

BA/MC

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

BOARD OF REGENTS' MEETING

AND

REGENTS' COMMITTEE MEETINGS

July 11-12, 1991

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

July 11-12, 1991

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Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

July 11, 1991

A meeting of the Audit Committee of the Board of Regents was held on Thursday, July 11, 1991 at 7:30 a.m. in Room 300 Morrill Hall.

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

Staff present: Senior Vice President Erickson; Associate Executive Director Janzen; Controller LaFontaine; Director of Audits Patrick Spellacy; and Compliance Officer Gráinne Medearis.

Student Representative present: David Dahlgren

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

**QUARTERLY REPORT ON FINANCIAL MANAGEMENT SYSTEMS
(CUFS)**

The committee received a quarterly update on the progress of the Financial Management System presented by Mr. Nick LaFontaine, Office of Finance & Operations, and Ms. Diane Collins, CUFS Project Manager.

Ms. Collins reviewed the status of the project through June 1991 indicating that while some items are over or under budget and some items are a little behind schedule, the project is currently expected to remain within budget and scheduled for implementation in November. In addition, Ms. Collins briefly explained the training schedule being used with departments and colleges.

It was noted that the Human Resource System aspect of this project has been put on hold during the budget process so

that all options for this system might be studied before a recommendation to proceed is made.

Regent Kuderer reported that during the Presidential Assessment, a number of faculty and staff raised concerns about the new system.

Mr. LaFontaine responded that there has been a lot of anxiety and fear of the system expressed in the University community, and that administration is expending a great deal of effort trying to alleviate those fears, starting with presentations and demonstrations to the deans, directors and department heads.

Mr. David Minkinen, Communications Coordinator, presented a brief overview of the presentations being given to deans, directors and department heads which outline the benefits that the system is attempting to achieve, and how these benefits will serve the decentralized units.

Carole Fleck, the new Director of Financial Reporting and Budget Administration for CUFS, addressed the committee with regard to reports that the Board of Regents and the Audit Committee will be reviewing when the system is in operation. She presented a few report examples and asked committee members to think about the type of financial information made possible by CUFS that they would like to receive and the frequency that reports should be presented.

During the discussion, Regent Kuderer indicated that he would prefer not to receive extreme detail of smaller budgets in reports, that summary reports would be sufficient.

Regent Keffeler indicated that the Board needs to be in a position of having the tools that will allow it to do its own oversight of financial performance. She stated that she did not mean that in the sense of trying to "micro manage" the University, but would like to have reports that are sufficiently instructive and informative so that the Board will have the capacity to ask about areas of concern that can be independently identified.

Mr. LaFontaine indicated that his staff would review the feedback they received during this discussion and would correspond with committee members before November regarding proposed forms for reporting. He also noted that until CUFS has been operating for at least a year, it will be difficult to finalize the reporting system.

Senior Vice President Erickson stated that this item is one that will need to be discussed during the next six months to a year and that administration will continue to solicit input from the committee to develop a reporting system.

COMPLIANCE OFFICER'S QUARTERLY REPORT

The committee reviewed a summary of the University's departmental compliance with audit recommendations considered as "essential" issued between July 1, 1988 and February 28, 1991.

Gráinne Medearis, Policy and Compliance Officer, reviewed a summary of the report, noting that overall compliance for the reporting period was 88 percent. She reported that 16 essential recommendations had been proposed. Nine were completely implemented, five were partially implemented and two have not been implemented. Of the five partially-implemented recommendations, three will be completely implemented with the new general ledger system. The fourth refers to the effort to control workers compensation cost and compliance is dependent upon recommendations of an intra-University committee which will be meeting through October. The fifth partially-implemented recommendation pertains to governing the interaction between the University and related foundations and Ms. Medearis reported that implementation of this recommendation is taking longer than originally expected due to ongoing legal issues. Both recommendations that have not been implemented at all are the result of review from the external auditors of the financial statement for FYE 6/30/89 and FYE 6/30/90 and will be implemented with the new financial management system.

Ms. Medearis reported that Regent Kuderer had expressed concern in April about those departments that had 50 percent or less compliance and had requested that a follow-up report on those recommendations be provided at this meeting. Ms. Medearis reviewed the detail of that follow up for the committee.

The committee voted unanimously to recommend approval of the Compliance Officer's Quarterly Report.

DIRECTOR OF AUDITS' QUARTERLY REPORT

Patrick Spellacy, Director of Audits, presented the Quarterly Report which included information pertaining to audits issued since the January 10, 1991 report, audits in process, and audits scheduled.

Mr. Spellacy indicated changes to the audit schedule which included the elimination of the audit of Academic Computing due to insufficient staff time to complete, and discontinuation of the audit of Agency Funds because no significant problem areas were identified.

He further reported that the Department of Audits is currently developing the process to be used for self-assessment and noted that Telecommunications has agreed to help test and refine the process.

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

EXTERNAL AUDITOR'S REPORT

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

Mr. Chronister reviewed progress in several areas which included the financial statement audit, the A-133 audit and CUFS. With regard to the financial statement, he reported that an update of understanding of the present accounting systems for major cycles has been completed and account balance testing has commenced. For the A-133 audit, student financial aid audit testing has begun and research and development preliminary testing has been completed. Pertaining to CUFS, he indicated that Coopers & Lybrand has been retained to address limited systems implementation and security matters. They also will be performing a limited review of control documentation developed to date under the CUFS project. He stated that CUFS procedures and controls will not be addressed until fiscal 1992.

Ms. Jefferson addressed the A-133 Audit which pertains to compliance auditing over federal funds received by non-profit organizations. She reviewed information received from the federal Office of Management and Budget relating to standardization of compliance auditing as it pertains to the University of Minnesota.


