent Wynia, Mr. Erickson and Ms. Markham explained the rationale for the administration's recommendation for a six-year pay-back period for energy conservation efforts in existing facilities. Ms. Markham noted that

although the proposed principles will remain fairly stable over time, they can be modified as part of the capital budgeting process. Regent Wynia indicated that she feels the principle reflects a lack of concern by the University about energy conservation, stating that she would prefer to see a ten-year pay-back period. Mr. Erickson stated it might be possible to incorporate the sense of Regent Wynia's concern in the principle.

Following the discussion, Regent Kuderer urged the Regents to review the proposed calendar and principles before this item is presented to the Board for approval at the January meeting.

ANNUAL FINANCIAL REPORT

The presentation regarding the Annual Financial Report of the University was postponed due to time constraints.

The meeting adjourned at 12:05 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

December 11, 1992

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, December 11, 1992, at 8:30 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Kuderer, presiding; Regents Anderson, Craig, Keffeler, A. Page, M. Page, Reagan, Roe, Rosha, Sahlstrom, and Wynia. Regent Neel participated in the meeting via telephone.

Staff present: President Hasselmo; Chancellors Ianni, Johnson, and Sargeant; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Anderson, Hopkins, Hughes, and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Brenner, Fischer, Markham, Paschke, and Pfutzenreuter.

Student Representative present: Rachel Paulose.

ANNUAL REPORT OF THE UNIVERSITY FOUNDATION

President Hasselmo introduced Associate Vice President Gerald Fischer, President of the University of Minnesota Foundation, and Marvin Borman and James Campbell, past Chair and Vice Chair of the Board of Trustees of the Foundation, respectively. He noted that the Annual Report will also provide an opportunity to review the Foundation's remarkable record since it began in 1962.

Mr. Fischer led the discussion of the Annual Report, and he recognized the dedicated efforts of the Board of Trustees and the Foundation's development and support staff, some of whom were present at the meeting. He reviewed the Foundation's growth over the past 30 years in terms of donors, assets, annual gift production, and amount of voluntary support for the University.

Mr. Fischer discussed the impact of funds generated by the Foundation, including establishment of the Regents' Professorship Program, increased faculty support, new and upgraded facilities, and student support through scholarships. He noted that the Foundation received gifts and commitments for scholarships of \$9.8 million in 1992 versus \$4.4 million in 1990. He indicated that endowments designated for scholarships total \$87 million, generating approximately \$5 million annually for student scholarships.

Mr. Fischer reported on fundraising results for 1992. He noted that gift production increased 21.1 percent, and there was a 9.6 percent increase in gifts received. Mr. Fischer discussed the purpose and source of donations, noting that 58.70 percent of the gifts come from alumni. In terms of voluntary support, he indicated that the University ranked third nationally among public institutions and eleventh among public and private institutions.

Mr. Fischer reviewed the status of the Foundation's major fundraising projects, including undergraduate scholarships, on-campus sports facilities, the Cancer Research Center, and The Gateway project. He noted that although there is enthusiastic support for The Gateway project and the Class of 1942 has contributed over \$200,000 for that project, a major lead gift has not yet been identified to make it possible to move forward at this time.

Mr. Fischer reviewed the Foundation's future goals, including a gift production goal of \$54 million in 1993, increased alumni participation, commitment to quality and efficiency, and heightened stewardship commitment. He reviewed the combined market value of the endowments of the University of Minnesota Foundation, the Minnesota Medical Foundation, and the University of Minnesota, and reported on University investment pool returns as of June 30, 1992.

In conclusion, Mr. Fischer discussed the reasons donors contribute to the University and he emphasized the important efforts made by the Trustees, development staff, and others to make the University of Minnesota Foundation a success.

Regent Kuderer thanked Mr. Fischer for an excellent report, and stated that the wisdom of those who started the University of Minnesota Foundation 30 years ago is now paying great dividends and will continue to do so. He also noted the contributions of the Class of 1942 to The Gateway project. Regent Sahlstrom recognized Robert Odegard, who led the Class of 1942 in its fundraising effort.

Regent Keffeler expressed appreciation to Mr. Fischer for his superb contributions and leadership. She asked President Hasselmo and the Foundation to consider establishing scholarships as a top fundraising priority in light of the serious impact of increased tuition on students, and suggested a major fundraising campaign for that purpose similar to the Minnesota Campaign's focus on the academic area. Mr. Borman noted that the amount of funds raised for scholarships has doubled since 1990, and stated that he feels the Foundation could do even better with a specific goal. Mr. Fischer noted that an emphasis on scholarships could stimulate alumni contributions.

President Hasselmo noted that Foundation fundraising activities over the past several years have focused on a number of major initiatives, rather than on a campaign with one area of emphasis. Mr. Fischer discussed the possibility of conducting a major campaign in the future with a focus on students.

In response to Regent Craig, Mr. Fischer stated that the funds raised for scholarships include general scholarship funds, as well as funds designated specifically for minority students.

Student Representative Paulose expressed appreciation for the scholarship support being generated by the Foundation. In response to an issue raised by Ms. Paulose, it was noted that approximately \$1 million is devoted to athletic scholarships.

Following the discussion, Regent Kuderer recognized the efforts of Mr. Fischer, the Board of Trustees, and the Foundation staff for their efforts. He noted that the report was received, accepted, and will be filed.

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor Mario Bognanno, Chair of the Faculty Consultative Committee (FCC), thanked the Board for the opportunity to report on the activities of the FCC. In spite of being faced with difficult times and complex issues, he indicated that the academic governance system at the University remains healthy.

Dr. Bognanno reported that the Senate recently approved the faculty workload policy and a proposal to stop the tenure clock for probationary faculty who become new parents. He also noted that non-union faculty from the University of Minnesota, Duluth can now participate in the Senate. The Board of Regents referred amendments to the Academic Misconduct Policy to the Senate for its approval, and Dr. Bognanno indicated that those amendments were approved.

Dr. Bognanno indicated that the FCC is currently addressing several issues, including faculty participation in the process of awarding merit pay and identifying additional ways to communicate good news regarding the University to the public. He also stated that a subcommittee has been appointed to discuss faculty participation in the evaluation of academic administrators, noting that the process for the Regents' annual review of the President is extremely successful because of consultation with a wide range of internal and external constituencies. He reported that the faculty value their involvement in the President's assessment, and they recognize the benefits of the process.

Dr. Bognanno discussed the development of the University's grievance policy, and reviewed the principles contained in the proposed policy. He stated that it will be presented to the Board of Regents following review by the University Senate. Dr. Bognanno noted that all non-union faculty, academic staff, civil service staff, graduate student employees, and non-graduate student employees would be covered by the proposed policy.

Regent Kuderer noted that Regent Neel had just been connected to the meeting by telephone. The committee voted unanimously to allow Regent Neel to participate in the meeting via telephone.

Regents Craig and Roe commended Dr. Bognanno for his efforts to develop a University grievance policy, and Regent Roe noted that his previous experience as a distinguished arbitrator is invaluable during this process.

In response to Regent Wynia, Dr. Bognanno stated the proposed policy provides that the University grievance officer's annual report will be disseminated to the administration, the University Senate, and various employee groups.

President Hasselmo stated that the University is fortunate to have a tradition of strong faculty leadership, particularly noting the contributions of Professor Bognanno and Professor Tom Scott, who chaired the FCC last year. He expressed appreciation to Professor Bognanno and his colleagues on the FCC for their tremendous work.

Following the discussion, Regent Kuderer thanked Professor Bognanno for his efforts. He noted that the report was received, accepted, and will be filed.

ANNUAL FINANCIAL REPORT

Senior Vice President Erickson led the discussion regarding the Annual Financial Report. He noted that the University received an unqualified opinion and the bond ratings were recently confirmed, which indicate confidence in the strength of the University's financial management. He introduced Associate Vice President Richard Pfutzenreuter and Carole Fleck, Director of Financial Reporting and Budget Administration. Mr. Erickson noted difficulties that have resulted from implementation of the CUFS system, and acknowledged the efforts of Ms. Fleck and Sarah Scattergood in preparing the Annual Financial Report.

Ms. Fleck discussed the June 30, 1992 Balance Sheet and reviewed the University's assets, liabilities, and fund balance, which exceeds \$1.7 billion. She reviewed balance sheet and credit worthiness ratios, noting substantial increases for workers compensation and additional accruals for the University's 1992 severance and termination programs. Mr. Erickson discussed efforts to resolve issues related to workers compensation costs, noting that actions to date have reduced annual expenses by approximately \$400,000.

Ms. Fleck reviewed the Statement of Changes in Fund Balances and the Statement of Current Funds Revenues, Expenditures, and Other Changes for the year ended June 30, 1992. She discussed an evaluation of financial performance, including net operating ratios, contribution ratios, and demand ratios. Ms. Fleck reviewed current fund revenues in constant 1992 dollars, and noted reduced state support and an increase in research contracts and grants. She reviewed a ratio of revenue source to total education and general expenditures and mandatory transfers, noting that declining state funds puts greater pressure on tuition, fees, and private gifts.

In summary, Ms. Fleck indicated that the University's Annual Report and a financial comparison of the Big 10 institutions are being prepared and will be provided to the Board. She noted that the Annual Report focuses on the University's teaching mission, and will include profiles of four University students.

In response to Regent Kuderer, Mr. Erickson stated that the Management Letter from Coopers & Lybrand will be presented to the Audit Committee at its January meeting.

Mr. Erickson responded to concerns raised by Regent Rosha regarding the policy implications of tuition increasing as a portion of current fund revenues, while every category of education and general expenditures that would benefit students decreased. He stated that in many cases, funds are restricted and have to be directed to specific activities. He noted that this issue will be addressed as part of the University's attempt to be more intensive in the planning and budgeting process. Regent Sahlstrom concurred with Regent Rosha's comments, and expressed a concern regarding the lack of support for the University's public service activities.

Following the discussion, Regent Kuderer thanked Mr. Erickson and Ms. Fleck for the report. He stated it is obvious from the report that initiatives by faculty and staff have helped close the gap that has been created by the decrease in state appropriations, and expressed the hope that the situation will improve.

REPORT OF THE NOMINATING COMMITTEE/ HOSPITAL BOARD OF GOVERNORS

Regent Craig, Chair of the Regents' Nominating Committee for the Hospital Board of Governors, presented the committee's recommendations for approval. She stated that the slate of candidates is excellent, noting that the nominations were made after consideration of the expertise needed on the Board of Governors and gender and geographic diversity.

Regent Anderson moved approval of the following resolution, and the motion was seconded by Regent Keffeler:

RESOLVED, that on the recommendation of the Board of Regents' Nominating Committee for the Board of Governors of the University of Minnesota Hospital and Clinic, the following individuals are appointed for three-year terms - Kathleen R. Annette, Michael J. Fay, Stephen W. Hansen, and Donald M. Sudor; the following individuals are reappointed

for three-year terms: Leonard Bienias, Nellie Johnson, and Arthur Kydd; and Charles W. Jones is appointed as the Student Representative for a one-year term.

The committee voted unanimously to recommend approval of the resolution

**UNIVERSITY OF MINNESOTA, CROOKSTON
PROGRAM PROPOSALS AND BENCHMARKS**

President Hasselmo led the discussion regarding the University of Minnesota, Crookston (UMC) program proposals and benchmarks. He stated that the proposal to establish polytechnic career oriented programs represents an important new concept in higher education. He reviewed several amendments to the original resolution presented at the November meeting, and stated that he appreciates the Board's participation in developing the final resolution.

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

WHEREAS, the Regents of the University of Minnesota have directed the University of Minnesota, Crookston (UMC) to provide selected baccalaureate degrees in agriculture, business, environmental sciences, human resource development, and appropriate interdisciplinary studies;

WHEREAS, the proposed programs build on the existing faculty, facilities, and program strengths and include collaboration with other higher education institutions in order to meet student and employer needs and optimize the use of the current investment of state-appropriated dollars, and the human and physical resources of the campus;

WHEREAS, the proposed baccalaureate programs respond to the present UMC student educational goals, the increasing high school graduating senior baccalaureate plans, and employer needs;

WHEREAS, each baccalaureate program includes the benchmarks through the key strategies of customer focus, quality, collaboration, technology, and accountability; and

WHEREAS, the value of the University of Minnesota is greatly enhanced to the citizens of the state by providing applied undergraduate baccalaureate degrees and applied research;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents of the University of Minnesota approves the following 12 polytechnic career oriented baccalaureate programs for the University of Minnesota, Crookston, and directs the administration to forward these programs to the Minnesota Higher Education Coordinating Board:

For Careers in the Food and Fiber Industry

Agricultural Aviation

Agricultural Industries Sales and Management

Animal Industries Management

Emphasis: Dairy Management

Emphasis: Equine Management

Emphasis: Meat Animal Management

Environmental and Natural Resource Management

Emphasis: Soil & Water Technology

Emphasis: Natural Resource Management

Emphasis: Park Management

Plant Industries Management

Emphasis: Agronomy

Emphasis: Horticulture

For Careers in Small Business and Entrepreneurship

Business Administration (Small Business & Entrepreneurship)

Emphasis: General Business

Emphasis: Managerial Accounting

Emphasis: Information Management Systems

Emphasis: Retail Merchandising

For Careers in Selected Service Industries

Early Childhood Care and Education

Health Management

Emphasis: Healthcare Management

Emphasis: Sport and Fitness Management

Hotel/Restaurant/Institutional Management

For Career Advancement in Technical and Applied Technology

Applied Interdisciplinary Studies

Environmental and Processing Technology

Emphasis: Food & Fiber Processing

Emphasis: Applied Science Technology

Emphasis: Waste Management

Technical Communication

BE IT FURTHER RESOLVED, that following review by the Minnesota Higher Education Coordinating Board, the UMC baccalaureate programs be presented for the usual consideration by the Board of Regents, in the context of continuing review of the University's financial situation.

BE IT FURTHER RESOLVED, that the Board of Regents establishes the following benchmarks for evaluation:

Enrollment and Retention

- FYE enrollment increased by approximately 7% each year to 1,165 FYE by FY97.
- Headcount enrollment increased by approximately 3% each year to attain 1,533 by FY97.
- Approximately 400 new high school admits and 100 transfer students enrolled annually by FY97.
- Student retention rates of 60% freshmen to sophomore, 50% to junior, and 40% to senior status respectively by FY97.
- 90% of graduates seeking employment are employed in career-related fields within one year of graduation.

Quality Programs and Services

- North Central accreditation as a baccalaureate institution by Fall 1993.
- Academic program improvement audit committees established by Fall 1993 to review programs and courses on a three-year cycle.
- Learner outcomes established for all courses and programs by Fall 1994 and multiple measurements implemented by Fall 1995.
- Structured field experiences/internships required in all programs and completed by 75% of students by their senior year by FY97.

Collaborative Partnerships

- UMC cooperative AAS programs with technical colleges expanded to serve more than 500 technical college students annually by FY97.
- Cooperative agreements established to receive/deliver a total of 50 courses annually within the University, Bemidji State University, Moorhead State University, the University of North Dakota, North Dakota State University, and Concordia by FY97.
- Six joint faculty appointments created between UMC and the colleges within the University and neighboring institutions by FY97.
- Bemidji State University, Moorhead State University, and the University of Minnesota, Twin Cities will offer extended programs on the UMC campus by FY97.
- Fifteen business-contracted agreements annually with area employers for delivery of continuing education and outreach.
- Ten articulation program agreements established with technical and community colleges to insure appropriate transfer of student credits into UMC programs by FY97.

Incorporation of Technology

- All faculty and students have computers, e-mail, and voice mail by FY97.
- Computer technology incorporated in all courses and documented in the college bulletin and course syllabi.
- Shared data bases, technology, and expertise with 10 employers as an integral part of the career programs.

Financial Accountability

- Cost per FYE decreases by 16% from FY92 (\$8,348) to FY97 (\$6,969).
- Tuition income from additional students reaches approximately \$775,000 by FY97 and is used to support the additional needs for faculty, staff, supplies, equipment, technology, and telecommunication.
- Applied research funding which enhances rural economic viability increases to over \$1,000,000 annually by FY97.
- The programmatic changes are expected to be accomplished within the current amount of state-appropriated funds through FY97 augmented by tuition funds generated by UMC. However, UMC will not be excluded from budget adjustments, should the need for further budget cuts arise or opportunities for budget increases present themselves for the University as a whole.
- Any budgetary changes, contrary to these expectations will require Regents' approval.

Regent Sahlstrom noted the remarkable state-wide support for UMC that has existed since its inception. He introduced Ken Broin, a member of the UMC Advisory Committee, and recognized him and all of the other volunteers who have served UMC so well over the years.

Senior Vice President Infante emphasized that the proposed programs will benefit the state's work force and economic development, adding that the UMC proposal and the University's education programs in Rochester are examples of what also needs to be done in the Twin Cities. Dr. Infante indicated that if the University is to serve the people of Minnesota, it must extend its assets across the state in cooperation with the other systems of higher education, especially in the arena of career oriented education.

Regent Craig expressed appreciation to everyone who participated in the development of the proposal, stating that accolades should go to Regent Sahlstrom for his many contributions to UMC.

In response to an issue raised by Regent Wynia, President Hasselmo stated that a fundamental assumption of the proposal is that UMC will not be subsidized by other components of the University. He noted that if the market cannot tolerate a tuition increase at UMC, the result would be fewer resources to accomplish its mission. Regent Wynia noted that this underscores the significance of the tuition issue and the action by the Minnesota Higher Education Coordinating Board.

Regent Rosha stated that he is encouraged by the proposal. He concurred with Regent Wynia's comments, and stated that the message regarding the financial risks associated with the proposal must be made clear to its supporters.

Regent Keffeler stated that the University's role in career oriented education and collaboration with other institutions is important across the state, particularly in the metropolitan area. She cautioned against regarding the UMC proposal as an experiment that, if successful, could be applied elsewhere. She clarified that the University cannot wait to assess UMC's success in meeting benchmarks before addressing other important priorities. President Hasselmo responded that the University does not intend to wait, noting that discussions are continuing with the other public systems and that he feels the administration will be in a position within the next several months to report to the Board with greater specificity on program initiatives in the metropolitan area.

Dr. Infante stated that the administration will soon be able to report on an agreement to establish an educational program in the Twin Cities similar to the UMC proposal.

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

Regent Sahlstrom expressed appreciation to Chancellor Sargeant, Vice Chancellor Meyer, and the UMC faculty and staff for their efforts.

Regent Kuderer also expressed appreciation to all involved in the development of the proposal, adding a statement of confidence that UMC will be successful under the leadership of Chancellor Sargeant.

Chancellor Sargeant responded by thanking the Board for the opportunity, noting that an implementation plan is being developed.


President Hasselmo stated that the proposal represents a collaborative effort by Chancellor Sargeant and his colleagues, Dr. Infante, the other systems of higher education, and the Board of Regents. He expressed appreciation to the Board of Regents for actively participating in the process.

PRESIDENT'S REPORT ON THE ANTI-LYMPHOCYTE GLOBULIN (ALG) PROGRAM

President Hasselmo reported on the status of matters relating to the Minnesota Anti-Lymphocyte Globulin (ALG) program. A copy of the ALG report was subsequently included in the December President's Report to the Regents. A copy of the President's Report is on file in the Regents' Office.

Regent Kuderer thanked the President for the status report, and stated that the Board appreciates being informed regarding this matter.

The meeting adjourned at 10:50 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

December 11, 1992

A meeting of the Board of Regents of the University of Minnesota was held on Friday, December 11, 1992, at 11:05 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Craig, Keffeler, Kuderer, Neel, A. Page, M. Page, Reagan, Roe, Rosha, and Sahlstrom. Regent Neel participated by telephone. President Hasselmo presided.

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

APPROVAL OF MINUTES

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

Audit Committee - November 12, 1992
Facilities Committee - November 12, 1992
Financial Operations & Legislative Committee - November 12, 1992
Faculty, Staff & Student Affairs Committee - November 12, 1992
Educational Planning & Policy Committee - November 12, 1992
Committee of the Whole - November 12, 1992
Committee of the Whole - November 13, 1992
Board of Regents - November 13, 1992

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to the Minnesota Anti-Lymphocyte Globulin (MALG) Program, Higher Education Coordinating Board Student Financing Proposal, Academic Excellence Scholarship Program, the new mission for the University of Minnesota, Crookston, Faculty Workload, and an Outstanding Advising Award for Ms. Lois deLeon.

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

REPORT OF THE CHAIR

Chair Kuderer called on Regent Sahlstrom who reported briefly regarding recognition recently given to Bob Provost and Gordon Starr for their roles in establishing the St. Paul Campus Student Center.

Chair Kuderer announced that the Board of Regents offers its support to the administration's efforts regarding the implementation of the Smoke-Free Campus Plan.

He reported that the January agenda will include lunch at Comstock dormitory followed by a hard-hat tour of the The Frederick R. Weisman Art Museum currently under construction. The Thursday, January 7, dinner will be with the President's Minority Advisory Committee at the Earle Brown Center on the St. Paul campus. He also reported that the February agenda will include a tour of the athletic facilities also under construction and a possible tour of the transitway. In addition, January 20 has been selected as the date for a Regents' Retreat and asked regents to so note on their calendars.

Chair Kuderer acknowledged that this will be the last meeting for Regent Alan Page who was recently elected to the Minnesota Supreme Court, extending best wishes on behalf of the Board as he assumes his new duties. He then called on Student Representative Chair Rachel Paulose who presented Regent Page with a plaque. Regent Page briefly addressed the Board.

GIFTS

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

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

CONTRACTS AND GRANTS/APPLICATIONS AND AWARDS

Vice President Petersen submitted for approval the contracts and grants/applications and awards as presented in the docket material and on file in the Regents' Office.

The Board of Regents voted unanimously to approve the contracts and grants/applications and awards.

REPORT OF THE COMMITTEE OF THE WHOLE December 10, 1992

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

- a) Approval of resolution to the Minnesota Higher Education Coordinating Board Opposing the Use of Tuition at Public Higher Education Institutions to Fund the State Grant Program, as follows:

WHEREAS, the Minnesota Higher Education Coordinating Board is considering a proposal to finance an increase in the State Grant Program for undergraduate students by reducing the proportion of taxpayer funds allocated directly to the public higher education systems; and

WHEREAS, this proposal would offset the reduction in public system funding through an increase in tuition at public institutions; and

WHEREAS, this proposal would levy the tuition increase on students who are not eligible for support from the State Grant Program -- non-resident non-reciprocity students who currently pay the full cost of instruction and graduate and professional students; and

WHEREAS, this proposal does not take into account the adverse impact on the University's ability to subsidize high-cost professional and graduate programs; and

WHEREAS, this proposal further differentiates the State of Minnesota from its reciprocity states and Manitoba in tuition levels and financial aid, and may therefore call into question reciprocity agreements in their present form; and

WHEREAS, this proposal's tuition increase may result in a loss of access to higher education by lower-middle and middle income students that is in excess of gains in access for lower income students; and

WHEREAS, this proposal, in a time of financial hardship for the state, establishes a level of funding exceeding what is mandated by state and federal law including adjustments for inflation and a tuition cap for private colleges, which may be in excess of the actual average cost of comparable undergraduate programs at public institutions; and

WHEREAS, the Board of Regents has encouraged the development of state financial assistance, with special attention to the needs of low income people, and recognizes the need for additional resources by the State Grant Program to respond to changes in assistance policy by the federal and state governments and by inflation; and

WHEREAS, the Board of Regents resolved on December 13, 1991 its expression of concern for the financial hardship created by the increases in tuition and challenged the public and private higher education systems to aggressively seek additional sources of state and federal support to aid financially disadvantaged students; and in a letter to Governor Arne Carlson on September 11, 1992 indicated that raising tuition is a hardship that cannot continue to be imposed on the families of Minnesota students in future years, and that reduced state appropriation and increased tuition are the wrong choices for the future of our students and our citizens.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents reaffirms its expression of concern for the financial hardship created by increases in tuition and supports adequate funding of the State Grant Program.

BE IT FURTHER RESOLVED, that the Board emphasizes the need for the Minnesota Higher Education Coordinating Board to undertake a thorough analysis and evaluation of the effects and consequences of this proposal, and to consult with the other governance boards of Minnesota's higher education systems on tuition and public financial assistance policy.

BE IT FURTHER RESOLVED, that the Board of Regents convey to the Minnesota Higher Education Coordinating Board its opposition to the method of using tuition at public institutions to fund the State Grant Plan, and encourages the Minnesota Higher Education Coordinating Board and the public and private higher education systems to seek alternative sources of state and federal support to aid financially disadvantaged students.

Chair Kuderer noted that since the resolution was approved by committee on Thursday, there have been new developments by the Minnesota Higher Education Coordinating Board (MHECB). He called on the administration for an update.

President Hasselmo reported that the Regents' resolution was presented by Senior Vice President Infante to the MHECB before action on their proposal. He indicated that the MHECB amended its proposal, still recommending a substantial increase in student financial aid funding, but no longer specifying tuition increases as the source. The reviewed proposal recommends that an increased state appropriation be the preferred source, however, failing that, financial aid increases would come from reducing the state appropriation to Minnesota's public higher education systems, cutting programs or increasing tuition. President Hasselmo stated that there are serious public policy implications of MHECB's proposal, with the students standing to lose. Even if students do not pay in tuition dollars, they will pay in the form of a lower quality education.

Senior Vice President Infante summarized discussions from the MHECB meeting, indicating that speaking on behalf of the administration, he is very disappointed with the MHECB's proposal. He stated if the proposal is implemented, tuition for the entire higher educational system would increase by \$25 million of which \$6.8 million would be the University's component. The state grant program would only provide \$15 million for the entire higher education system resulting in a net loss to the students of \$9.9 million in public education, \$1 million for the University of Minnesota students.

Chair Kuderer moved approval of the resolution including a request that the President draft a letter to all legislators expressing the Board's opposition to the MHECB action. The motion was seconded and the Board of Regents voted unanimously to approve.

Regent Keffeler asserted the importance of everyone being together on the issue of tuition, recounting that the students presented a resolution regarding tuition at the Educational Policy and Planning Committee in November 1992. She stated that the spirit of that resolution and the University's stand regarding tuition are not far apart, and moved that the administration meet with student leaders to seek common ground regarding tuition and to formulate a joint recommendation to be brought back to the Board for approval.

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

Regents Rosha and Roe stressed the importance of taking an aggressive message to the legislature.

Chair Kuderer reported that the committee also received an ~~interim~~ report of the University Outreach Council and reviewed for information a proposed six-year capital budget calendar and principles.

REPORT OF THE COMMITTEE OF THE WHOLE
December 11, 1992

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

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

RESOLVED, that on the recommendation of the Board of Regents' Nominating Committee for the Board of Governors of the University of Minnesota Hospital and Clinic, the following individuals are appointed for three-year terms - Kathleen R. Annette, Michael J. Fay, Stephen W. Hansen, and Donald M. Sudor; the following individuals are reappointed for three-year terms: Leonard Bienias, Nellie Johnson, and Arthur Kydd; and Charles W. Jones is appointed as the Student Representative for a one-year term.

- b) Approval of resolution re University of Minnesota, Crookston Program Proposals and Benchmarks, as follows:

**RESOLUTION ESTABLISHING POLYTECHNIC CAREER
ORIENTED PROGRAMS AND BENCHMARKS
FOR EVALUATION AT THE
UNIVERSITY OF MINNESOTA, CROOKSTON**

WHEREAS, the Regents of the University of Minnesota have directed the University of Minnesota, Crookston (UMC) to provide selected baccalaureate degrees in agriculture, business, environmental sciences, human resource development, and appropriate interdisciplinary studies;

WHEREAS, the proposed programs build on the existing faculty, facilities, and program strengths and include collaboration with other higher education institutions in order to meet student and employer needs and optimize the use of the current investment of state-appropriated dollars, and the human and physical resources of the campus;

WHEREAS, the proposed baccalaureate programs respond to the present UMC student educational goals, the increasing high school graduating senior baccalaureate plans, and employer needs;

WHEREAS, each baccalaureate program includes the benchmarks through the key strategies of customer focus, quality, collaboration, technology, and accountability; and

WHEREAS, the value of the University of Minnesota is greatly enhanced to the citizens of the state by providing applied undergraduate baccalaureate degrees and applied research;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents of the University of Minnesota approves the following 12 polytechnic career oriented baccalaureate programs for the

University of Minnesota, Crookston, and directs the administration to forward these programs to the Minnesota Higher Education Coordinating Board:

For Careers in the Food and Fiber Industry

Agricultural Aviation

Agricultural Industries Sales and Management

Animal Industries Management

Emphasis: Dairy Management

Emphasis: Equine Management

Emphasis: Meat Animal Management

Environmental and Natural Resource Management

Emphasis: Soil & Water Technology

Emphasis: Natural Resource Management

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Emphasis: Horticulture

For Careers in Small Business and Entrepreneurship

Business Administration (Small Business & Entrepreneurship)

Emphasis: General Business

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Emphasis: Information Management Systems

Emphasis: Retail Merchandising

For Careers in Selected Service Industries

Early Childhood Care and Education

Health Management

Emphasis: Healthcare Management

Emphasis: Sport and Fitness Management

Hotel/Restaurant/Institutional Management

For Career Advancement in Technical and Applied Technology

Applied Interdisciplinary Studies

Environmental and Processing Technology

Emphasis: Food & Fiber Processing

Emphasis: Applied Science Technology

Emphasis: Waste Management

Technical Communication

BE IT FURTHER RESOLVED, that following review by the Minnesota Higher Education Coordinating Board, the UMC baccalaureate programs be presented for the usual consideration by the Board of Regents, in the context of continuing review of the University's financial situation.

BE IT FURTHER RESOLVED, that the Board of Regents establishes the following benchmarks for evaluation:

Enrollment and Retention

- FYE enrollment increased by approximately 7% each year to 1,165 FYE by FY97.
- Headcount enrollment increased by approximately 3% each year to attain 1,533 by FY97.
- Approximately 400 new high school admits and 100 transfer students enrolled annually by FY97.

- Student retention rates of 60% freshmen to sophomore, 50% to junior, and 40% to senior status respectively by FY97.
- 90% of graduates seeking employment are employed in career-related fields within one year of graduation.

Quality Programs and Services

- North Central accreditation as a baccalaureate institution by Fall 1993.
- Academic program improvement audit committees established by Fall 1993 to review programs and courses on a three-year cycle.
- Learner outcomes established for all courses and programs by Fall 1994 and multiple measurements implemented by Fall 1995.
- Structured field experiences/internships required in all programs and completed by 75% of students by their senior year by FY97.

Collaborative Partnerships

- UMC cooperative AAS programs with technical colleges expanded to serve more than 500 technical college students annually by FY97.
- Cooperative agreements established to receive/deliver a total of 50 courses annually within the University, Bemidji State University, Moorhead State University, the University of North Dakota, North Dakota State University, and Concordia by FY97.
- Six joint faculty appointments created between UMC and the colleges within the University and neighboring institutions by FY97.
- Bemidji State University, Moorhead State University, and the University of Minnesota, Twin Cities will offer extended programs on the UMC campus by FY97.
- Fifteen business-contracted agreements annually with area employers for delivery of continuing education and outreach.
- Ten articulation program agreements established with technical and community colleges to insure appropriate transfer of student credits into UMC programs by FY97.

Incorporation of Technology

- All faculty and students have computers, e-mail, and voice mail by FY97.
- Computer technology incorporated in all courses and documented in the college bulletin and course syllabi.
- Shared data bases, technology, and expertise with 10 employers as an integral part of the career programs.

Financial Accountability

- Cost per FYE decreases by 16% from FY92 (\$8,348) to FY97 (\$6,969).
- Tuition income from additional students reaches approximately \$775,000 by FY97 and is used to support the additional needs for faculty, staff, supplies, equipment, technology, and telecommunication.
- Applied research funding which enhances rural economic viability increases to over \$1,000,000 annually by FY97.
- The programmatic changes are expected to be accomplished within the current amount of state-appropriated funds

through FY97 augmented by tuition funds generated by UMC. However, UMC will not be excluded from budget adjustments, should the need for further budget cuts arise or opportunities for budget increases present themselves for the University as a whole.

- Any budgetary changes, contrary to these expectations will require Regents' approval.

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

Chair Kuderer reported that the committee also reviewed the annual report from the University Foundation, a report from the Faculty Consultative Committee and the Annual Financial Report. In addition, the President presented an updated report on the Anti-Lymphocyte Globulin Program.