NEW BUSINESS

Extension of Coopers & Lybrand Contract

The committee voted unanimously to recommend approval to extend the contract for Coopers & Lybrand to be engaged as the external auditor for the University for the 1991-92 fiscal

year. This action was brought to the committee pursuant to the original engagement resolution approved by the Board of Regents November 10, 1989.

The meeting adjourned at 9:00 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Physical Planning and Operations Committee

July 11, 1991

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, July 11, 1991 at 3:40 p.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Senior Vice President Erickson; Vice Presidents Allen and Perlmutter; Associate Executive Director Janzen; Associate Vice Presidents Fischer and Hewitt; and Assistant Provost Bakkenist.

Student Representative present: David Dahlgren.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for July 1991.

PURCHASE OF GOODS AND SERVICES OVER \$250,000

The committee reviewed for action the report for purchases/contracts of goods and services over \$250,000 as presented in the docket materials. A motion was made and seconded to approve the report.

Katherine Cram, Director of Business Services, noted additions to the report, indicating that the item pertaining to Milk and Milk Products was awarded to the lowest bidder, J. F. Hoffman Distributing, and noting the addition of a two-year renewal of the University's contract with Medicine Lake Lines for bus service at an estimated cost of \$1.5 million per year. She stated that it was an oversight that the item had not been

included on the list in the docket material. She stated that the committee had been sent a letter dated July 5, 1991 explaining provisions of the contract.

Regent Roe raised concerns that this contract had not gone through the regular bidding process.

Assistant Provost Neil Bakkenist responded that the original contract entered into in 1989 had provided for two two-year extension options and that the extension options required that Medicine Lake Lines provide satisfactory service and submit a reasonable rate increase request for each of the two-year extensions. He stated that Medicine Lake Lines has provided excellent service in the first two years according to ridership surveys and staff reports, and they have requested a 4 percent increase for each of the years in the two-year extension which the administration considers reasonable.

It was reported that the University has the right to cancel the contract for "reasonable cause" upon 90 days' prior notice. Senior Vice President Erickson reported that a letter of interpretation of "reasonable cause" was transmitted to Medicine Lake Lines with the contract, indicating that approval by the Regional Transit Board for Route 52 to become regular service would be considered one item justifying "reasonable cause". In answer to a question from Regent Roe, Senior Vice President Erickson stated that he has not received any response from Medicine Lake Lines regarding the letter of interpretation.

Regent Roe stated that he had received information indicating that the Metropolitan Transit Commission (MTC) could provide service to the University for a considerable savings. Mr. Bakkenist stated that he had not received any notification in this regard.

After some discussion, Regent Roe requested that approval of the extension of the contract with Medicine Lake Lines be delayed until the information he had received could be explored and a response received from Medicine Lake Lines regarding the letter of interpretation.

The committee voted unanimously to recommend approval of the purchase of goods/services over \$250,000 as listed in the docket materials, with the exception of the contract with Medicine Lake Lines.

PROJECTS PREVIOUSLY SUBMITTED FOR INFORMATION

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

- a. Peik Hall, Renovation of Four Classrooms, Twin Cities Campus
Estimated cost of the project: \$205,000
Funding: General Maintenance and Operations
Appropriation Program Accommodation Remodeling
Allotment and Central Reserves Student Study
Space/Classroom Remodeling Allotment
Estimated completion date: November 1991

- b. Civil and Mineral Engineering Building, Complete Level 7, Twin Cities Campus
Estimated cost of the project: \$800,000
Funding: Variable Rate Bond Internal Loan to be repaid from the Operations and Maintenance
Appropriation allotment for Institute of Technology
Program Accommodation Remodeling
Estimated completion date: March 1992

- c. Ferguson Hall Addition - Music Performance Laboratory, Twin Cities Campus
Estimated cost of the project: \$12,514,000
Funding: 1984 and 1990 Legislative Appropriations' Lead Gift Donation; School of Music Funds; Central Administration Funds; and an internal loan to be repaid by Hall Rental Proceeds
Estimated completion date: July 1993

- d. Research Laboratory Project, Resolution Amendment and Scope Increase, Twin Cities Campus

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the resolution approved by the Board of Regents at their May 1991 meeting regarding the Research Laboratory Project is hereby amended as follows:

The appropriate administrative officers are authorized to execute a lease to Northco Corporation for the use of approximately 2.2 acres of land located north of Fifth Street SE and east of Oak Street, Minneapolis for development of a 51,250 square foot Research Laboratory. The lease would contain an option for the University to take ownership of the building and site improvements prior to lease expiration.
Project development scope increase: \$1,736,705
Estimated total cost of project development:
\$8,767,585

- e. Bailey Hall, Shower Room Renovation, Twin Cities Campus
Estimated cost of the project: \$298,000
Funding: Housing Services - Support Services
Deferred Maintenance Reserves
Estimated completion date: March 1992

- f. Light Rail Transit (LRT) Resolution, Twin Cities Campus

WHEREAS, the physical setting of the University contributes to a sense of community and affects the quality of scholarship, research and intellectual discourse taking place within its institutional framework, and

WHEREAS, the University's "Advisory Task Force on Planning" has concluded that the University should strive to benefit fully from the natural assets of its surroundings and guard against the intrusions and disruptions of urban life, and

WHEREAS, the traffic on Washington Avenue has a divisive impact on the campus environment and a pernicious influence on the scholarly pursuit of excellence at the University, and

WHEREAS, the University desires to mitigate the traffic congestion on Washington Avenue, and

WHEREAS, the University, the Regional Transit Board, the Minnesota Department of Transportation, the Hennepin County staff, the City of Minneapolis Planning Commission, and most recently, the

University of Minnesota Student Association all support the University's efforts in this area, and