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Faculty, Staff and Student Affairs Report as listed in the docket material.
- b) Approval of resolution re Report to the Legislature Regarding Security and Training Plan on Violence and Sexual Harassment, as follows:

WHEREAS, campus security is essential to ensure a sense of community with diversity, and successful education can only occur in an atmosphere of mutual respect, free from sexual and racial harassment and other forms of intolerance and their harmful effects; and

WHEREAS, the Board of Regents regularly reviews the University's policy on sexual harassment, as well as reports of offices, committees, and other units responsible for campus security and educational programming and training to prevent violence and harassment;

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

- fully supports and is in agreement with the spirit and intent of the recent legislation directing Minnesota post-secondary institutions to strengthen programs to prevent sexual harassment and violence;
- approves the University of Minnesota System Plan for Campus Security and Training on Sexual Harassment and Violence to be forwarded to the Higher Education Coordinating Board;
- directs the administration to begin implementation in 1992-93 with full implementation to be accomplished by 1994-95; and

- directs the administration to report to the Board in November 1993 about progress toward implementing and evaluating the Plan and associated educational programs.

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

Chair Sahlstrom reported that the committee also reviewed annual reports of the All-University and Campus Indian Advisory Committees. He reported that the reports of the Office of the Associate Vice President for Academic Affairs and Associate Provost with special responsibility for Minority Affairs and the Office of Equal Opportunity and Affirmative Action as well as the Report on Fall Quarter Enrollment were postponed until the January 1993 meeting.

REPORT OF THE FACILITIES COMMITTEE

Regent Roe, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Facilities Report which included reports pertaining to purchasing, project status, property accounting, and miscellaneous items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution regarding projects previously submitted for information, as follows:

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

1. Hockey Arena, Scope Increase
Twin Cities Campus
Estimated increase in project: \$138,000
Total estimated cost of the project: \$20,138,000
Funding: Revenue supported bonding program; University Building Energy Efficiency Project (UBEEP); and Facilities Management
Estimated completion date: August 1993
 2. 19th Avenue Parking Ramp
Twin Cities Campus
Estimated cost of the project: \$5,500,000
Funding: Parking Services Revenues and Internal Loan
Estimated completion date: August 1994
 3. Domestic Water Pipe Replacement Program
Duluth Campus
Estimated cost of the project: \$2,048,000
Funding: 1992 Legislative Appropriation for Fire and Life Safety
Estimated completion date: April 1993
- c) Approval of resolution regarding real estate transactions previously approved:

- a) **99-Year Land Lease to City of Morris and Acquisition of .705 Acre as Lease Consideration, West Central Experiment Station, Morris**

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute the necessary documents for (1) the acquisition of .705 acre of land from the City of Morris at \$1.00 and (2) the lease of approximately 8 acres of land located in the South One-Half of Section 36, Township 125, Range 42 West, Stevens County, to the City of Morris for 99 years.

- b) **Sale of 6,500 Square Feet of Land at Vacated Colorado Avenue and 24th Avenue East, Duluth Campus**

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute the appropriate documents providing for the sale of 6,500 square feet of land at vacated Colorado Avenue and 24th Avenue East, to Donald B. and Carlyn J. Crouch, for the sum of \$5,111.00.

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

Regent Roe reported that the committee also reviewed several projects for information which included construction of a North Stadium parking facility and bus drop off; restoration of University Drive and Parking Lot B on the Duluth campus; partial tuckpointing of six buildings on the Duluth campus; and roof replacement for six buildings on the Duluth campus. In addition, three real estate transactions were presented for information: 1) purchase of land at Oak and 57th Street SE in Minneapolis; 2) sale of land at the North Central Experiment Station in Grand Rapids, Minnesota; and 3) sale of the Friedell Building in Rochester, Minnesota.

REPORT OF THE FINANCIAL OPERATIONS & LEGISLATIVE COMMITTEE

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

- a) **Approval of the Senior Vice President's Monthly Financial Operations and Legislative Report including accounts receivable, central reserves, debt management, and miscellaneous items as presented in the docket material and filed in the Regents' Office.**

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

Regent Kuderer reported that the committee also reviewed the Quarterly Purchasing Report, the Quarterly Report on Asset and Debt Management, and received a legislative update.

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

Regent Craig, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

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

- Approval by the Higher Education Coordinating Board (HECB) of the proposal for the Master of Liberal Studies (M.L.S.) Degree at the University of Minnesota, Duluth.

- b) Approval of resolution re Appointments to the Minnesota Landscape Arboretum Foundation Board of Trustees, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Academic Affairs, Charlotte Drake and Helen Hartfiel be appointed to three-year terms on the Board of Trustees of the Minnesota Landscape Arboretum Foundation.

- c) Adoption of Regents' Policy on Delegation of Authority/Acceptance of Sponsored Grants and Contracts, as follows:

RESOLVED, that the Regents of the University of Minnesota hereby delegate the authority to formally accept sponsored grants and contracts to the president, or his/her designee.

To be accepted, grants and contracts must adhere to appropriate University policies, such as those on hazardous biological materials, secrecy in research, use of human subjects in research, and animal care and usage. In addition, other policies and practices will be followed, including prior dean and department head approval of proposal and principal investigator, fiscal soundness including recovery of indirect costs, prior approval of any required institutional matching funds, availability of suitable space, prior disclosure of any conflict of interest including financial interest in a company affected by the proposal, and public disclosure of information.

Information on grants and contracts shall be reported to the Regents on a quarterly basis. Significant individual grants and contracts shall be reported to the Regents in timely fashion on an ad hoc basis. The Board of Regents shall approve the submission or receipt of such significant grants. In such cases as significant grants are submitted without prior approval of the Board of Regents, a report will be provided to the Board of Regents at the earliest possible time explaining the potential implications of the grant and the reasons that occasioned the necessity to submit the grant without Board approval. Significant grants are those that are very large, (more than 1 percent of the prior year's externally funded research expendi-

tures), or that would have a substantial impact on the academic plan or on the budget of the University. Examples of substantial impact would include special facilities requirements or a substantive area that is new or unusual to the University. The president, or his/her designee, shall make a formal presentation to the Regents annually on the status of the University's research and on its sponsored grant and contract activity.

- d) Adoption of revised Regents' Policy on Delegation of Authority: General Delegations, as follows:

DELEGATION OF AUTHORITY

General Delegations

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

Corporate Officers

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

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

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

1. Execute all contracts, agreements, and all other documents and instruments relating to research, training and public service programs with the Government of the United States, or its agencies or subdivisions, and with nonfederal sponsors.
 - a) This authority is also extended to: the associate vice president of the Office of Research and Technology Transfer Administration; the director of patents and licensing, and the assistant directors, of the Office of Research and Technology Transfer Administration.
2. Submit proposals for research, development, service and training contracts, subcontracts, and grants and execute same.

- a) This authority is also extended to: the associate vice president of the Office of Research and Technology Transfer Administration; the director of patents and licensing; the assistant directors of the Office of Research & Technology Transfer Administration; and the chancellor, vice chancellor for finance and operations, assistant to the vice chancellor for finance and operations, and director of the Business Office, vice chancellor for academic administration, and associate vice chancellor for academic administration of the University of Minnesota, Duluth.
3. Accept gifts offered without unusual conditions or restrictions.
4. Accept low bids, within available funds, for the construction of University facilities.
 - a) This authority is also extended to the assistant vice president for facilities management.
5. Negotiate and consummate real estate transactions within policies established by the Board of Regents.
6. Designate and commission architects, engineers, and consultants as needed for University purposes.
 - a) This authority is also extended to the assistant vice president for facilities management and the associate vice president for campus planning and real estate for activities related to that function.
 - b) The authority to retain consultants other than architects and engineers for University services is extended to the assistant vice president of business services and director of purchasing services.
 - c) The authority to retain consultants other than architects and engineers for University of Minnesota Hospital and Clinic services is extended to the Board of Governors.
 - d) The authority to retain consultants other than architects and engineers for University services not exceeding \$25,000 is extended to the chancellors and the provost of the Twin Cities campus, the Board of Governors, and the associate vice president of the Office of Research & Technology Transfer Administration.
 - e) The authority to retain consultants other than architects and engineers for University services not exceeding \$2,000 is extended to the deans of all University colleges and equivalent administrative officers.

7. Execute contracts, agreements, and all other instruments relating to:
- a) New building construction, building and equipment alterations, and improvements.
 - 1) This authority is also extended to the assistant vice president for facilities management.
 - b) Purchase, sale and lease of supplies, goods, furniture, fixtures and equipment.
 - 1) The authority to purchase equipment and supplies is also extended to the assistant vice president of business services and director of purchasing services.
 - c) Trusts, gifts, grants, bequests and donations and the correct assignments of such.
 - d) Intercollegiate athletics.
 - e) Lease and rental of equipment and facilities for University purposes.
 - 1) The authority to lease and rent equipment for University purposes is also extended to the assistant vice president of business services and director of purchasing services.
 - f) Fringe benefit program for University employees. The authority to execute administrative documents required for the operation of the fringe benefit programs is extended to the assistant director for employee benefits, the employee benefits operations manager, and the employee benefits program manager.
 - g) Corporate liability and property insurance.
 - h) Patents, trademarks, service marks, copyrights and other means of protection as provided for in the Regents' Patent and Technology Transfer Policy and applications therefore; licenses, assignments and transfers of patents, service marks, trademarks, copyrights and other means of protection as provided for in the Regents' Patent and Technology Transfer Policy and payment of legal services relating thereto.
 - 1) This authority is also extended to: the associate vice president of the Office of Research and Technology Transfer Administration; and the director of patents and licensing.
 - i) Student teaching and school survey agreements.

- j) Institutional memberships.
- k) Health sciences affiliation agreements.
- l) The performance of experimental, developmental, or research work without formal advertising or solicitation of competitive bids - all such agreements to be reported to the Board of Regents.
- m) Real estate lease for periods not exceeding three years.
 - 1) This authority is also extended to the University attorney, the general counsel and the associate vice president for campus planning and real estate.

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

- 1. Adjustments of the level of deposits among the various banks from time to time to meet the need of the operations of the University, with the understanding that no bank depository heretofore established by the regents will be closed without specific action of the Board.
- 2. Approval of payment of small claims against the University.
 - a) This authority is also extended to the chancellors and provost of the Twin Cities campus.
 - b) This authority with respect to small claims arising out of the University of Minnesota Hospital and Clinic is extended to the Board of Governors.
- 3. The correct assignment and transfer of gift funds made to the University of Minnesota to the appropriate foundation or group so that the intended purpose of the donor is achieved.

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

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

Secretary

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

- 1. Accept legal service on behalf of the corporation and of the University.

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

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

Titles modified in November 1991 pursuant to Regents' Policy on Policies adopted March 8, 1991.

- e) Approval of resolution re Rescission of Regents' Policies, as follows:

RESOLVED, on the recommendation of the President and the Vice President for Health Sciences, that the Health Sciences Mission Policy, the Policy on Health Sciences, and the Rural Physician's Associate Program be rescinded.

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

Regent Craig reported that the committee also received a brief update on the Higher Education Coordinating Board State Grant Program funding proposal.

REPORT OF THE AUDIT COMMITTEE

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

The meeting adjourned at 12:06 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

MBA
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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

MINUTES

BOARD OF REGENTS' MEETING

AND

REGENTS' COMMITTEE MEETINGS

January 7-8, 1993

Office of the Board of Regents

220 Morrill Hall

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

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

January 7-8, 1993

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

January 4, 1993

A meeting of the Audit Committee of the Board of Regents was held on Monday, January 4, 1993, at 9:30 a.m. in Room 300, Morrill Hall.

Regents present: Regent Page, presiding; Regents Craig, Keffeler, and Kuderer.

Staff present: Senior Vice President Erickson; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice President Pfutzenreuter; Assistant Vice President Cram; Director of Audits Patrick Spellacy.

Student Representative present: Andrew Kuehnel.

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

Chair Page introduced Andrew Kuehnel, the new student representative serving on the Audit Committee.

SENIOR VICE PRESIDENT'S QUARTERLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Quarterly Report. A motion was made and seconded to recommend approval of the quarterly report.

Senior Vice President Erickson reported that information for his report regarding the implementation of the CUFS system was contained in the administration's response to the various items in the External Auditor's Management Letter listed on the committee's agenda as item number 3. He stated that the past year has been a difficult one with the implementation of CUFS, indicating that while substantial progress has been made, there are a number of issues that still need to be resolved.

Senior Vice President Erickson noted that reports reflecting expenditure variance with the previous year will be available after one year of CUFS operation. More complete reports of variance with budget will require a series of decisions related to the use of the CUFS system. He agreed with comments that a timetable for achieving this level of variance reporting is important.

Regent Kuderer questioned whether the CUFS system was the appropriate choice for the University. Assistant Vice President Michael O'Connor responded that the CUFS system itself is not the issue; the system is basically like all other general ledger systems. Rather, the issues relate to how to use the system and how to effectively educate individuals about the system.

Chair Page stated that the committee needs a working timetable in order to evaluate progress on the implementation of CUFS, recognizing that it may need to be modified as progress is made. She requested that administration provide a timetable at a special meeting of the Audit Committee in February.

Regent Keffeler stated that it is clear from the External Auditor's Management Letter and the administrative response that the issue is a management issue and not a systems issue.

Regent Kuderer stated for the record that in spite of critical comments, the administration is commended for the efforts and initiatives associated with the CUFS project.

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

DIRECTOR OF AUDITS' QUARTERLY REPORT INCLUDING COMPLIANCE REPORT

Patrick Spellacy, Director of Audits, presented the Quarterly Report on internal audit activity including audits issued since November 12, 1992, those in progress, and changes to the audit plan.

A motion was made and seconded to recommend approval of the quarterly report.

Mr. Spellacy provided an update on audits issued since the last report of November 12, 1992, including:

Duluth - Library
Centralized Testing (February - May 1992)

The committee engaged in a discussion regarding the Centralized Testing audit. Mr. Spellacy explained that the way of dealing with errors uncovered by the centralized testing of University transactions is to identify the departments where errors occur most frequently and to demonstrate that there is a cause and effect relationship between errors and consequences. The cost of errors will go back to departments or individuals responsible. Senior Vice President Erickson added that there is a need to create the expectation that rules will be enforced and that there will be consequences for errors. Regent Kuderer stated that this audit demonstrates the wisdom of having an Internal Audit Department.

The committee engaged in a discussion relating to the Audit Schedule. Mr. Spellacy reported that the Audit Department has had to adjust audit priorities due to involvement with CUFS, special projects, and investigations. He noted that the request made at the November Regents' Audit Committee meeting to incorporate audits of revenue-generating units into the Audit Plan will be presented in the 15 month Audit Plan at the April Regents' Audit Committee meeting. He reported that the completion of the MALG investigation will help set the scope for an expanded review of revenue producing units later in the year. He proposed dividing the available audit resources for January-April as follows:

MALG Investigation Support	40%
Centralized Testing	25%
CUFS Stabilization	15%
Finish Current Audits in Process	20%

Regent Keffeler expressed concern about waiting until April to begin review of revenue-producing units, indicating if the issue is resources, the Board has expressed its support for adding additional resources.

The committee engaged in an extended discussion regarding the need for changing the audit plan. Regent Keffeler indicated that public perception is important and the University should be viewed as being proactive in the area of auditing. She moved that the administration be requested to augment resources as necessary to undertake expanded audits of revenue generating units, consistent with standards and criteria that administration would recommend based upon customary business practices and information availability as a result of audits currently underway.

The motion was seconded. Regent Kuderer expressed concern about the motion, stating that the Audit Department should first recommend the priorities. Regent Keffeler stated that the motion could be changed to request a plan for the committee's review, but that this plan should be completed soon. Further discussion ensued and the committee agreed that the Audit Plan be presented at the special February meeting of the Audit Committee. Regent Keffeler amended her resolution as follows:

The administration is directed to bring to the Audit Committee, at the earliest possible date but no later than the special February 1993 meeting of the committee, a plan, including financial consequences, for augmenting the University's audit activity to include a broader assessment of potential risk in revenue-producing departments.

It was noted that a motion to accept the Report of the Internal Auditor was already before the committee. The committee voted to table the previous motion until the question of augmenting audit activity was settled.

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

The motion to accept the Quarterly Report of the Director of Audits was brought back from the table.

The committee voted unanimously to recommend approval of the Director of Audits' Quarterly Report.

EXTERNAL AUDITOR'S REPORT

Mr. Mark Chronister, Coopers and Lybrand, presented the Report to Management (management letter) for the year ended June 30, 1992.