WHEREAS, the University, as the second highest generator of transit trips in the Twin Cities Metropolitan Area, desires to receive excellent transit service, and

WHEREAS, the proposed alignment for Light Rail Transit between downtown Minneapolis and downtown St. Paul is through the University along Washington Avenue, and

WHEREAS, the University desires to plan for and participate in the design for construction of LRT through the Minneapolis campus,

THEREFORE, BE IT RESOLVED THAT, when Light Rail Transit is constructed through the Minneapolis campus the Regents of the University of Minnesota hereby authorize, empower and direct the University (i) to insist LRT be built in a tunnel under Washington Avenue from a portal east of the Mississippi River Bridge to a portal east of Oak Street; (ii) to request that Washington Avenue be narrowed, that traffic thereon be redirected, and that a landscape buffer strip be created thereabout; and (iii) to request again that the Mall be extended over Washington Avenue at the time LRT is built.

PROJECTS FUNDED BY LEGISLATIVE APPROPRIATION

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

- a. Blegen Hall - Basement of 1st Floor - Sprinkler System, Twin Cities Campus
Estimated cost of the project: \$320,750
Funding: 1990 Capital Appropriation for Health and Safety Improvements
Estimated completion: August 1992
- b. Snyder Hall, Basement Sprinkler System, Twin Cities Campus
Estimated cost of the project: \$140,820
Funding: 1990 Capital Appropriation for Health and Safety Improvements
Estimated completion: January 1992

- c. Ford Hall, Enclose Stairwells, Twin Cities Campus
 Estimated cost of the project: \$99,010
 Funding: 1990 Capital Appropriation for Health and Safety Improvements
 Estimated completion: December 1991
- d. Johnston Hall, Enclose East Stairwell, Twin Cities Campus
 Estimated cost of the project: \$64,540
 Funding: 1990 Capital Appropriation for Health and Safety Improvements
 Estimated completion: December 1991
- e. Auditorium/Classroom Addition, Cloquet Forestry Center
 Estimated cost of the project: \$370,000
 Funding: 1990 Capital Improvements Appropriations; Handicap Access Appropriation; and Minnesota Agricultural Experiment Stations
 Debt Financing Sources: Operations and Maintenance Appropriation - College of Natural Resources and Special State Appropriation - General Agricultural Research, Forestry Administration. The debt repayment will be paid over a period of 20 years, averaging approximately \$9,550 per year.
 Estimated completion: August 1992

LAND TRANSACTIONS

The committee voted unanimously to recommend that the appropriate officers are authorized to proceed with negotiations for the land transactions itemized below:

- a. Authority to Negotiate Sale of .061 Acre to Theatre in the Round Players, Twin Cities Campus, 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 negotiate the sale of approximately .061 acre behind the building at 245 Cedar Street, Minneapolis, to the Theatre In the Round Players.
- b. Authority to Negotiate Land Exchange with the Minnesota State Agricultural Society, Twin Cities Campus, 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 negotiate a land exchange with the Minnesota State Agricultural Society involving University acquisition of (1) fee title to a 75' strip of land between Como and Commonwealth Avenues, (2) fee title to .162 acre south of Como Avenue, (3) a perpetual non-exclusive easement for roadway purposes along Commonwealth, Arlington, Randall and Buford Avenues, (4) a temporary easement for construction purposes encumbering 2,100 square feet of land south of Como Avenue; and University conveyance of 5.65 acres at the southeast corner of the St. Paul campus.

- c. Authority to Negotiate Purchase of 20 Acres (Marine Minnow Farm) at Cedar and Broadway Streets, Marine-on-the-St. Croix, 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 negotiate the purchase of the property known as the Marine Minnow Farm, Marine-on-the-St. Croix.

LAND TRANSACTIONS PRESENTED FOR INFORMATION

The committee reviewed the following land transactions for information:

- a. 99-Year Land Lease to the City of Morris, West Central Experiment Station

It was reported that this land transaction was requested from the City of Morris to lease 7.7 acres at the West Central Experiment Station in Morris for 99 years for city wells, water treatment plant and lift station.

In answer to a question from Regent Kuderer, Associate Vice President Hewitt reported that this transaction could be either a lease arrangement or sale of the property. Regent Kuderer requested that the resolution the committee will be asked to act on reflect the language "lease or sale". He also asked Mr.

Hewitt to report back if there are reasons that the University might wish to retain ownership of the property. Mr. Hewitt responded that he would do so.

b. **Sale of Public Bid of Four University Salt Spring Land Parcels, St. Louis County**

Associate Vice President Hewitt reported on the planned sale by public bid of four Salt Spring Land parcels, one offered previously for sale. He reported if the bid process results in acceptable bid/s, the high bid/s will be submitted to the Board of Regents for approval.

Regent Roe requested that a review of surplus properties owned by the University be scheduled on the agenda for discussion in the future.

PROJECTS PRESENTED FOR INFORMATION

The committee reviewed for information the following projects:

Cancer Center Project (Dwan Variety Club Cardiovascular Research Center Addition), Twin Cities Campus

It was reported that the University of Minnesota Medical School and the Minnesota Medical Foundation have proposed the establishment of a Cancer Center which will provide a research environment conducive to interdisciplinary collaboration of various collegiate units and other disciplines in targeting cancer as a major objective in their research. The new facility that has been proposed will be a 74,500 gross-square foot four-story upward expansion of the existing Dwan Variety Club Cardiovascular Research Center fronting East River Road. Estimated cost of the project was reported to be \$13.5 million, with funding provided from a combination of private gifts and a variable rate bond internal loan to be repaid from private gifts. The estimated completion date is June 1994.

Dr. John Kersey, Director of the University's Bone Marrow Transplantation Program, was present and provided the committee with a brief summary of the Cancer Center Project.

**North Transitway Parking Lot
Twin Cities Campus**

This project consists of the work required to construct a parking lot of approximately 1,000 spaces. The work includes paving, curbs, drainage, lighting, telephones and landscaping. An access road will be constructed beginning at 4th Street S.E. and 23rd Street S.E. The project will use approximately nine of the 24 acres of land purchased from the Chicago and Northwestern Railroad. Estimated cost of the project was reported to be \$660,000, with funding from Support Services. The estimated completion date is August 1992.

**Jackson/Owre Halls, Remodel Animal Holding Rooms 112-126
Twin Cities Campus**

This project consists of the general, electrical and mechanical construction work required to abate asbestos, install a new ventilation system, lighting, electrical system, plaster ceilings, cage washer, and fire protection sprinkler mains in Jackson/Owre Halls rooms 112-126. Estimated cost of the project was reported to be \$566,700, with funding provided from a National Institute of Health Grant, indirect cost recovery funds allocated to Research Animal Resources. The estimated completion date is April 1992.

**Agricultural Chemical Storage Building
Twin Cities Campus**

This project provides 2,300 assignable square feet of storage and mixing space for use by nine departments on the St. Paul campus. The primary purpose of this building will be to provide a safe and adequate facility on the St. Paul campus for storage, mixing, and disposal of agricultural chemicals. It was reported that many of the chemicals are toxic and hazardous to use, indicating that this facility will minimize the risk associated with chemical use, and will provide a means for safe disposal of chemical surpluses and hazardous wastes associated with use of agricultural chemicals. Estimated cost of the project was reported to be \$900,600, with funding provided from Agricultural Experiment Station Investment Income; Maintenance and Operations appropriations - Academic Affairs Sequestered Reserves; Maintenance and Operations Appropriation - Program Accommodations Remodeling; indirect cost recoveries; and Special State Appropriation for General Agricultural Research. The estimated completion date is March 1992.

Mr. Kent Rees, Environmental Hygiene Officer for the Department of Environmental Health and Safety, was present to respond to questions posed by committee members.

Glensheen, East Terrace Waterproofing, Duluth

This project consists of the general construction work required to remove the existing terrace pavers, waterproofing membrane and topping, followed by construction needed to install the replacement waterproofing membrane system and paving assembly on the east terrace at Glensheen. Estimated cost of the project was reported to be \$189,650, with funding provided from the Glensheen major repairs and renovation fund. The estimated completion date is November 1991.

REPORT/UNIVERSITY BUILDING ENERGY EFFICIENCY PROJECT (UBEEP)

The committee received a one-year progress report of the steam trap repair and lighting retrofit program as requested by former Regent Charles Casey in June 1990. The two projects consisted of:

- 1) Repair and replacement of defective steam traps and radiator valves in the steam heating, cooling and distribution system, and
- 2) Replacement of all fluorescent lamps and ballasts on the Twin Cities campus with safer and more efficient models

Mr. David Grimsrud and Ms. Mary Vogel, Director and Assistant Director, respectively, of the Minnesota Building Research Center, presented the status report, indicating that the steam trap survey/repair has been completed for a cost of \$519,000. It is anticipated that the results of this survey and repairs will provide a projected annual savings of \$437,000. With regard to the lighting retrofit (which is ongoing), he reported that the net cost to date has been \$975,000 which will result in a projected annual savings of \$288,000.

Committee members complimented Mr. Grimsrud and Ms. Vogel on progress to date with these projects and suggested that the legislature be informed of these achievements.

The meeting adjourned at 5:15 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance and Legislative Committee

July 11, 1991

A meeting of the Finance and Legislative Committee of the Board of Regents was held on Thursday, July 11, 1991 at 2:00 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Anderson, presiding; Regents Kuderer, Sahlstrom and Wynia.

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

Student Representative present: Tim Wolf

RECOGNITION

Recognition was given to Jennifer Alstad for her work as student lobbyist during the 1991 legislative session.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

The committee voted unanimously to recommend approval of the Senior Vice President for Finance Monthly Report for July 1991.

In response to a question regarding the appropriate level of Central Reserves, Senior Vice President Erickson indicated that it would be beneficial to schedule a discussion on the level of reserves and spending policy as an agenda item for a future meeting.

INVESTMENT SOCIAL CONCERNS COMMITTEE/POLICY REVISION

The committee considered action on a Regents' Investment Policy Relating to Social Concerns and the Senate Committee on Social Concerns Guidelines for Annual Review of Major Social Issues.

It was noted that the item was reviewed at the June meeting and that the purpose for revising the current policy is to more clearly define the role of the Social Concerns Committee and the Office of the Senior Vice President for Finance and Operations in addressing social issues that impact investment policy and actions. In addition, the policy will more clearly define the total context within which social issues of concern to the University will be addressed.

Regent Sahlstrom raised questions regarding the selection process for members of the Social Concerns Committee. Mr. Paschke responded that he did not know particulars of the selection process but could provide that information to the committee. Regent Sahlstrom asked that Mr. Paschke provide the information to the committee before action is taken on the item. A motion was made and seconded to postpone action on the item until the September meeting. The committee voted unanimously to postpone the action until September.

LEGISLATIVE STRATEGY

Donna Peterson, Director of State Relations, presented an outline of proposed strategy for the 1992 legislative session.

Ms. Peterson reviewed objectives for formulating a plan for the 1992 legislative session that will include:

- preserving high quality in the University's faculty and staff
- preserving the University's physical assets
- raising the quality of instruction and student support
- continuing high growth in research
- providing better access to the University
- increasing technology transfer and outreach

She indicated that the message that needs to be conveyed to legislators is that while a request has not been put together yet, 1992 would normally be a capital bonding request year and that there are needs in that regard for the University that the legislature will have to address. In addition, the University will

also need to address the issue of salary increases and restoration of the \$23 million in vetoed funds during the 1992 session.