Mr. Chronister called attention to the following current and prior year comments, all rated as essential:

- Strengthen Procedures Surrounding Interfund Transfers (1992 Comment)

Auditors recommend the University review and enhance its procedures surrounding transfer activity. Further, the causes of improper initial transactions should be identified and remedied.

- Enhance Procedures and Policies Surrounding the Recordkeeping and Monitoring of Unbilled Receivables (1992 Comment)

Auditors recommend the University designate oversight responsibility and implement procedures which will facilitate enhanced interdepartment communications and determine appropriate accumulation, collection and reporting of unbilled receivable activity.

- Enhance Controls Over Cash (1992 Comment)

Auditors recommend the University review and enhance its controls over cash. Further, we recommend that a regular bank to book (general ledger) reconciliation process be utilized to ensure all adjustments are identified.

- Manage the Decentralization of CUFS to Minimize Risks (1991 Comment: Being Addressed)

It was noted that this comment received a significant amount of senior management attention during the past year. The auditors continue to recommend the University analyze, redesign and implement work processes necessary to make CUFS an effective management tool as well as to improve the control environment and to realize operational efficiencies.

- Finalize, Document and Test Internal Control Procedures for CUFS (1991 Comment: Being Addressed)

The auditors recognize that progress has been made regarding the University's financial accounting controls. However, they do not believe that a comprehensive assessment of the financial controls has been performed. Such an assessment is required to ensure that controls are appropriately designed to address the completeness and accuracy of information processed by the new system. Based on the difficulties identified and encountered in the year-end closing, the auditors further recommend rigorous testing be performed of controls over all significant transactions.

- Enhance Year-End Closing Process and Address Closing Process on an Interim Basis (1991 Comment: Being Addressed)

The auditors recommend that the University continue to focus on both interim and year-end closing plans. Additionally, the auditors recommended an expanded interim close be performed for the fiscal 1993 third quarter.

Mr. Chronister noted that fiscal 1992 was a difficult and unusual year for the University. Numerous financial and operational issues have resulted from the installation of CUFS, and some of the inadequacies are due to decisions made by the original CUFS project team. He stated as a first step, the University should complete a comprehensive and in-depth diagnostic of the financial transaction processing and reporting functions as they currently operate. The objectives of that diagnostic should be to develop a clear understanding and assessment of the related operating, resource, structure, roles, skills and effectiveness issues confronting the University.

The committee engaged in discussion and Mr. Chronister responded to questions.

The meeting adjourned at 9:10 a.m.

Barbara Muesing
BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

January 7, 1993

A special meeting of the Board of Regents of the University of Minnesota was held on Thursday, January 7, 1993, at 9:30 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Senior Vice Presidents Erickson and Infante; Vice Presidents Anderson and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; University Attorneys Bohnhorst and Donohue; and Nancy Schaefer, General Counsel staff.

Others present: Colleen Martin, Hogan & Hartson; Frances McCloskey and David McGowan, Coopers & Lybrand; Jan Symchych and Terry Wilson, Dorsey & Whitney.

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

RESOLVED, that on the recommendation of the President and as provided by Minnesota State Statute 471.705 Subd. 1d, a non-public meeting of the Board of Regents be held at 9:30 a.m. on Thursday, January 7, 1993, in Room 238, Morrill Hall, for the purpose of discussing attorney-client privileged matters.

The Board of Regents voted unanimously to approve the resolution.

The meeting adjourned at 9:32 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

January 7, 1993

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, January 7, 1993, at 4:15 p.m. in Room 300, Morrill Hall.

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

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

Student Representatives present: Darius Casey and Corey Mitteness.

Regent Neel noted that there was not a quorum and that the committee would review all items and make recommendations for action to the Board on Friday.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Erickson presented the Senior Vice President's Monthly Report for January 1993.

It was the consensus of the committee that the Senior Vice President's Monthly Report be recommended for approval.

PROJECTS PREVIOUSLY SUBMITTED FOR REVIEW

It was the consensus of the committee that the followings projects previously submitted for review be recommended for approval:

- a. Fisheries and Aquaculture Facility (Agricultural Engineering Shops Renovation)
St. Paul Campus
Estimated cost of the project: \$1,315,400
Funding: Legislative Commission on Minnesota Resources Account; Fire and Life Safety Funds; Program Accommodations Remodeling Fund; Research Executive Council; and Biological Sciences Deans Council
Estimated completion date: September 1993
- b. North Stadium Parking Lot & Bus Drop Off
Minneapolis Campus
Estimated cost of the project: \$107,000
Funding: Parking Services Funds and Department of Recreational Sports Funds
Estimated completion date: June 1993

- c. University Drive and Parking Lot B Restoration
Duluth Campus
Estimated cost of the project: \$570,000
Funding: UMD Repair and Replacement and UMD Parking Reserves
Estimated completion date: August 1993
- d. Roof Replacement for Marshall Performing Arts Center, A. B. Anderson Hall (Upper Roof), Humanities, Tweed Museum, Concourse B, and Sports and Health Center South Entrance
Duluth Campus
Estimated cost of the project: \$583,000
Funding: UMD Plant Funds
Estimated completion date: September 1993
- e. Tuckpointing (Partial) of Sports and Health Center, Life Science Greenhouse, Cina Hall, Bohannon Hall, Kirby Student Center, and Washburn Hall
Duluth Campus
Estimated cost of the project: \$144,000
Funding: UMD Repair and Replacement
Estimated completion date: August 1993

PROJECTS PRESENTED FOR REVIEW

**Repair and Replacement Projects Program
Twin Cities Campus**

Associate Vice President Markham presented a list of maintenance projects representing critical high priority Repair and Replacement Appropriation Funded projects that were identified as a part of the Twin Cities Campus Capital Budget Planning effort within Facilities Management. The projects relate to: 1) buildings/systems assessment/planning in preparation of the Capital Budget Plan; 2) building integrity; 3) program (user) operational requirements; 4) security risks; and 5) immediate safety repairs. It was reported that these projects will be part of the Capital Budget Plan to be presented to the Board in May and June 1993; however, failure to proceed with the projects at this time would seriously jeopardize the University's ability to operate and maintain its physical assets on the Twin Cities campus.

Ms. Markham reviewed details for some of the projects, indicating that the total estimated cost for all of the projects is \$8,923,000. It was also noted that the cost estimates were preliminary in nature and any variances from the estimates will be reported back to the committee. Funding for projects undertaken in 1993-94 will be provided by an Operating and Maintenance State Appropriation for Repairs and Replacement.

**Raze 2100 and 2122/2124 Riverside Avenue South,
527 21st Avenue South and 512 22nd Avenue South
Twin Cities Campus**

The committee reviewed a proposed project to demolish the structures located at 2100 and 2122/2124 Riverside Avenue South, 527 21st Avenue South, and 512 22nd Avenue South. Proper termination of utilities, removal of debris and appropriate grading and seeding of the site after demolition are included in the project. Estimated cost of the project is \$177,000 with funding provided by

Housing Services on the Twin Cities campus. Estimated completion is June 1993.

**Stadium Apartments, Building 1330, Upgrade Project,
Duluth Campus**

The committee reviewed a project for replacement of windows, domestic water pipes, kitchen cabinet bases, sinks and counter tops in Building 1330 of the Stadium Apartments on the Duluth campus. Estimated cost of the project was reported to be \$392,000 with funding provided from Duluth Housing Services. Estimated completed is September 1993.

REAL ESTATE TRANSACTIONS PRESENTED FOR REVIEW

**Sale of Administrative Services Center
1919 University Avenue
St. Paul, Minnesota**

The committee reviewed a proposal for the sale of the Administrative Services Center located at 1919 University Avenue in St. Paul. It was reported that due to the relocation and consolidation of the University units formerly located at 1919 University, the property is no longer needed by the University.

In answer to a question, Associate Vice President Hewitt reported that the building was purchased in 1979 for \$3.6 million. He further reported that recent appraisals of the property indicate a value of \$1.6 million.

**Sale of Outlot C, University Addition, Rosemount
to State of Minnesota Department of Military Affairs**

The committee reviewed a proposal to sell property located in Rosemount described as Outlot C, University Addition. Associate Vice President Hewitt reported that the Department of Military Affairs for the State of Minnesota wants to purchase the property to use as a location for an organization and maintenance shop. It was noted that the University recently learned that the land is outside the site selection area for a potential new Minneapolis and St. Paul area airport.

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

The committee reviewed a proposal for the sale of 1.5 acres of University land in Morris, Minnesota. The Stevens County, Developmental Achievement Center (DAC) has put in a request to purchase the property to expand its disability program. The DAC's expanded program would benefit the people of Stevens County and accordingly, the Superintendent of the West Central Experiment Station has recommended the conveyance of the land to the DAC. Proceeds from the sale would be dedicated to future land purchases at the West Central Experiment Station.

**Real Estate Exchange with Duinick Brothers
Minnesota Poultry Testing Laboratory
Willmar, Minnesota**

The committee reviewed a proposal for a real estate exchange with the Duinick Companies in Willmar, Minnesota. Associate Vice President Hewitt provided details of the proposed exchange, indicating that the subject property

was acquired in 1968 by the University for a serology and poultry testing program housed in the Minnesota Poultry Testing Laboratory. The laboratory is jointly operated by the University's College of Veterinary Medicine and the State of Minnesota, Board of Animal Health. The University has received a preliminary notice that the city will be making improvements which will require relocation of the laboratory and demolition of the existing building.

Associate Vice President Hewitt further reported that Duinick Companies, an adjacent landowner, has proposed an exchange involving a new laboratory building that the company would construct on land it owns and the University's property. Duinick Companies would then own the portion of the University's 2.673 acres not needed by the City of Willmar for the improvement project.

**Purchase of Coleraine Minerals Research Laboratory
Duluth Campus**

The committee reviewed a proposal for the purchase of the Coleraine Minerals Research Laboratory property. The property, currently owned by USX Corporation, contains approximately 20 buildings constructed between 1902 and 1962. The facility was formerly the site of the U. S. Steel Minerals Benefication Laboratory. In 1986, the University acquired the laboratory equipment at the site and leased the land and building for \$1 a year. The Coleraine Minerals Research Laboratory is used for minerals research activities by the Duluth campus, Natural Resources Research Institute (NRRI). Associate Vice President Hewitt added that purchase of this property would be at a discounted price.

Michael Lalich, Director of NRRI, provided the committee with background information relating to research activity at the Laboratory.

REPORT ON ENCLOSED PEDESTRIAN LINKS

This item was delayed due to time constraints.

The meeting adjourned at 5:15 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Financial Operations & Legislative Committee

January 7, 1993

A meeting of the Financial Operations & Legislative Committee of the Board of Regents was held on Thursday, January 7, 1993 at 3:20 p.m. in Room 300, Morrill Hall.

Regents present: Regent Anderson, Chair; Regents Page, Rosha, and Wynia.

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Associate Vice Presidents Paschke and Pfutzenreuter; and Director of State Relations Peterson.

Student Representatives present: Courtney Jaren and Rachel Paulose.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

Senior Vice President Erickson called on Associate Vice President Paschke who reported briefly on the Annual Board meeting of RUMINCO Ltd. He reported that an important outcome from that meeting was the declaration of a dividend by the Board of \$2.1 million to be paid to the University of Minnesota on February 1, 1993. Distribution of this dividend will go to the units of the University which pay the annual policy premiums and for most units, this dividend distribution will cover the cost of premiums for 1993.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for January 1993.

**PURCHASE OF GOODS/SERVICES OVER \$250,000
(Athletic Scoreboards)**

The committee reviewed a proposed resolution that would authorize the appropriate administrative officers to proceed with the purchase of scoreboards for the Athletic Facilities Project from White Way Sign Company at a cost not to exceed \$1 million for equipment, installation, and related costs.

Associate Vice President Paschke reviewed details of the project, indicating that requests for proposals were issued and the White Way Sign Company of Chicago was selected as the low bidder. The purchase includes a center-hung scoreboard for the new Mariucci arena, a new center-hung scoreboard for the renovated Williams Arena, and two wall-mounted

scoreboards in the Sports Pavilion. The scoreboards contain space for advertising and advertising will be sold to past sponsors and other organizations, including media entities, local retail businesses, and possibly financial institutions. The total cost of the scoreboards is \$1 million, including approximately \$864,000 for the equipment and \$136,000 for installation, building permits, and contingencies. The scoreboards will be financed through an internal loan, which will be repaid with a portion of the advertising revenues. It was noted that the large majority of the advertising revenues will be directed to the debt service on the facilities.

Through the use of visual aids, Mr. Scott Ellison, Men's Intercollegiate Athletics, reviewed specifics of the scoreboards.

In answer to a question posed by Regent Rosha, Associate Vice President Paschke reported that the scoreboards had not been included as part of the original athletic building project. Regent Rosha stressed the importance of including all factors of a project when it is presented and approved.

It was reported that the item will be on the agenda for action at the February meeting.


LEGISLATIVE STRATEGY

Donna Peterson, Director of State Relations, presented an update on legislative activity. She distributed lists of legislators and legislative committees, plus a Budget Request Summary Sheet being distributed at Regents' legislative breakfasts.

Ms. Peterson noted that the Governor will be giving his State of the State address on January 14 and his Budget address on January 26. The first legislative hearing relating to the University will be held January 14 before the House Education Committee with President Hasselmo testifying.

Ms. Peterson also reported briefly on the new committee structure for this session.

The meeting adjourned at 3:50 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

January 7, 1993

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, January 7, 1993, at 4:20 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Senior Vice President Infante; Vice Presidents Anderson, Hopkins, Hughes, and Petersen; Executive Director Muesing; General Counsel Rotenberg; Associate Vice Presidents Barbatsis and Johnson; Assistant Vice President Vikmanis.

Student Representative present: Courtney Jaren.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Regent Keffeler moved approval of the Senior Vice President's Monthly Report, and the motion was seconded by Regent Rosha.

Senior Vice President Infante presented the report, which was included in the docket materials. He noted that the searches for new Deans of the Institute of Technology, the College of Natural Resources, and the College of Pharmacy are nearing completion.

In response to Regent Page, Dr. Infante noted that the University currently does not have a Vice President for External Relations, and the appointment of a Special Project Coordinator for Legislative Projects is an attempt to strengthen the University's public relations activities.

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

**UNIT 2 COLLECTIVE BARGAINING AGREEMENT
WITH GRAPHIC COMMUNICATION INTERNATIONAL UNION, LOCAL 1B**

Regent Keffeler moved approval of the following resolution regarding the Unit 2 Collective Bargaining Agreement with Graphic Communication International Union, Local 1B, and the motion was seconded by Regent Page:

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

WHEREAS, the Graphic Communications International Union, Local 1B 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 January 7, 1993.

Senior Vice President Infante reported that the proposed agreement is within the parameters set for the University as a whole during the biennium.

The committee voted unanimously to recommend approval of the resolution

FACULTY WORKLOAD PRINCIPLES

Regent Keffeler moved approval of the following resolution related to faculty workload, and the motion was seconded by Regent Page:

WHEREAS, the University of Minnesota Faculty Senate adopted the report of the University of Minnesota Faculty Workload Task Force on November 17, 1992;

WHEREAS, this report articulates faculty workload principles and defines an effort determination process to be used to develop a clear understanding between individual faculty members and the appropriate department/college/unit regarding expected efforts;

WHEREAS, the Faculty Senate has recommended that the University administration develop appropriate ways to record and report the activities and accomplishments of the faculty;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents of the University of Minnesota commends the work of the Faculty Workload Task Force and the leadership of the Faculty Senate, and endorses the faculty workload principles contained in the Report of the University of Minnesota Faculty Workload Task Force, as adopted by the Faculty Senate on November 17, 1992;

BE IT FURTHER RESOLVED, that the Board of Regents directs the President and the administration to implement the plan of action contained in the report.

Senior Vice President Infante stated that he is pleased with the faculty workload principles, and expressed appreciation to the members of the Faculty Workload Task Force for their efforts.

In response to Regent Page, Vice President Hopkins reported that after approval of the faculty workload principles, a task force will be appointed to recommend the most appropriate means of collecting and reporting data on faculty activities and accomplishments. She noted that the recommendations of the task force are scheduled to be presented to the University Senate for action in June 1993.

Regent Rosha asked about the prospect of developing a Regents' policy to define the Board's expectations regarding faculty workload. Vice President Hopkins responded that she feels it is preferable not to develop such a policy at this time, to allow flexibility as the administration implements the plan of action.