Ms. Peterson presented a proposed plan of action for the next six months describing the constituencies that she will be working with to coordinate the legislative strategy.

Ms. Peterson stated that Regents have their own special connections to community leaders, legislators and the governor, and each has opportunities to not only speak to the public, but to be interviewed by the media. Therefore, it is very important that Regents are continually updated and informed about who is being contacted at the legislature and what information is being disseminated.

Ms. Peterson stressed the importance of communicating with legislators, indicating that separate meetings will be arranged for the president, the vice presidents and certain deans to meet with legislators on a one-to-one basis, and hopefully by January, all 201 legislators will have had at least one contact.

Regent Sahlstrom indicated that with regard to communication, it is extremely important that legislators realize what the University means to the State of Minnesota as it relates to economic development and job creation.

Regent Kuderer stated that it would be helpful if Ms. Peterson could provide Regents with a fact sheet relating to economic activity and the number of jobs that the University provides.

Chair Anderson thanked Ms. Peterson for her presentation, stating that this item is of vital importance to the University and requested that legislative strategy be included on the agenda each month.


Regent Wynia asked if there might be any national strategy trying to raise the significance of funding for higher education that could benefit the University of Minnesota.

Ms. Peterson responded that she would explore that request and provide information to the committee.

NEW BUSINESS

Regent M. Page reported that the Audit Committee had addressed the type of reports Regents would like to receive after the new financial management system is implemented. She requested that members of the Finance & Legislative Committee also think about the type of financial information they would like to receive, as well as the frequency that the reports should be presented.

The meeting adjourned at 4:00 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

July 11, 1991

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, July 11, 1991, at 3:40 p.m. in Room 300, Morrill Hall.

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

Staff present: President Hasselmo; Chancellors Ianni, Johnson and Lindahl; Vice Provost Hopkins; Executive Director Muesing; Associate Vice Presidents Cabral, Carrier and Kvavik.

Student Representatives present: Thomas Bobendrier and Eric Carter.

Regent Sahlstrom introduced Student Representatives Thomas Bobendrier and Eric Carter, who represent the St. Paul campus and the Morris campus, respectively.

PERSONNEL

President Hasselmo recommended the appointment of Dean Ettore Infante as Senior Vice President for Academic Affairs and Provost from July 16, 1991 through June 30, 1992. He commented on Dean Infante's contributions to the University community and noted that he has refused to accept a salary increase for taking on this new assignment.

Regent Keffeler stated that it is very important that this function as a permanent position and that the incumbent not be seen as serving in an interim capacity. In response, President Hasselmo stated that is the reason he is recommending a one-year appointment, and he indicated that the appropriate University procedures will be followed with the goal of making a permanent appointment on July 1, 1992. President Hasselmo stated that he agreed not to use the provision in

the search procedures which allows for a special hiring without a search, but indicated that option could be used to extend the appointment should that seem desirable.

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

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Associate Vice President Kvavik presented the Senior Vice President's Monthly Report, which was included in the docket materials, to the committee for approval. The report contained the following items:

- Recommendation to appoint David Kidwell as Dean of the Carlson School of Management, effective September 16, 1991
- Clarification of contract language involving Richard Bay's deferred compensation
- Recommendation to appoint Robert Bruininks as Dean of the College of Education, effective September 16, 1991
- Proposed change in the Terminal Leave/Early Retirement portion of the Regents' policy on Phased Retirement and Terminal Leave/Early Retirement to comply with the federal "Older Workers' Benefit Protection Act". The policy now provides for one year of annual base salary to be paid out over a maximum of three years, regardless of age.

President Hasselmo discussed the employment offer which was extended to David Kidwell for the position of Dean of the Carlson School of Management, including salary, consulting arrangements and various commitments to the school, and indicated that significant expectations have been placed on Dr. Kidwell. He stated that he feels the recommendation is in the best interest of the University, noting that a positive strategic choice is necessary in order to create a leading public school of management.

Regent Reagan expressed support for President Hasselmo's recommendation to appoint Dr. Kidwell, noting that he discussed his concerns regarding the salary proposal with the President before the meeting.

Regent M. Page noted that this situation illustrates the point that the University must compete for qualified individuals not only with academia, but also with private industry.

Associate Vice President Kvavik discussed the recommendation to appoint Professor Robert Bruininks as Dean of the College of Education. He commented on Dr. Bruininks' qualifications and noted that he has the full confidence and respect of the College of Education faculty.

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

TENURE CODE REVISIONS

Associate Vice President Carrier reviewed proposed revisions of Section 14.4 of the Tenure Code relating to action by the President in cases of unrequested leave of absence or termination or suspension of a faculty appointment for cause, and Section 15.5 relating to action by the President on appeals to the Judicial Committee. She stated that the proposed revisions were forwarded to the Board of Regents for approval, following review and approval by the Faculty Consultative Committee. Dr. Carrier indicated that President Hasselmo has reviewed and accepted the proposed changes.

Regent Keffeler stated that she is not comfortable with the proposed revisions and asked why members of the faculty think the changes are necessary. Regent Neel also expressed concern with the proposed changes. Dr. Carrier stated that she believes the intent is to ensure that the faculty is included in the process.

Following the discussion, Regent Sahlstrom stated that this item will be presented for approval at the September meeting.

REPORTS FROM CAMPUS AMERICAN INDIAN ADVISORY COMMITTEES

John Day, Co-chair of the University of Minnesota, Duluth American Indian Advisory Committee, expressed appreciation for the opportunity to address the committee. He commented on progress which has been made at UMD to benefit American Indians, including the appointment of Gerald Hill, M.D. as Director of the Center of American Indian and Minority Health, the appointment of Dr. John Red Horse as Dean of the College of Liberal Arts, the establishment of a four-year degree program in the American Indian Studies Department, full accreditation of the Master's of Social Work program and the

establishment of an endowed professorship in American Indian Education.

The Advisory Committee submitted recommendations pertaining to funding and staffing needs at UMD to the Board of Regents prior to the meeting. Mr. Day stated that those recommendations are intended to keep the momentum going and to support the efforts of American Indian faculty, staff and students, and he asked the Regents to give them serious consideration.

In summary, Mr. Day stated that American Indian faculty, staff and students are proud to be a part of the University of Minnesota system and the UMD American Indian Advisory Committee wants to work with the University in its efforts to become one of the top public institutions in the country.

Loretta Gagnon, a member of the University of Minnesota, Morris Native American Advisory Committee, reported on the Advisory Committee's activities during the past year. She discussed efforts to increase recreational opportunities for students on campus and in the City of Morris; the establishment of a Minority Experience Committee, which plans to start a mentorship program to improve minority student retention rates; and the establishment by UMM faculty of a Student Affairs Committee to address diversity and minority issues through programming for faculty, staff and students. Ms. Gagnon stated that Associate Provost and Associate Vice President Cabral provided funding for computer equipment for use by minority students in the Minority Student Affairs Office.

In summary, Ms. Gagnon stated that future activities will include sensitivity and in-service training for staff, increased recruitment efforts and additional meetings with students. Although there are many things to do, Ms. Gagnon stated that the committee has made significant progress and she thanked Chancellor Johnson and Vice Chancellor McGrath for their support.

Linda Johnson, Co-chair of the Twin Cities campus American Indian Advisory Committee, stated that the Advisory Committee does not have a formal report at this time. However, she indicated that the committee has been working with the Vice Provost for Minority Affairs on a number of issues.

Following the presentations, Regent Sahlstrom thanked Mr. Day, Ms. Gagnon and Ms. Johnson for their reports and for keeping the Board informed regarding their activities.

REPORT ON MINORITY AFFAIRS

Dr. Dennis Cabral, Associate Vice Provost and Associate Vice President for Academic Affairs with special responsibility for minority affairs, discussed the activities of his office since its last report in December 1990. He reviewed the progress that his office has made towards its goals to sustain programmatic momentum and to ensure maximum operational efficiency and effectiveness during the search for a permanent replacement for Dr. Dolores Cross.

Dr. Cabral noted that after careful consultation with constituents, President Hasselmo recently reconstituted four separate minority advisory committees. He stated that valuable insights will flow from these committees and they will be crucial in the efforts to achieve the University's diversity goals.

Dr. Cabral reported on the Diversity Forum, the President's University-wide Task Force on Strengthening Excellence Through Diversity and completion of the student cultural centers remodeling project. He also reviewed data relating to student performance, financial aid and minority faculty.

Following the report, Associate Vice President Kvavik stated that the recommendation regarding the appointment of Dr. Cross' replacement has been delayed for one week due to the resignation of Senior Vice President Kuhi.

Regent Sahlstrom expressed appreciation to Dr. Cabral for his excellent report.

The meeting adjourned at 4:45 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Educational Planning and Policy Committee

July 11, 1991

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, July 11, 1991, at 1:55 p.m. in Room 300, Morrill Hall.

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

Staff present: Chancellors Johnson and Lindahl; Vice President Allen; General Counsel Brady; Vice Provost Hopkins; Executive Director Muesing; Associate Vice Presidents Hayes and Kvavik.

Student Representatives present: Darby Laing and Kristina Peterson.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Associate Vice President Kvavik presented for the committee's approval the Senior Vice President's Monthly Report, which included University and Minnesota Higher Education Coordinating Board items, and was included in the docket materials. The following were noted:

- Name change of the Master of Science degree program in Technical Communication to Scientific and Technical Communication
- Elimination of three designated Master of Science degrees offered through the Department of Civil Engineering, Geo-Engineering and Mineral Engineering

Regents Craig and Roe expressed a concern that the "No Name Committee" does not have a formal name and Dr. Kvavik stated that he would refer that concern to the committee.

In response to a question raised by Regent Keffeler regarding the role of the Regents in implementing the recommendations of the Task Force on Liberal Education, Vice Provost Hopkins stated that she has been given responsibility for implementing the recommendations. She indicated that the implementation process will begin as soon as the Council on Liberal Education is appointed by the Senior Vice President for Academic Affairs and the Chair of the Faculty Consultative Committee, and stated that she will keep the Regents informed during the process.

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

APPOINTMENT OF HUBERT H. HUMPHREY INSTITUTE OF PUBLIC AFFAIRS ADVISORY COMMITTEE MEMBERS

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

RESOLVED, that on the recommendation of the Dean of the Hubert H. Humphrey Institute of Public Affairs, the following appointments to the Humphrey Institute Advisory Committee are hereby approved:

Honorary Member: Frances Humphrey Howard

Three-year terms, expiring June 30, 1994: Charles H. Casey, Wilton Dillon (second term), Thomas L. Hughes, Akira Iriyama, Walter F. Mondale (second term), Katherine Murphy (second term), William Pearce (second term) and Vernon Ruttan (second term).

APPOINTMENT OF ROCHESTER AREA ADVISORY COMMITTEE MEMBERS

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

RESOLVED, that the following appointments to the Rochester Area Advisory Committee are hereby approved:

One-year terms, expiring June 30, 1992: Dr. Charles H. Casey, Al Cutaia, Allan DeBoer, Carol Kamper, Dr. Franklyn Knox, John Mulder, Greg Sherman, Marilyn Stewart and Donald Sudor.