Regent Reagan suggested that Dr. Infante work with Director Donna Peterson to provide legislators with the information on faculty workload contained in the report.

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

HEALTH SCIENCES PRIVATE PRACTICE POLICY STATEMENTS

Regent Rosha moved approval of the following resolution, and the motion was seconded by Regent Page:

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

WHEREAS, the professional faculty and staff of the Health Sciences are encouraged to practice their discipline/specialty as the opportunity presents itself in recognition of the importance of such care in achieving the mission of the University; and

WHEREAS, practice-related revenues are essential to the fiscal viability of several of the components of the Health Sciences; and

WHEREAS, state, University, and practice-related resources are often brought together in support of research, education, and clinical care; and

WHEREAS, the Board of Regents has a Health Sciences Private Practice Policy which requires periodic review and revision;

THEREFORE, BE IT RESOLVED, that the Board of Regents' Policy on Health Sciences Private Practice, as adopted in 1963, be revised as a set of policies governing private professional practice in relevant areas of the Health Sciences; and

BE IT FURTHER RESOLVED, that each component of the Health Sciences with clinical income develop a policy statement for approval by the Board of Regents no later than July 9, 1993, said policy statement to include:

- Definition of faculty and employee classes eligible to participate in the respective private practices
- Definition of the total clinical services to be provided by professional faculty and staff of the Health Sciences in their capacity as employees of the University of Minnesota
- Definition of services that qualify for inclusion in the private practices

- Contractual relationships and terms of consideration including the use of University assets in the provision of clinical care and the disposition of income generated by the private practices

BE IT FURTHER RESOLVED, that the policy statements provide for standard accounting practices and procedures, periodic reviews to ensure compliance with the provisions of the policy statements, and mechanisms to initiate and carry out audits as deemed necessary by the President of the University and/or the Vice President for Health Sciences.

Vice President Anderson reviewed the proposed resolution. He noted that the current Regents' Policy on Health Sciences Private Practice will be revised as a set of policies governing private professional practice in relevant areas of the Health Sciences. This process will begin with the presentation of a proposed Regents' Policy Statement on Private Practice of Medicine for review by the Board in February and adoption in March.

In response to Regent Keffeler, Dr. Anderson discussed the need for and purpose of practice plans. He stated that practice plans provide a mechanism to collect private practice income and distribute it among the institution, the appropriate departments, and the individuals who generated the income.

Regent Keffeler noted that the proposed resolution states that the policy statements include contractual relationships and terms of consideration. She expressed concern regarding the Board's access to information necessary for assessing the basis of consideration, and asked if it would be better for the Board to approve contracts rather than policy statements. In revising the policy, General Counsel Rotenberg responded that the administration is trying to be sensitive to the historical relationship between the University and the medical faculty, whereby they follow a plan which complies with University policies. He noted that it doesn't seem inappropriate to have policy statements, in addition to contracts between private practices and the University which adhere to Regents' policies.

In response to Regent Page, Dr. Anderson stated that the School of Dentistry faculty adhere to the University policy on outside consulting, which allows faculty to engage in professional activities outside the University up to one day per week. He noted that this policy differs from that followed by the Medical School, in that the resulting income is not pooled and redistributed.

In response to Regent Rosha, Dr. Anderson reported that for the year ended June 30, 1992, the University's physician faculty generated between \$60-75 million. He discussed how physicians' salary levels are established and how private practice income is distributed. Regent Rosha noted that the amount of money generated by this activity exceeds the general University policy regarding contracts, and stated that it is critical to give the rationale for allowing University resources which are utilized to generate that revenue to be exempt from the University's overall policy.

Regent Page noted that the proposed resolution states that policy statements will include mechanisms to initiate and carry out audits as deemed necessary by the President of the University and/or the Vice President for Health Sciences, and expressed concern regarding exclusion of the Regents' Audit Committee from that provision. Mr. Rotenberg indicated that the language in the resolution is not intended to exclude or amend the oversight function of the Audit Committee, noting that the Board of Regents can at any time instruct the President to conduct an audit using internal or external resources.

Following the discussion, the committee voted by a majority to recommend approval of the proposed resolution. Regent Page abstained from the vote.

Regent Keffeler asked Regent Page if her concern would be satisfied if the resolution explicitly recognized the prerogative of the Board of Regents and the Audit Committee. Regent Page stated that because this is an area that historically has not been open to the Audit Committee, she feels the involvement of the Audit Committee has to be explicit to ensure that these areas are included in the routine audit rotation.

Regent Rosha made a motion to reconsider the committee's action, and the motion was seconded by Regent Keffeler. The committee voted unanimously to recommend approval of the motion to reconsider.

Regent Rosha moved approval of the original resolution, and the motion was seconded by Regent Keffeler. At Regent Page's request, Mr. Rotenberg recommended amended language to address her concerns.

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

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

WHEREAS, the professional faculty and staff of the Health Sciences are encouraged to practice their discipline/specialty as the opportunity presents itself in recognition of the importance of such care in achieving the mission of the University; and

WHEREAS, practice-related revenues are essential to the fiscal viability of several of the components of the Health Sciences; and

WHEREAS, state, University, and practice-related resources are often brought together in support of research, education, and clinical care; and

WHEREAS, the Board of Regents has a Health Sciences Private Practice Policy which requires periodic review and revision;

THEREFORE, BE IT RESOLVED, that the Board of Regents' Policy on Health Sciences Private Practice, as adopted in 1963, be revised as a set of policies governing private professional practice in relevant areas of the Health Sciences; and

BE IT FURTHER RESOLVED, that each component of the Health Sciences with clinical income develop a policy statement for approval by the Board of Regents no later than July 9, 1993, said policy statement to include:

- Definition of faculty and employee classes eligible to participate in the respective private practices
- Definition of the total clinical services to be provided by professional faculty and staff of the Health Sciences in their capacity as employees of the University of Minnesota
- Definition of services that qualify for inclusion in the private practices

- Contractual relationships and terms of consideration including the use of University assets in the provision of clinical care and the disposition of income generated by the private practices

BE IT FURTHER RESOLVED, that the policy statements provide for standard accounting practices and procedures, periodic reviews to ensure compliance with the provisions of the policy statements, and mechanisms to initiate and carry out audits as deemed necessary by the Audit Committee of the Board of Regents, the President of the University, or the Vice President for Health Sciences.

REVISION OF TUITION REFUND POLICY

Senior Vice President Infante and Vice President Hughes presented a proposed revision of the section of the Regents' Tuition Policy pertaining to tuition refunds, noting that the modification is required by the Higher Education Amendments of 1992.

Regent Reagan indicated that the revised policy will be presented to the Board for adoption at the February meeting.

REPORTS OF THE OFFICE OF THE ASSOCIATE VICE PRESIDENT FOR ACADEMIC AFFAIRS AND ASSOCIATE PROVOST WITH SPECIAL RESPONSIBILITY FOR MINORITY AFFAIRS AND THE OFFICE OF EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION

Associate Vice President Johnson reported on the activities of the Office of Minority Affairs. She discussed the mission and objectives of the office, including improved retention and graduation of students of color and retention and success of faculty of color. Dr. Johnson reported that the University has nearly achieved its goal to increase the number of students of color by 10 percent by 1994, and the focus will now be on retention and graduation of those students. She also discussed recruitment and retention of faculty of color, and efforts to understand why there has been limited success in those areas.

Dr. Johnson reviewed action items which will be addressed in the immediate future, and indicated that the status of those items will be included in her next report to the Board in July. She presented a plan entitled "A New Paradigm: Evaluation for Effectiveness", stating that implementation will insure that the University is meeting its goals, making institutional changes through Board policy, and creating an environment that will strengthen excellence through diversity.

Patricia Mullen, Director of the Office of Equal Opportunity and Affirmative Action, reported on changes in faculty ranks from 1980 to 1990 and hiring in civil service employment from 1981 to 1991. She noted that the University's affirmative action efforts focus on women, people with disabilities, people of color, and Vietnam era veterans, and her office monitors those efforts. Ms. Mullen stated that the work of the Office of Minority Affairs will allow the University to move beyond compliance, and noted that the University community is fortunate to have Dr. Johnson.

Regent Reagan stated that the Board concurs with Ms. Mullen's assessment of Dr. Johnson's value to the University community, and thanked Dr. Johnson and Ms. Mullen for their reports.

REPORT ON FALL QUARTER ENROLLMENT

Vice President Hughes led the discussion regarding fall quarter enrollment. She stated that the report would focus on attainment of the University's enrollment goals, and acknowledged that Samuel Lewis, Director of the Office of the Registrar, has been instrumental in that process.

Mr. Lewis reported that data indicate that the University has been successful in meeting its enrollment goals and targets. He reviewed slides illustrating enrollment trends of undergraduate full-year equivalent student for fiscal years 1988 through 1993; trends in undergraduate headcounts; trends in Twin Cities campus undergraduate, graduate, and professional headcounts; trends in undergraduate headcounts by class level on each campus; trends in enrollment of students of color on each campus; and trends in meeting high school preparation standards.

Regent Reagan expressed appreciation to Dr. Hughes and Mr. Lewis for the report.

UPDATE ON DISTRIBUTION OF PROCEEDS FROM SALES OF SALT SPRING LANDS


Senior Vice President Infante and Associate Vice President Johnson reported that the issue related to distribution of proceeds from the sale of Salt Spring Lands has been resolved. Under the distribution formula, 80 percent of the proceeds will be allocated to the Duluth campus, 15 percent to the Morris campus, and 5 percent to the Crookston campus.

Regent Reagan asked about funding for a chair in American Indian Education at the University of Minnesota, Duluth, including the possibility of matching funds from the Permanent University Fund (PUF). Dr. Infante responded to issues raised by Regent Reagan, noting that the administrative recommendation only reflects the agreement to distribute the proceeds from the land sales. In response to Regent Page, Dr. Infante indicated that while all PUF funds have been allocated, not all have been expended to date because some departments have not been able to raise the required matching funds.

Regent Roshka made a motion to approve the administrative recommendation regarding the distribution of proceeds from sales of Salt Spring Lands, and the motion was seconded by Regent Keffeler. The committee voted unanimously to recommend approval of the motion.

In response to Regent Page, Dr. Johnson stated that the coordinate campuses will address the issue of how the proceeds will be used to further American Indian education. Dr. Infante emphasized that the proceeds of any sale are to be capitalized into endowment accounts for each of the coordinate campuses, and the yield from the endowed accounts are to further American Indian Education.

The meeting adjourned at 5:35 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning and Policy Committee

January 7, 1993

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, January 7, 1993, at 3:20 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Chancellor Johnson; Senior Vice President Infante; Vice Presidents Hopkins and Petersen; Executive Director Muesing; Associate Vice Presidents Brenner, Johnson, and Vikmanis.

Student Representatives present: Darius Casey and Andrew Kuehnel.

Regent Craig introduced Andrew Kuehnel, a new Student Representative from the Twin Cities campus who is replacing Karen Schlangen, and welcomed him to the committee.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Regent Keffeler moved to recommend approval of the Senior Vice President's Monthly Report, and the motion was seconded by Regent Neel. Senior Vice President Infante noted that the report includes a number of program-related items, and stated that it would be more appropriate to take separate action on each of those items. Regents Keffeler and Neel withdrew their original motion.

Dr. Infante reported that the Minnesota Higher Education Coordinating Board approved a proposal for a Master of Arts (M.A.) and doctoral (Ph.D.) degree in Rhetoric and Scientific and Technical Communication, Twin Cities campus. Regent Keffeler moved to recommend approval of the proposal, and the motion was seconded by Regent Neel. The committee voted unanimously to recommend approval of the proposal.

Dr. Infante presented a proposal to change the name of the Master of Fine Arts (M.F.A.) degree program in Studio Arts to M.F.A. in Art. Regent Keffeler moved to recommend approval of the proposal, and the motion was seconded by Regent Neel. The committee voted unanimously to recommend approval of the proposal.

Dr. Infante presented a proposal to integrate three distinct Ph.D. degrees (Educational Administration, Higher Education, and Social and Philosophical Foundations of Education) in the Department of Educational Policy and Administration and subsume them under a single degree, Educational Policy and Administration. Regent Keffeler moved to recommend approval of the proposal, and the motion was seconded by Regent Reagan. The committee voted unanimously to recommend approval of the proposal.

Dr. Infante presented a proposal for two free-standing minors in Conflict Management (master's and Ph.D. levels) and Political Psychology (Ph.D.) level. Regent Keffeler moved to recommend approval of the proposal, and Regent Neel seconded the motion. The committee voted unanimously to recommend approval of the proposal.

Dr. Infante presented a proposal to offer the Master of Science (M.S.) degree (Plans A and B) in Nutrition at the University's Rochester Center. Regent Keffeler moved to recommend approval of the proposal, and the motion was seconded by Regent Reagan. The committee voted unanimously to recommend approval of the proposal.

Dr. Infante reported on additional changes in degree offerings which accompany the proposal for a Master of Science (M.S.) degree in Landscape Architecture, which will be implemented pending approval of the program proposal at the February meeting.

Regent Neel moved to recommend approval of the Senior Vice President's Monthly Report, and the motion was seconded by Regent Reagan. The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report.

REGENTS' POLICY ON ACADEMIC MISCONDUCT

Regent Keffeler moved adoption of the revised Regents' Policy on Academic Misconduct, and the motion was seconded by Regent Reagan.

Vice President Petersen presented the revised Regents' Policy on Academic Misconduct to the committee for adoption. A comparative analysis of the academic misconduct policies of other institutions was presented to the Board in October 1992, and she stated that some of the proposed revisions to the current policy are in response to questions raised by Regents at that time. Dr. Petersen noted that the revised policy has been reviewed by the faculty governance structure.

In response to an issue raised by Regent Neel, Dr. Petersen indicated that the revised policy does not address a situation where a researcher has a financial interest in a corporation or an organization that provides research funds for his/her research project. That issue is addressed in the conflict of interest policy, and she reported that the Committee on Academic Integrity is currently reviewing that policy. She also noted that she chairs the Task Force on Public-Private Partnerships, and a progress report will be presented to the Board at the February meeting. Regent Neel emphasized that the University must be the leader in this area.

In response to Regent Neel, Senior Vice President Infante noted administrative efforts to resolve issues related to academic misconduct and conflict of interest. He stated that a disclosure policy is not currently in effect for senior administrators, and that issue is also being addressed. Regent Neel commended Dr. Infante on his efforts, and he urged the administration to continue to press forward.

Regent Reagan stressed the importance of communicating to the University community that the Board is taking a strong stance regarding misconduct. Regent Neel concurred that it is important to convey that message, but noted that most of the University's researchers and faculty are superior employees who work on a high ethical plane.

In response to Regent Craig, Dr. Petersen discussed efforts to communicate the University's position on these issues throughout the community, and stated that the Office of Research and Technology Transfer Administration (ORTTA) will continue its strong enforcement of University policies in these areas. She noted that faculty who have been operating properly are pained by the problems, and stressed the importance of maintaining high morale while addressing these issues. Regent Neel expressed

confidence in those employees who are doing ethical work, and stated that the Board expects everybody to function at that level.

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

BACHELOR OF SCIENCE DEGREE IN BIOCHEMISTRY AND MOLECULAR BIOLOGY, UNIVERSITY OF MINNESOTA, DULUTH

Senior Vice President Infante led the discussion regarding a proposed Bachelor of Science (B.S.) degree in Biochemistry and Molecular Biology at the University of Minnesota, Duluth (UMD). He strongly endorsed the proposal, stating that it represents leverage and interaction between two components in order to provide students with an important program that is in demand. Dr. Infante noted that significant allocation and reallocation will be necessary because of high costs for equipment and instrumentation for the program.

Dr. Infante introduced Vice Chancellor Sandra Featherman, Bilin Tsai, Head of the Department of Chemistry at UMD, and Timothy Holst, Associate Dean of the College of Science and Engineering at UMD. Dr. Featherman stated that the program is a model of cooperation between the UMD Medical School and the College of Science and Engineering, a model of internal reallocation, and a model of effective planning and implementation.

Dr. Tsai reported on the status of the search process for a faculty member for the program. She noted that the pool includes approximately 100 strong candidates, 40 percent of whom are women and minorities. Dr. Tsai stated that the search procedures were aggressive in order to contribute to diversity on campus.

Dr. Holst reported that the proposal is supported by the College of Science and Engineering. He noted that this is an area in which the college wants to be involved, and the proposal is a model of cooperation. Dr. Featherman indicated that this field is exploding, and the proposed program would provide students with a tremendous opportunity.