Regent Neel stated that he is familiar with the individuals who were recommended for appointment to the Rochester Area Advisory Committee, noting that all are dedicated to education and the University of Minnesota.

GRADUATE MINOR IN STUDIES OF SCIENCE AND TECHNOLOGY AT THE Ph.D. AND MASTER'S LEVELS

Prior to the discussion of the program proposal, Regent Keffeler requested clarification of the University's relationship with the Higher Education Coordinating Board (HECB) and the Higher Education Advisory Council (HEAC) with respect to the proposal and approval process for new academic programs. In response, Associate Vice President Kvavik stated that after program proposals are reviewed by the Office of Academic Affairs and approved by the Board of Regents, they are reviewed by HECB's Program Advisory Committee, which includes two representatives from each system of higher education in the state. The recommendations of the Program Advisory Committee are reviewed by HECB, and approval or disapproval of each program proposal is communicated to the University. It was noted that the University's participation in this process is voluntary, whereas other higher education systems in the state are bound by the decisions of HECB. HEAC, which is made up of the heads of the various systems of higher education in Minnesota, provides an advisory function for HECB and is a means of communication between the systems.

Robert Holt, Dean of the Graduate School, reviewed a proposal for a free-standing minor in Studies of Science and Technology at the Master's and Ph.D. levels. The proposed minor will unite the University's program in philosophy of science and the graduate degree program in the history of science and technology in a multidisciplinary effort to understand and explain science and technology in different historical periods and cultures.

In response to issues raised by Regent Keffeler, Dean Holt stated that the University is in a unique position to offer the proposed program, as evidenced by the grant from the National Science Foundation. He also discussed funding for the proposed program, stating that free-standing minors are very inexpensive because most of the necessary courses already exist.

Regent Neel stated that the University should take steps to improve financial accountability of programs, particularly in view of restructuring and reallocation plans. Regent Keffeler suggested that a different level of program review should be considered because contracts and grants represent a large part of the University's budget and the degree of Board oversight of contracts and grants is very small.

Regent Neel congratulated Dean Holt for the collaboration between program areas represented by the free-standing minors, stating that this results in a strong program and builds a sense of community within the University.

Following the discussion, Regent Craig noted that this item will be presented for approval at the September meeting.

REPORT ON THE MINNESOTA EXTENSION SERVICE

Patrick Borich, Dean and Director of the Minnesota Extension Service (MES), presented the Annual Report to the committee. He stated that the past year has been challenging for MES and discussed the financial impact of declining resources from the federal government.

Dr. Borich noted a significant programming change by MES, whereby programs are established to address issues of concern to Minnesota citizens and communities and are offered throughout the state. Some examples of this type of programming include Project Future, Youth and Families at Risk, Water Quality Program and Project Support II.

Dr. Borich reported on a number of MES activities during the past year, including the establishment of a tourism chair, cultural diversity efforts, the development of a strategic budget plan and the implementation of county contracting.

Dr. Borich asked the Board of Regents and the administration for assistance with future challenges faced by MES, including:

- renewing the University-county partnership
- communicating with the University community and external constituents regarding the significant changes in MES over the past 10 years which have resulted in its current role
- increasing the acceptance of outreach activities
- addressing MES financial problems, particularly the decrease in Federal funding, non-competitive salaries and the increased cost of federal fringe benefits for MES staff

In conclusion, Dr. Borich stated that the spirit of MES staff remains high and he is very proud to be a member of the MES team. He expressed appreciation to the members of the Board of Regents for their support and willingness to participate in MES activities.

In response to Regent Reagan, Dr. Borich stated that federal funding is diminishing because of a lack of uniform quality in Extension programs across the country, and he discussed the need to increase the effectiveness of the federal lobbying effort.

Regent Neel commented on the important role of the MES in taking the University of Minnesota to the people of the state, and he expressed concerns about the salary problems MES is currently facing. In response to issues raised by Regent Neel, Dr. Borich stated that because of reduced staff and increased workload due to new program initiatives, it has become more difficult to provide one-to-one consulting services, and he discussed the possibility of training others to do some of this consulting. Further, he noted increased efforts by MES to improve its collaboration with other units throughout the University, and its public relations efforts to communicate the fact that its programs are changing to meet the needs of the people of Minnesota.

In response to Student Representative Peterson, Dr. Borich stated that it will be necessary to further reduce staff positions to solve the \$2.4 million budget shortfall facing MES this year.

Dr. Borich stated that as a result of issues raised regarding MES in the report of the Rajender Salary Settlement Committee, he appointed a committee to review the report, gather data and recommend actions. Gail Skinner, MES Associate Director and Chair of the MES Rajender Committee, commented on the committee's conclusions and recommendations. She stated that the leaders of the Rajender Salary Settlement Committee reviewed the committee's report and feel that MES is moving in the right direction to resolve the issues. In summary, Ms. Skinner noted that MES has taken many positive steps to assure gender equity and will give proactive attention to the outstanding issues.

Regent Keffeler stated that although MES does a very effective job of providing outreach to the state, all units of the University must take responsibility for all of the missions. Vice President Allen agreed with Regent Keffeler's comments, stating that he recently initiated a review of how to define "outreach", "extension" and "service". He offered to share the results of that review with the Regents.

Following the discussion, Regent Craig expressed appreciation to Dr. Borich and Ms. Skinner for their presentations.