Regent Neel congratulated Dr. Featherman and her colleagues on the proposal, stating that molecular biology and molecular genetics are on the cutting edge of medical research. Regent Reagan stated that he is excited about the proposed program.

Student Representative Andy Kuehnel stated that the students at UMD strongly support the proposed program.

Following the discussion, Regent Craig stated that the program proposal will be presented for approval at the February meeting.

MASTER OF SCIENCE DEGREE IN LANDSCAPE ARCHITECTURE

Senior Vice President Infante introduced the discussion regarding the proposed Master of Science (M.S.) degree in Landscape Architecture. He recommended approval of the proposal, stating that it represents significant curricular changes that will result in effective and efficient use of existing resources. Dr. Infante indicated the changes that have been made in the College of Architecture and Landscape Architecture represent the kind of curricular changes that must be made throughout the University. Vice President Petersen indicated that there is support for the proposal within the Graduate School.

Harrison Fraker, Dean of the College of Architecture and Landscape Architecture, expressed support for the proposal and noted that it is a model for efforts within the college to change all undergraduate professional degrees to graduate professional degrees. The M.S. is the graduate research degree which will enable conversion of the undergraduate Bachelor of Landscape Architecture (B.L.A.) degree to a graduate Master of Landscape Architecture (M.L.A.) degree, and he stated that implementation of the M.S. degree is appropriate because of the quality and stature of the research efforts of the Landscape Architecture faculty.

Professor Joan Nassauer, Head of the Department of Landscape Architecture, stated that the proposed M.S. research degree is critical in order for the department to continue its momentum. She indicated that the M.L.A. degree would become the college's first professional degree, consistent with the priorities of the University and the college, noting that it is a more appropriate recognition of the efforts of the students in the program. Dr. Nassauer reported that the M.L.A. degree program will be reviewed for professional accreditation by the National Landscape Architecture Accreditation Board in May 1993.

In response to Regent Keffeler, Dr. Nassauer discussed the type of students who would be interested in the M.S. degree, and noted that similar programs are not offered elsewhere. The department's focus is in the area of landscape ecology, and she stated that the M.S. degree will provide a fundamental base. Regent Keffeler stated that the program proposal is good news, noting that several Regents have suggested that the University develop a more coherent presence for the environment. Dr. Nassauer agreed with Regent Keffeler that the program will differentiate the University by joining ecological and environmental concerns with the accredited first professional degree. Dean Fraker indicated that there is excitement within the college about the leadership position that can be taken in this area.


Regent Craig commended Dean Fraker and Dr. Nassauer on the development of the proposed program, noting that all of the program changes addressed by the committee exemplify the seven criteria for restructuring and reallocation which were identified by President Hasselmo. Following the discussion, Regent Craig stated that the program proposal will be presented for approval at the February meeting.

NEW BUSINESS

Senior Vice President Infante reviewed a December 31, 1992 letter notifying the Board of special issues pertaining to an existing and a pending contract with the U.S. Army Medical Research Acquisition Activity. Regent Keffeler noted that if the Regents' Policy on Delegation of Authority: Acceptance of Sponsored Grants and Contracts had been in effect when the contract proposals were submitted, the Board would have been in a position to review and approve the proposals prior to submission. She thanked Dr. Infante and Vice President Petersen for notifying the Board of these significant contracts at this time. Regent Neel concurred, stating that the contracts represent the type of significant activity that should be reviewed and approved by the Board in the future.

Regent Craig congratulated Dr. Petersen for her astuteness in notifying the Board of these contracts at this time. Dr. Petersen noted that the administration would notify the Board regarding this type of significant contract activity, whether or not a Regents' policy was in effect.

The meeting adjourned at 4:10 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

January 8, 1993

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

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

Staff present: President Hasselmo; Chancellors Ianni and Johnson; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Anderson, Hopkins, Hughes, and Petersen; General Counsel Rotenberg; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Brenner, Johnson, Markham, Perlmutter, and Pfitzenreuter; Assistant Vice President Lawrence.

Student Representative present: Rachel Paulose.

ANNUAL REPORT ON EASTCLIFF AND REVIEW OF EASTCLIFF COMMITTEES

Regent Kuderer introduced the discussion regarding the Annual Report on Eastcliff and a review of the Eastcliff Technical Advisory Committee and Resource Committee, which were established in 1988 to provide oversight of the facility.

Vice President Erickson led the discussion, and expressed appreciation to President Hasselmo and Patricia Hasselmo for their efforts at Eastcliff. He introduced Roger Clemence, Associate Dean of the College of Architecture and Landscape Architecture and Chair of the Eastcliff Technical Advisory Committee; Patricia Hasselmo; Sam Jurkovic, Eastcliff Coordinator; and Charles Lawrence, Assistant Vice President, Housing and Food Services.

Mr. Lawrence reported that 1991-92 was a solid operating year for Eastcliff, that the goals for the year were accomplished, and that various departments continued to cooperate to ensure successful operation of the facility. He discussed the financial status of the facility, noting that the operation is defined as a facility that stands on its own. Mr. Lawrence reported that Claudia Wallace-Gardner was hired in January 1992 to fill a newly-created Program Director position at Eastcliff. He commended the efforts of Dr. Clemence, Mr. Jurkovic, and Ms. Wallace-Gardner.

Dr. Clemence reviewed the Annual Report, and commended Mrs. Hasselmo, Mr. Jurkovic, Mr. Lawrence, and Ms. Wallace-Gardner for their efforts to help fulfill the University's mission. He discussed the work of the Technical Advisory Committee, and indicated that committee members hope the activities of the Resource Committee will increase.

In response to Regent Kuderer, Dr. Clemence discussed the responsibilities of the Technical Advisory Committee and the Resource Committee. He recommended that the Technical Advisory Committee continue to function as it has in the past, and suggested that the Resource Committee should be reactivated.

Mr. Erickson presented the following resolution to the committee for approval:

RESOLVED, the Board of Regents approves the annual report on Eastcliff; approves appointments and responsibilities of the Eastcliff Technical Advisory Committee; and approves authorization of appointments and responsibilities/work plan of the Eastcliff Resource Committee, as presented in the docket materials for the January 8, 1993 Committee of the Whole.

In summary, Mr. Erickson noted the time and effort of many individuals to make the Eastcliff operation successful, and particularly the critical role of Patricia Hasselmo.

Regent Craig noted that she worked with Regent Sahlstrom, Patricia Hasselmo, and Barbara Muesing to redefine the role of the Resource Committee.

Regent Keffeler moved approval of the resolution, and the motion was seconded by Regent Craig.

In response to a question from Regent Kuderer, Mr. Lawrence stated that the 1992-93 Eastcliff budget of approximately \$159,000 is slightly less than the amount budgeted for 1991-92.

The committee voted unanimously to recommend approval of the resolution.

Following the discussion, Regent Kuderer thanked Regents Craig and Sahlstrom, Patricia Hasselmo, and Barbara Muesing for their efforts to redefine the role of the Resource Committee. President Hasselmo stated that he and Mrs. Hasselmo appreciate the efforts of those who work diligently to help further the purposes of the University.

SIX-YEAR CAPITAL BUDGET CALENDAR AND PRINCIPLES

Senior Vice President Erickson presented the Six-Year Capital Budget Calendar and Principles to the committee for approval. He noted that the proposed Capital Budget Principles document was revised in response to Regent Wynia's request for a ten-year timeframe for evaluating energy conservation projects. Associate Vice President Markham indicated that the overall investment and coverage of the life-cycle costs of the improvement are also considerations. She also reported on a recent meeting with Commissioner Sanda from the Department of Public Service regarding the University's energy conservation efforts.

Regent Reagan moved approval of the Six-Year Capital Budget Calendar and Principles and the motion was seconded by Regent Craig. The committee voted unanimously to recommend approval of the motion.

INSTITUTIONAL STRATEGIC PLANNING

President Hasselmo led the discussion regarding institutional strategic planning, stating that this continues the University's planning process, with current planning activities related to areas of information technology, distance education, outreach, public-private partnerships, undergraduate education, diversity, and enrollment management. He added that planning efforts will also be established relating to

teaching and learning, human resources, operations and management, and financing the University.

President Hasselmo stated that the expectation is to shape the University's priorities for the 1990's and beyond, and that this will be an opportunity to communicate with the citizens and leaders of Minnesota so they can join in that agenda.

Senior Vice President Infante presented the planning paper "Planning for Planning", describing the effort as guided by a vision of the University as a land grant research institution with an obligation to be the flagship institution of the state. The document rejects the privatization of the University, because it must be responsive to the needs of the state and the region.

Dr. Infante reviewed the following framing questions for this planning effort:

- What is the appropriate balance of funding sources for the University?
- What is the proper balance for instructional programs and degrees at the University?
- What is the appropriate balance among the University's three primary missions?

Dr. Infante reviewed the strategic issues that will be addressed during the planning process, including teaching, research, outreach, human resources, information technology, finance, and management, organization, and accountability. He discussed the process for planning, noting that the regular governance structures of the University will be used and that planning and budgeting will be integrated.

Dr. Infante reviewed the timetable and milestones for the planning effort. He stated that the second draft of the document, which will guide the process and set certain parameters for planning, will be completed by the middle of February.

In response to Regent Kuderer, Dr. Infante stated that he worked with Dr. Patricia Kovel-Jarboe and Dr. Thomas Scott to develop the document, based on input from many people. Regent Kuderer stressed the importance of this planning effort and the momentum it provides, and commended Dr. Infante and his colleagues for the preliminary steps they have taken.

Regent Keffeler expressed support for the planning effort, and concurred with Regent Kuderer's comments regarding the momentum. She noted that the framing questions relate to the need for appropriate balance in the areas of funding sources, instructional programs and degrees, and the University's three primary missions, and stated that the Board of Regents, the people of the state, and the Legislature must understand the consequences of not achieving such balance. Regent Keffeler indicated that a change in the mix of funding sources and continued reductions in state resources will impact the University's ability to maintain its size, vitality, and competitive position. She noted several key issues that must be addressed, including serving the needs of students in the metropolitan area and defining the University's relationship with Metropolitan State University.

President Hasselmo stressed the importance of clarifying the implications of changing funding patterns. He stated that the University's public policy objectives are influenced by different formulas, noting that this is relevant to the tuition issue. President Hasselmo reported on collaborative discussions that have taken place recently

among the state's higher education systems, stating that he hopes to discuss the ideas resulting from those discussions with the Board in the near future.

Regent Kuderer asked about seeking legislative input regarding the planning process and the future direction of the University. Dr. Infante stated that he has discussed the planning effort with legislative leaders and representatives of the other systems and the Higher Education Coordinating Board. Senior Vice President Erickson noted that the specific roles of the state's higher education systems need clarification, noting that the strategic planning process helps to articulate the University's vision and its role within the state.

Regent Neel expressed support, indicating that the University's resources can be used more efficiently and effectively through balance, collaboration, and integration. He added that the University should take leadership in the areas of telecommunications and distance learning, and suggested that the University establish centers of excellence, such as a center for the environment.

Student Representative Paulose stated that she hopes that a more specific tuition policy will be formulated that states the extent to which the University will depend on tuition as a source of revenue. She also asked the administration to reconsider the uniform undergraduate tuition rate.

Regent Rosha stated that "Planning for Planning" is a step in the right direction, and suggested taking the document beyond the boundaries of the institution. He added that the University must develop a more rigorous planning process for approaching state policy for higher education as a whole, in order to state the University's case more effectively prior to external decisions being made that have an impact on the institution.

In response to Regent Rosha, President Hasselmo reiterated that University representatives have been involved in extensive external discussions regarding the University's future role. He also stated that the mission differentiation legislation is clear that the University has a distinct research and outreach role.

Regent Page expressed a sense of urgency and frustration regarding the tuition issue in relation to the framing question related to balanced funding. She also stated that the University's outreach activities are a particularly good fit with the other parts of its mission.

Regent Wynia asked what kind of benchmarks will be established to measure changes in teaching at the University. President Hasselmo stated that the quality of teaching is important, and there are indirect indices of recruitment, retention, and graduation rates to measure the success of University students. He noted that better measures must be developed to have baselines and ways of measuring perceptible change. Regarding teaching and learning, President Hasselmo stated that he will present a framework for sharing faculty creativity and innovation across the institution.

Regent Wynia asked what proportion of staff development money is used for improving instruction. President Hasselmo stated that it is difficult to distinguish development to enhance teaching, noting that enhancement of faculty members' abilities in any area affect their ability to teach. Vice President Hopkins reported on faculty development programs designed to improve teaching effectiveness. Regent Wynia stated that if the University had an established expectation, departments would report on faculty participation in development programs, thereby providing a benchmark to signal the importance of these efforts. Dr. Infante noted that this is one of the benchmarks faculty have included in the workload principles.

Regent Craig commented on issues related to collaborative relationships and funding, including the need to maintain and control public-private partnerships.

In response to Regent Kuderer, Dr. Infante stated that the term "privatization" is used in the document in contradistinction to the concept of a land grant institution.


Regent Anderson noted that funding for higher education was reduced in the 1980's because the state and federal governments were faced with increased health care costs. He suggested that the current funding situation for higher education would improve dramatically if someone at the University could develop a method for addressing the cost of health care.

President Hasselmo thanked the Board for the opportunity to discuss the planning issues. He stated that while the University's status as the flagship institution of the state was provided through the mission differentiation legislation, the University must continue to earn that status.

In response to Regent Craig, President Hasselmo suggested that the title of the document be changed to "Agenda for Change". He stated it is important to convey the message to the University community and the state that the planning effort is an agenda for change, but there is no change from the University's basic values. He noted that the University may have an opportunity to join with a small number of other distinguished institutions in a national discussion of change in higher education, and he asked the Board to endorse the University's full participation in that effort.

Following the discussion, Regent Kuderer expressed appreciation to President Hasselmo and Dr. Infante for their efforts regarding strategic planning. He stated that "Agenda for Change" represents an important and significant change for the University, and it is one of the most important documents developed by the University.

The meeting adjourned at 10:40 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

January 8, 1993

A meeting of the Board of Regents of the University of Minnesota was held on Friday, January 8, 1993, at 11:00 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Senior Vice Presidents Erickson and Infante; Vice Presidents Anderson and Petersen; Executive Director Muesing; Associate Executive Director Janzen; and Associate Vice President Fischer.

APPROVAL OF MINUTES

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

Committee of the Whole - November 30, 1992
Board of Regents - November 30, 1992
Board of Regents - December 10, 1992
Facilities Committee - December 10, 1992
Financial Operations & Legislative Committee - December 10, 1992
Faculty, Staff & Student Affairs Committee - December 10, 1992
Educational Planning & Policy Committee - December 10, 1992
Committee of the Whole - December 10, 1992
Committee of the Whole - December 11, 1992
Board of Regents - December 11, 1992

REPORT OF THE PRESIDENT

President Hasselmo presented his monthly report which pertained to Planning for the University of Minnesota, including the following:

- Shared Responsibilities for Making Choices and Making Improvements
- The Results: Quality Improvements and Progress
- The Initiative for Excellence in Undergraduate Education
- Staying the Course in the Face of State Budget Crises
- Reaffirming the Goals
- Priorities of the 1993 Legislative Request
- The Consequences of Erosion

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

REPORT OF THE CHAIR

Chair Kuderer announced that Regent Alan Page was installed as Associate Justice for the Supreme Court of Minnesota on January 4, 1993, and terminated his service on the Board of Regents as of that date. He announced that Mr. Lawrence Perlman was appointed by the Governor to replace Regent

Page, and will attend the February meetings. In addition, he distributed a statement prepared for the Board by Mr. Perlman.

Chair Kuderer reported that the February meetings will include a special meeting of the Audit Committee, a tour of the athletic facilities, and lunch with the University of Minnesota Hospital & Clinic Board of Governors. He also urged members of the Board to attend the Minnesota Higher Education Coordinating Board's annual meeting to be held on January 21, 1993 at the Hubert H. Humphrey Center.

A summary of Regents' policy activity, since the Regents' Policy Book was adopted in March 1991, was distributed, indicating that 24 policies were reviewed and reaffirmed; four policies were revised; 14 policies were superseded or rescinded, and 16 policies are in process of review.

Chair Kuderer noted that the legislative session has convened, and that Regents representing congressional districts have scheduled breakfasts with legislators from their district. He urged members of the Board to attend whenever their schedule would permit.

The Board of Regents' Retreat will be held on February 20.