INTERNATIONAL EDUCATION FINANCIAL ISSUES

As a result of issues raised by Regent Anderson regarding international education at a recent committee meeting, Associate Vice

President Kvavik presented a review of the University's study abroad program on the Twin Cities campus, with particular emphasis on the availability of financial aid and its impact on the ability of students to participate in this program. He introduced Al Balkcum, Director of the Global Campus; Jon Booth, Director of the International Student Travel Center; Gayla Marty, Editor from the Office of International Education; Michael Paige, Associate Director of the Office of International Education; and Chip Peterson, Coordinator of the Foreign Studies Program, who are involved in the program.

Dr. Kvavik distributed copies of a new publication, the Study Abroad Catalog, which includes information and advice for students interested in studying, traveling or working abroad. He stated that the goals of the program are to increase student participation to 3,000 by the year 2001; to involve students from all socio-economic, racial and ethnic backgrounds and from all fields of study; to integrate study abroad fully in the academic experience; and to establish a significant scholarship program.

Dr. Kvavik discussed the academic objectives and features of the University's study abroad program, participation rates by type of program and country, and the costs involved. He stated that the basic cost for one quarter of on-campus study is \$3,100 (including room, board, tuition and fees) versus a basic cost of \$4,200 for one quarter of study abroad, plus travel expenses.

Dr. Kvavik indicated that international students who attend the University are allowed to work; however, most foreign governments do not allow Americans to work. He stated that this has a significant financial impact on students who study abroad because a major portion of the funds used by students for their educational expenses is derived from employment during the school year. When the loss of earnings while studying abroad is combined with travel expenses and higher basic costs, the average shortfall to study abroad for one quarter is \$3,100. Dr. Kvavik stated that ways to reduce the shortfall include making the cost of studying abroad approximately the same as the cost of attending the University; facilitating the use of existing financial aid for study abroad; and creating a study abroad scholarship program based on merit and financial need.

In summary, Dr. Kvavik stated that the University has made progress toward providing students with the information they need to study abroad, but the financial issues must be resolved to enable students to take advantage of this educational opportunity. He showed slides of students who have participated in the study abroad program, stating that study abroad experiences often develop into interesting career opportunities for students.

In response to Regent Roe, it was noted that there are currently approximately 800 University students studying abroad, who finance their education through savings, financial aid and in some cases parental assistance. Mr. Booth indicated that the main barrier to achieving the objective of increasing the number of students who are studying abroad to 3,000 is increased costs and Dr. Kvavik noted that very little funding is received from the federal government for studying abroad.

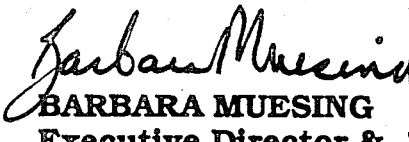
Regent Keffeler stated that, while the study abroad program is valuable, the implication of funding higher cost educational experiences when there are shortfalls in the University's ability to create access to its mainstream programs is a conundrum and results in difficult choices. In response, Dr. Kvavik stated that study abroad is increasingly not a fringe activity and should be an integral part of the undergraduate curriculum.

Regent Neel agreed that financing this program is a problem in light of the current economic environment. However, he emphasized the importance of the development of the global economy and stated that this type of program is necessary to give Americans a competitive edge.

Regent Roe asked if the state has been approached for assistance with this program and Dr. Kvavik stated that at the request of Senator Larry Pogemiller, a plan to accomplish the goal of increasing student participation in the study abroad program to 3,000 by the year 2001 is currently being developed. Regent Roe also suggested the possibility of working with the University Foundation to develop a matching funds proposal to finance this program.

Following the discussion, Regent Craig expressed appreciation to Dr. Kvavik for his excellent presentation.

The meeting adjourned at 3:30 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

July 11, 1991

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, July 11, 1991, at 9:30 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, Sahlstrom and Wynia. Regent Rosha participated in the meeting via telephone.

Staff present: President Hasselmo; Chancellors Ianni, Johnson, Lindahl and Sargeant; Senior Vice President Erickson; Vice Presidents Allen, Hughes and Perlmutter; General Counsel Brady; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Assistant Provost Bakkenist; Associate Vice Presidents Barbatsis, Fischer, Hayes and Kvavik; Assistant Vice Presidents Berg, Markham and Vikmanis.

Student Representative present: Tim Wolf.

RECOGNITION OF NEW REGENTS' PROFESSORS

President Hasselmo introduced Dr. Paul Quie, Regents' Professor of Pediatrics, and Dr. Frank Sorauf, Jr., Regents' Professor of Political Science. He noted that their appointments were approved by the Board of Regents at its June meeting.

Regents' Professors Quie and Sorauf briefly addressed the committee.

PHYSICAL PLANT LEGISLATIVE AUDIT

Senior Vice President Erickson led the discussion regarding the University's response to the Legislative Auditor's follow-up report on Physical Plant Operations (now Facilities Management). He stated that under the leadership of Assistant Vice President Markham, a

management team and a plan are in place to resolve the remaining issues identified by the legislative audit.

Assistant Vice President Markham stated that, given the complexity of the problems that were identified in the Legislative Audit and the kind of changes required, the follow-up report is a balanced presentation of the issues and she is happy with the results. Ms. Markham noted that the overall conclusion of the auditors is that the new management team has articulated a reasonable plan for improving cost effectiveness, accountability, customer satisfaction and financial controls, and that important foundations have been laid for changes in the future.

Ms. Markham reviewed the progress the University has made to date in addressing the issues raised in the Legislative Audit. She also addressed the issue of cost comparisons and reviewed the factors which contribute to the higher cost of University Facilities Management services, including the inadequacy of data; the age, condition and type of University facilities; the inadequacy of Facilities Management facilities; high student wages; and labor market comparisons.

Ms. Markham stated that Facilities Management is following a systematic approach to resolve its problems, focusing on the organizational structure, work management systems and financial management systems. She