**RECEIVE AND FILE REPORTS
ANNUAL REPORT ON GENERAL COLLEGE**

President Hasselmo noted the receipt and filing of the Annual Report from General College included in the docket materials.

GIFTS

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

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

**REPORT OF THE COMMITTEE OF THE WHOLE
January 8, 1993**

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

- a) Approval of resolution re Annual Report on Eastcliff and Review of Eastcliff Committees, as follows:

RESOLVED, the Board of Regents approves the annual report on Eastcliff; approves appointments and responsibilities of the Eastcliff Technical Advisory Committee; and approves authorization of appointments and responsibilities/work plan of the Eastcliff Resource Committee, as presented in the docket materials for the January 8, 1993 Committee of the Whole.

- b) Approval of resolution re Six-Year Capital Budget Calendar and Principles, as follows:

RESOLVED, that on the recommendation of the President, the Board of Regents approves the Capital Budget Calendar and Capital Budget Principles, as presented in the docket materials for the January 8, 1993 Committee of the Whole.

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

Chair Kuderer reported that the committee also engaged in an extended discussion relating to Institutional Strategic Planning.

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

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

- a) Approval of the Senior Vice President's Monthly Faculty, Staff and Student Affairs Report as presented in the docket material.
- b) Approval of resolution re Proposed Labor Agreement with the Graphic Communications International Union, Local 1B, as follows:

WHEREAS, the parties have met and negotiated over the course of the past 10 months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining sub-unit (a complete copy of which is available in the Board of Regents' Office); and

WHEREAS, the Graphic Communications International Union, Local 1B 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 January 8, 1993.

- c) Approval of resolution re Faculty Workload Principles, as follows:

WHEREAS, the University of Minnesota Faculty Senate adopted the report of the University of Minnesota Faculty Workload Task Force on November 17, 1992;

WHEREAS, this report articulates faculty workload principles and defines an effort determination process to be used to develop a clear understanding between individual faculty members and the appropriate department/college/unit regarding expected efforts;

WHEREAS, the Faculty Senate has recommended that the University administration develop appropriate ways to record and report the activities and accomplishments of the faculty;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents of the University of Minnesota commends the work of the Faculty Workload Task Force and the leadership of the Faculty Senate, and endorses the faculty workload principles contained in the Report of the University of Minnesota Faculty Workload Task Force, as adopted by the Faculty Senate on November 17, 1992;

BE IT FURTHER RESOLVED, that the Board of Regents directs the President and the administration to implement the plan of action contained in the report.

- d) Approval of resolution re Distribution of Proceeds from Sales of Salt Spring Lands, as follows:

WHEREAS, the University of Minnesota has been directed, through an Act of the 1988 State Legislature, that proceeds from the sales of the Salt Spring Lands be devoted to further support of American Indian Education at the coordinate campuses of the University of Minnesota;

WHEREAS, the proceeds of the sales are to be capitalized into endowment accounts for each of the coordinate campuses, and the yield from the endowed accounts are to further American Indian Education;

THEREFORE, BE IT RESOLVED, on the recommendation of the Administration, the Board of Regents of the University of Minnesota approves the allocation of future proceeds from the sales of the Salt Spring Lands in the following manner:

- 80% of the proceeds will be directed to the University of Minnesota, Duluth's endowed account for programs and activities that further American Indian Education;
- 15% of the proceeds to the University of Minnesota, Morris' endowed account for programs and activities that further American Indian Education; and
- 5% of the proceeds to the University of Minnesota, Crookston's endowed account for programs and activities that further American Indian Education.

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

Chair Reagan reported that the committee also voted unanimously to recommend:

- a) Approval of amended resolution re Health Sciences Private Practice Policy Statements, as follows:

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

WHEREAS, the professional faculty and staff of the Health Sciences are encouraged to practice their discipline/specialty as the opportunity presents itself in recognition of the importance of such care in achieving the mission of the University; and

WHEREAS, practice-related revenues are essential to the fiscal viability of several of the components of the Health Sciences; and

WHEREAS, state, University, and practice-related resources are often brought together in support of research, education, and clinical care; and

WHEREAS, the Board of Regents has a Health Sciences Private Practice Policy which requires periodic review and revision;

THEREFORE, BE IT RESOLVED, that the Board of Regents' Policy on Health Sciences Private Practice, as adopted in 1963, be revised as a set of policies governing private professional practice in relevant areas of the Health Sciences; and

BE IT FURTHER RESOLVED, that each component of the Health Sciences with clinical income develop a policy statement for approval by the Board of Regents no later than July 9, 1993, said policy statement to include:

- Definition of faculty and employee classes eligible to participate in the respective private practices
- Definition of the total clinical services to be provided by professional faculty and staff of the Health Sciences in their capacity as employees of the University of Minnesota
- Definition of services that qualify for inclusion in the private practices
- Contractual relationships and terms of consideration including the use of University assets in the provision of clinical care and the disposition of income generated by the private practices

BE IT FURTHER RESOLVED, that the policy statements provide for standard accounting practices and procedures, periodic reviews to ensure compliance with the provisions of the policy statements, and mechanisms to initiate and carry out audits as deemed necessary by the Audit Committee of the Board of Regents, the President of the University, or the Vice President for Health Sciences.

Chair Reagan reported that, upon the advice of counsel, he would like to move that the last paragraph of the resolution be amended to read as follows:

BE IT FURTHER RESOLVED, that the policy statements provide for standard accounting practices and procedures, periodic reviews to ensure compliance with the provisions of the

policy statements, and mechanisms to initiate and carry out audits as deemed necessary by the Board of Regents, the President of the University, or the Vice President for Health Sciences.

The motion was seconded and the Board of Regents voted unanimously to recommend approval of the amended paragraph.

Chair Reagan then moved approval of the Health Sciences Private Practice Policy Statements, as follows:

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

WHEREAS, the professional faculty and staff of the Health Sciences are encouraged to practice their discipline/specialty as the opportunity presents itself in recognition of the importance of such care in achieving the mission of the University; and

WHEREAS, practice-related revenues are essential to the fiscal viability of several of the components of the Health Sciences; and

WHEREAS, state, University, and practice-related resources are often brought together in support of research, education, and clinical care; and

WHEREAS, the Board of Regents has a Health Sciences Private Practice Policy which requires periodic review and revision;

THEREFORE, BE IT RESOLVED, that the Board of Regents' Policy on Health Sciences Private Practice, as adopted in 1963, be revised as a set of policies governing private professional practice in relevant areas of the Health Sciences; and

BE IT FURTHER RESOLVED, that each component of the Health Sciences with clinical income develop a policy statement for approval by the Board of Regents no later than July 9, 1993, said policy statement to include:

- Definition of faculty and employee classes eligible to participate in the respective private practices
- Definition of the total clinical services to be provided by professional faculty and staff of the Health Sciences in their capacity as employees of the University of Minnesota
- Definition of services that qualify for inclusion in the private practices
- Contractual relationships and terms of consideration including the use of University assets in the provision of clinical care and the disposition of income generated by the private practices

BE IT FURTHER RESOLVED, that the policy statements provide for standard accounting practices and procedures.

periodic reviews to ensure compliance with the provisions of the policy statements, and mechanisms to initiate and carry out audits as deemed necessary by the Board of Regents, the President of the University, or the Vice President for Health Sciences.

The Board of Regents voted unanimously to recommend approval of the resolution.

Chair Reagan reported that the committee also reviewed a proposed revision to the Tuition Refund Policy; received reports from the Office of the Associate Vice President for Academic Affairs & Associate Provost with Special Responsibility for Minority Affairs and the Office of Equal Opportunity and Affirmative Action, as well as a report on Fall Quarter Enrollment.

REPORT OF THE FACILITIES COMMITTEE

Regent Neel, Acting Chair of the committee, reported that the committee did not have a quorum, however, it was the consensus of the committee that the following be recommended:

- a) Approval of the Senior Vice President's Monthly Facilities Report which included reports pertaining to purchasing, project status, property accounting, and miscellaneous items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution regarding projects previously submitted for review, as follows:

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

1. Fisheries and Aquaculture Facility (Agricultural Engineering Shops Renovation)
St. Paul Campus
Estimated cost of the project: \$1,315,400
Funding: Legislative Commission on Minnesota Resources Account; Fire and Life Safety Funds; Program Accommodations Remodeling Fund; Research Executive Council; and Biological Sciences Deans Council
Estimated completion date: September 1993
2. North Stadium Parking Lot & Bus Drop Off
Minneapolis Campus
Estimated cost of the project: \$107,000
Funding: Parking Services Funds and Department of Recreational Sports Funds
Estimated completion date: June 1993
3. University Drive and Parking Lot B Restoration
Duluth Campus
Estimated cost of the project: \$570,000
Funding: UMD Repair and Replacement and UMD Parking Reserves
Estimated completion date: August 1993

4. Roof Replacement for Marshall Performing Arts Center, A. B. Anderson Hall (Upper Roof), Humanities, Tweed Museum, Concourse B, and Sports and Health Center South Entrance
Duluth Campus
Estimated cost of the project: \$583,000
Funding: UMD Plant Funds
Estimated completion date: September 1993

5. Tuckpointing (Partial) of Sports and Health Center, Life Science Greenhouse, Cina Hall, Bohannon Hall, Kirby Student Center, and Washburn Hall
Duluth Campus
Estimated cost of the project: \$144,000
Funding: UMD Repair and Replacement
Estimated completion date: August 1993

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

Regent Neel reported that the committee also reviewed several projects for information which included a number of repair and replacement projects on the Twin Cities campus; the razing of buildings on Riverside Avenue South, 21st Avenue South and 22nd Avenue South on the Twin Cities campus; and an upgrading project to Stadium Apartments Building 1330 on the Duluth campus. In addition, five real estate transactions were presented for information: 1) sale of Administrative Service Center at 1919 University Avenue in St. Paul; 2) sale of Outlot C, University Addition, in Rosemount to the State of Minnesota, Department of Military Affairs; 3) sale of 1.5 acres of land at the West Central Experiment Station in Morris; 4) a real estate exchange with the Duinick Brothers in Willmar, Minnesota; and 5) purchase of the Coleraine Minerals Research Laboratory on the Duluth campus. Regent Neel reported that the report on Enclosed Pedestrian Links was postponed due to time constraints.

REPORT OF THE FINANCIAL OPERATIONS & LEGISLATIVE COMMITTEE

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

- a) Approval of the Senior Vice President's Monthly Financial Operations and Legislative Report including accounts receivable, central reserves, debt management, and miscellaneous items as presented in the docket material and filed in the Regents' Office.

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

Regent Anderson reported that the committee also reviewed a proposed resolution for the Purchase of Goods/Services over \$250,000, and received a legislative update.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

Regent Craig, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Educational Planning and Policy Report as presented to the committee in the docket material and including the following actions:
- Approval by the Higher Education Coordinating Board (HECB) of the proposal for the Master of Arts (M.A.) and doctoral (Ph.D.) degree in Rhetoric and Scientific and Technical Communication, Twin Cities campus
 - Approval of name change of the Master of Fine Arts (M.F.A.) degree program in Studio Arts to M.F.A. in Art.
 - Approval of proposal to integrate three distinct Ph.D. degrees (Educational Administration, Higher Education, and Social and Philosophical Foundations of Education) in the Department of Educational Policy and Administration and subsume them under a single degree, Educational Policy and Administration.
 - Approval of two free-standing minors in Conflict Management (master's and Ph.D. levels) and Political Psychology (Ph.D.) level.
 - Approval of proposal to offer the Master of Science (M.S.) degree (Plans A and B) in Nutrition at the University's Rochester Center.
- b) Approval of resolution re Regents' Policy on Academic Misconduct, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Academic Affairs, the revised Regents' Policy on Academic Misconduct is hereby adopted.

**REGENTS' POLICY ON
ACADEMIC MISCONDUCT**

**Policies and Procedures for Dealing with
Academic Misconduct**

INTRODUCTION

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

Once an allegation of academic misconduct has been made, the procedures that should be pursued to resolve the allegation are detailed below in the following stages: (1) an inquiry to determine whether the allegation or related issues warrant further investigation, (2) when warranted, an investigation to collect and thoroughly examine evidence, and (3) a finding and appropriate charge or personnel action. If the investigation results in a charge or personnel action, the respondent may request a formal hearing by following other University policies and procedures, as applicable.

APPLICATION

The policy and procedures set forth herein shall apply to all research, scholarly and artistic activities of all University employees and others who are involved in such activities¹ under the aegis of the University as part of their employment responsibilities.

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

DEFINITIONS

Academic Misconduct² for the purpose of this policy shall mean the fabrication or falsification of data, research procedures, or data analysis; destruction of data for fraudulent purposes; plagiarism; abuse of confidentiality; or other fraudulent actions in proposing, conducting, reporting, or reviewing research or other scholarly activity. It is particularly important to distinguish academic misconduct from honest error and the ambiguities of interpretation that are inherent in the scientific and scholarly process, but are normally corrected by further research.

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

Complainant(s) shall mean the individual(s) who submits an allegation of academic misconduct.

Respondent(s) shall mean the individual(s) against whom the allegation(s) has been submitted.

Senior Administrator shall mean the dean or other individual identified by the academic vice president, vice provost, or vice chancellor of the line unit of the respondent and approved by the Senior Vice President of Academic Affairs. The Senior Administrator has the responsibility of directing the case from the inquiry process through disposition of the case.

¹ In those instances in which it is not clear whether this policy should apply to an individual, the Science and Scholarly Advisory Board (described below) will adjudicate the question.

² Intent has been deliberately omitted as part of this definition, but should be considered if any disciplinary action is recommended. Scholastic dishonesty, as differentiated from academic misconduct defined by this policy, by a student in the performance of academic work is a violation of the Student Conduct Code. Complaints of alleged scholastic dishonesty are resolved in accordance with established collegiate and Student Conduct Code policies and procedures.

Inquiry/Investigative Panel, also referred to as **the Panel**, shall mean the group of individuals appointed by the Senior Administrator and given the charge to determine whether the allegation(s) is frivolous or to identify sufficient information to warrant an investigation. (See Inquiry - Process Section for further details.) If an investigation is warranted, the same panel shall be given the additional charge by the Senior Administrator to further seek and analyze all relevant information regarding the allegation, and then determine whether sufficient evidence exists to report that academic misconduct occurred. The report of the Panel is the basis of any disciplinary action assigned by the Senior Administrator. (See Investigation - Process Section for further details).

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

Science and Scholarly Advisory Board (SSAB) shall mean a committee representing the various scientific and scholarly disciplines at the University. The SSAB shall have the following responsibilities: (1) provide advice on the implementation of this policy, (2) assist the steering of potential allegations, (3) advise the Senior Administrator on potential members of the Inquiry/Investigation Panel, and (4) advise the Senior Administrator on the appropriate disciplinary actions when misconduct has been found. Members will be nominated for staggered three-year terms. The Twin Cities Campus, Crookston Campus, Morris Campus and the Duluth Medical School shall have a single committee with nine members. Its members will be nominated by the Regents Professors and appointed by the Senior Vice President for Academic Affairs. The Duluth Campus (excluding the Medical School) will have a five-member committee, with its members nominated by the Duluth Campus Assembly and appointed by the Academic Vice Chancellor of the Duluth Campus. Resolution of issues regarding advice on implementation of this policy shall be by the nine-member SSAB representing all units except the Duluth Campus and that board shall be augmented with two members from the Duluth Campus SSAB. Each SSAB will elect annually a chair.

PROCESS FOR HANDLING ALLEGATIONS OF ACADEMIC MISCONDUCT

SUBMISSION OF AN ALLEGATION

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

Prior to submitting a complaint, a potential complainant is encouraged to meet privately with the chair of the SSAB, the chair's

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

There are two ways allegations may be submitted:

A. Within 10 working days of having sought advice from either the dean, academic officer, or SSAB member, the complainant must inform the individual(s) consulted of whether an allegation will be filed. If the complainant wishes to file an allegation, he/she shall submit a written allegation to the Senior Vice President for Academic Affairs. Until an allegation is filed, there shall be no inquiry or investigative activity regarding concerns expressed by the complainant.

B. The member(s) of the SSAB or academic administrator who meets with a complainant has the responsibility of submitting the allegation if the complainant chooses not to make a formal allegation and the SSAB member or academic administrator believes there is sufficient cause and evidence to warrant an inquiry. In such a case, there is no complainant for the purposes of these procedures. Instead, a three-member subcommittee of SSAB or the academic administrator (the party the complainant consulted) shall draft a written report (allegation) to be submitted to the Senior Vice President for Academic Affairs.

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

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

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

CONFLICTS OF INTEREST

Possible conflicts that must be avoided in the appointment of the Senior Administrator and members of the Inquiry/Investigative Panel or the assignment of a SSAB panel member to the case include the following: a) co-authoring a book, paper, or grant proposal with any of the individuals directly involved with the misconduct case (complainant or respondent); b) professional or personal relationship with any of these individuals (e.g., current or former students or mentor, direct supervisory or subordinate relationship, direct collaborator within the past seven years; c) professional differences of opinion with any of the involved individuals that might reasonably be expected to affect objectivity in considering the case; d) financial ties to the involved individuals; or e) other reasons that might affect the ability of the individuals to make fair and impartial judgments.

INQUIRY

A. Purpose

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

B. Process

The Senior Administrator shall meet with the complainant to review details of the allegation and describe the process that shall be followed to resolve the allegation. The Senior Administrator shall explain that while every attempt will be made to maintain anonymity through the inquiry phases of the process, the respondent shall learn the complainant's identity during the investigative process, and the complainant may have to face the respondent during a subsequent hearing if the case proceeds that far.

The Senior Administrator shall meet with the respondent to present the details of the allegation (a written statement of the allegation shall also be provided along with a copy of this policy) and the evidence³ upon which the allegation is based, explain the process to be followed, and obtain the respondent's preliminary explanation of the allegation. The Senior Administrator shall inform the respondent of the obligation to provide all the evidence relevant to allegation. In order to avoid claims of alteration of the data, the Senior Administrator shall attempt to secure all original pertinent documents (for example, data books and manuscripts) at the time the respondent is notified of the allegation. The Senior Administrator shall also inform the respondent that unreasonable refusal to provide relevant material or other uncooperative behavior may result in an immediate recommendation that an investigation is justified. The Senior Administrator also shall tell the respondent that he/she shall have the opportunity to be interviewed by the Inquiry/Investigative Panel and to provide any documentation or names of individuals who might help clear the claim against the respondent. The respondent may seek the assistance of an advisor (legal counsel or another individual) at this point, if he or she has not already done so. If the respondent wishes to have an advisor present during his/her interview with the Panel, notice of the advisor's participation should be submitted to the Panel at least 48 hours prior to the interview.

After the Senior Administrator has met with both the complainant and respondent, he/she then shall decide within 10 working days whether to personally handle the inquiry or refer the case to an Inquiry/Investigative Panel. Alternatively, the Senior Administrator may make a determination that the allegation is frivolous, or that it is more appropriate to refer it to another deliberative resolution system (Grievance, Student Conduct Code, Human Subjects, Animal Care). If the Senior Administrator determines on the basis of a preliminary investigation that there is no substance to the allegation, he/she shall submit a written report that explains the basis for closing the case to the academic vice president, vice provost, or vice chancellor of the unit in which the allegation is based. If the academic vice president, vice provost, or vice chancellor approves closing a case, the Senior Administrator shall notify both the complainant and the respondent of the decision.

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

³ A summary of the evidence shall be provided if the allegation is based on extensive documentation; however, the respondent shall have supervised access to review all of the evidence held by the Senior Administrator.

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

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

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

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

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

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

The Panel shall examine the appropriate material to determine whether there is evidence that academic misconduct has occurred. All faculty, staff, and students are obligated to cooperate with the Panel by supplying requested documents and information. The Panel needs to consider only as much information as is

necessary to determine whether there is substance to the allegation.⁴ The Panel may also take written or oral evidence in considering the case. Transcripts of taped interviews shall be prepared and submitted to the interviewed person(s) and the Panel for comment or revision.

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

C. Findings of the Inquiry Activity

Upon completion of the inquiry a written report shall be produced that states what evidence was reviewed, summarizes relevant interviews, and includes the conclusion of the inquiry. The report shall be sufficiently detailed regarding the reasons for determining that an investigation is not warranted, if such is the case. The Panel's written report then shall be referred to the Senior Administrator and the respondent. If the report recommends that an investigation be conducted, it may propose subject matter to be included in the investigation. The respondent has 10 working days to review the report and submit written comments to the Senior Administrator. Summaries of all interviews and data examined by the Panel shall be made available for the respondent to review.

If the Senior Administrator obtains information at any stage of the inquiry that reasonably indicates the occurrence of possible criminal violations, the Senior Administrator shall notify the appropriate office of the sponsoring agency and the appropriate law enforcement officials within 24 hours.

D. Senior Administrator's Determination Based on the Inquiry Report

Upon receiving the Inquiry Panel's recommendation and the respondent's statement, the Senior Administrator shall determine within 10 working days whether the case shall be closed or an investigation initiated. The Senior Administrator shall notify the complainant and respondent as to whether the complainant's allegations shall be subject to further investigation. The Senior

⁴ The following types of information relevant to the allegations raised by the case shall be submitted to the Panel upon request: a) research notes, papers and notebooks, logs, source documents, computer printouts, and machine-readable materials; b) a list of all current and former collaborators and co-workers; c) a list of published abstracts, papers, and books; and copies of abstracts, papers, and books pending publication; d) a list of reports and grant applications submitted to outside foundations and funding agencies and copies of such reports and applications; and e) other pertinent scientific or scholarly data the Panel deems necessary.

Administrator shall maintain the records of an inquiry in a secure manner for at least three years.

If the Senior Administrator decides not to conduct an investigation, no further formal action shall be taken other than informing all parties involved. The procedures shall preserve privacy consistent with law for all parties to these procedures. If privacy is breached, the Senior Administrator shall take reasonable steps to minimize the damage to reputations that may result from inaccurate reports. Allegations that have not been brought in good faith may lead to appropriate disciplinary actions according to the University policies⁵ or applicable collective bargaining agreements for the respective employee groups. Complainants shall be made aware from the outset that their privacy shall not be maintained if a complaint is maliciously motivated and false.

INVESTIGATION

A. Purpose

An investigation shall be initiated only after the Senior Administrator issues a finding that an investigation is warranted. The purpose of the investigation is to explore further the allegation(s) and assemble all the evidence that supports or refutes the allegation. The investigation shall focus on allegations of academic misconduct as defined above and shall examine the factual materials of the case. The investigation shall look carefully at the substance of the charges and shall examine all relevant evidence. The Inquiry/Investigative Panel's charge is to generate a report that compiles all the information it considers and its conclusion regarding whether there is sufficient evidence to support the allegation of misconduct.

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

B. Structure

The investigation shall be carried out by the Panel described above as a continuance of its work. If the inquiry was completed without a Panel then one should be appointed as described above (Inquiry - Structure). If additional expertise for the Panel is deemed desirable, the Senior Administrator shall request additional nominations from the SSAB. If the Panel is augmented, it still shall have an odd number of members. The Senior Administrator shall identify one member as chair. The respondent and complainant shall be informed of the proposed new members for the Panel and each given five working days to notify the SSAB of potential serious conflicts of interest any of the Panel members might have. The SSAB has the authority to arbitrate any questions regarding conflicts of interest.

⁵ Tenure Code, the Academic Professional and Administrative Staff Policy and Procedures, the Civil Service Rules.

C. Process

The Senior Administrator shall provide a charge to the Panel within 10 days of the notification that an investigation is warranted. An investigational process shall be established for each investigation, and the complainant and respondent shall be notified when the investigation phase of this procedure commences. The respondent may seek the assistance of an advisor (legal counsel or another individual) at this point, if he or she has not already done so. All parties involved shall cooperate with the proceedings in providing information relating to the case.

The Panel shall examine the appropriate material to determine whether there is evidence that academic misconduct has occurred. All faculty, staff, and students are obligated to cooperate with the Panel by supplying requested documents and information. The following types of information relevant to the allegations raised by the case shall be submitted to the Panel upon request: a) research notes, papers and notebooks, logs, source documents, computer printouts, and machine-readable materials; b) a list of all current and former collaborators and co-workers; c) a list of published abstracts, papers, and books; and copies of abstracts, papers, and books pending publication; d) a list of reports and grant applications submitted to outside foundations and funding agencies and copies of such reports and applications; and e) other pertinent scientific or scholarly data the Panel deems necessary. The Panel may also take written or oral evidence in considering the case. Transcripts of taped interviews shall be prepared and submitted to the interviewed person(s) and the Panel for comment or revision. All necessary information shall be provided to the respondent in a timely manner to facilitate the preparation of a response. The respondent shall have the opportunity to address the charges and evidence in detail at the inception and close of the Panel's activities during the investigative phase of this procedure.

The University reserves the right to take interim administrative actions to protect the health and safety of research subjects and patients, and/or the interests of students and colleagues. Such actions may range from slight restrictions to reassignment of the activities of the respondent. In extreme circumstances, the respondent may be suspended temporarily. Any actions shall be in accordance with the procedures specified in the University Regulations Concerning Faculty Tenure, the contract between the Regents and unionized groups, any other labor agreements, or other applicable employee policies. Interim administrative actions shall be taken in full awareness of how they might affect the respondent and the ongoing research projects of the University.

If the sponsoring agency of the academic activity requires notification of suspected academic misconduct, that agency shall be notified as soon as the decision has been made to undertake an investigation. Significant developments during the investigation, as well as the final determination of the case shall be reported to the sponsor when required. If at any stage during the investigation there is a reasonable indication of possible criminal violations, the Senior Administrator shall notify the appropriate office of the sponsoring agency and the appropriate law

enforcement officials within 24 hours. The Senior Administrator also shall notify the sponsoring agency during the investigation if emergency conditions exist as defined under federal regulations.

All interviews conducted during this investigative phase by the Panel shall be tape recorded. A transcript first shall be approved by the Panel and then shall be submitted to the interviewed person(s) for comment or revision.

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

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

D. Findings of the Investigation

When the Panel reaches a conclusion regarding the case, a preliminary report, which reviews all the information considered and the Panel's conclusion, shall be transmitted to the respondent. The report shall detail the explicit evidence that supports or refutes each allegation included in the Panel's charge. The report shall then specify the Panel's conclusion as to whether any of the proven allegations represent academic misconduct. The respondent shall be allowed 10 working days to prepare written comments, which the Panel shall consider before the report is finalized. The completed report along with the respondent's comments on the preliminary report then shall be submitted to the Senior Administrator. When there is more than one respondent, each shall receive all parts of the report that are pertinent to his/her role.

If either a finding of no misconduct is reported by the Panel or the Senior Administrator does not accept the findings of the Panel, the process shall be considered completed, with no disciplinary action taken by the University. New evidence may be an appropriate basis to initiate a new inquiry/investigation.

FINDING AND PROPOSED RESOLUTION

Upon receipt of the Panel's report, the Senior Administrator shall review the report and determine whether to accept all or part of the Panel's recommendations. There are two possible findings:

1. that academic misconduct was committed;
2. that no academic misconduct was found.

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

The University may choose disciplinary action as warranted by the circumstances of each case. Subject to the Tenure Code or appropriate labor agreements, examples may include:

- Oral reprimand with no permanent record
- Letter of reprimand that becomes part of the respondent's permanent record
- Special monitoring of future work
- Removal from particular project
- Probation
- Suspension
- Salary reduction
- Rank reduction
- Termination of employment

The respondent may accept the disciplinary action or request a hearing as specified for his/her employment classification.⁶

If the Senior Administrator determines that no academic misconduct was found, then the discussion with the respondent shall focus on how the respondent's record shall be cleared. This shall include removing all material related to this case from the respondent's personnel files.⁷ The complainant and other concerned parties shall be informed by the Senior Administrator of the disposition of the investigation to the extent permitted under the Minnesota Government Data Practices Act. The Senior Administrator also shall discuss with the respondent the appropriateness and desirability of notifying other individuals or agencies about the outcome of the investigation. All records related to this case shall be maintained privately and securely under the supervision of the Senior Administrator for at least three years. All parties involved in the case shall be reminded that except as required by federal and state law, all information about the case cannot be released outside the institution unless and until: 1) the allegations results in a finding of misconduct, 2)

⁶ When the respondent files a grievance pertaining to the case, the University shall bear the burden of proof for all issues related to the allegations(s) of misconduct. The respondent shall bear the burden of proof for any claims against the process followed.

⁷ The respondent shall be informed by the Senior Administrator of the source of all correspondence regarding the case so that records developed for this case may be tracked and removed.

final discipline is imposed and 3) all avenues of appeal (if pursued) have been exhausted.

The sponsoring agency initially informed of the investigation shall be notified promptly of the outcome of the investigative and any subsequent hearing. The Senior Administrator shall retain the records of the investigation. Even when no culpable misconduct was found but serious erroneous information was published, the Senior Administrator shall consider means to correct the published record affected by the alleged misconduct.

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

Retaliation

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

False Accusations

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

Minnesota Government Data Practices Act

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

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

Regent Craig reported that the committee also reviewed information relating to a proposed B.S. degree in Biochemistry and Molecular Biology at the University of Minnesota, Duluth and a proposed Master of Science (M.S.) degree in Landscape Architecture on the Twin Cities campus.

In addition, Regent Craig reported that one item of new business was discussed regarding pending contracts with the U.S. Army.

REPORT OF THE AUDIT COMMITTEE

Regent M. Page, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Quarterly Report as presented to the committee.
- b) Approval of resolution re Augmentation of the Audit Plan, as follows:

The administration is directed to bring to the Audit Committee, at the earliest possible date but no later than the special February 1993 meeting of the committee, a plan, including financial consequences, for augmenting the University's audit activity to include a broader assessment of potential risk in revenue producing departments.

- c) Approval of the Director of Audits' Quarterly Report as presented to the committee in the docket materials.

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

Chair Page reported that the committee also received an External Auditor's Report, including a review of the Report to Management (management letter) for the year ended June 30, 1992.

OLD BUSINESS

Regent Keffeler moved the following resolution relating to tuition:

WHEREAS, the general downturn in the state's economy has adversely affected higher education in general and students at the University of Minnesota and their families in particular; and

WHEREAS, the rate of inflation during the last biennium was approximately 3.5 percent per year, and is estimated to be approximately 3.5 percent per year during the next biennium; and

WHEREAS, average tuition at the University of Minnesota has increased at rates of 9 percent and 14 percent per year respectively for each year of the last biennium; and

WHEREAS, tuition increases for individual colleges and campuses have ranged as high as 24%, creating an especially heavy burden for students in some collegiate units, particularly students already engaged in a course of study and unable to avail themselves of more affordable alternatives; and

WHEREAS, programmatic cuts were recommended and enacted with only limited input on the part of students enrolled in those programs; and

WHEREAS, financial aid has not matched increases in tuition, resulting in diminishing access to higher education by students unable to afford it; and

WHEREAS, the University of Minnesota's biennial budget request for fiscal years 1994 and 1995 is based on the assumption that tuition increases for those fiscal years will be held to the rate of inflation;

THEREFORE, BE IT RESOLVED, that the President of the University of Minnesota give careful consideration to the recommendations of the tuition committees that have been established on each campus in making his recommendations to the Board of Regents concerning tuition policy and programmatic changes; and

BE IT FURTHER RESOLVED, that the University make every serious effort to hold average tuition increases during the next biennium to roughly the rate of 3.5% inflation predicted for the biennium, or less; and

BE IT FURTHER RESOLVED, that the University set fair and equitable tuition rates for its various campuses and colleges, within the range of 0 to no more than seven percent or twice the average rate.

The motion was seconded and President Hasselmo called on Student Representative Paulose for a statement.

Student Representative Paulose reported that the students are pleased to have come to an agreement with the administration on this tuition resolution. She thanked President Hasselmo and the administration for their efforts. She stated that it is the expectation of the students that administration will consider the resolution when preparing the budget plan, and when lobbying at the legislature.

President Hasselmo stated that there has never been any disagreement about the need to keep tuition affordable, indicating that the Legislative Request contained a fundamental assumption to hold tuition increases to the inflation rate. He views this resolution as a reaffirmation of that assumption. However, he also stated that he has a responsibility to recommend a viable budget to the Board, and he cannot make an absolute commitment at this time regarding tuition rates pending the outcome of the legislative session.

Board members expressed support for the proposed resolution, at the same time noting that unforeseen factors could affect tuition at the University of Minnesota.

Regent Craig commended the students for their dedication and persistence regarding the tuition issue.

The Board of Regents voted unanimously to approve the proposed resolution.

The meeting adjourned at 12:06 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary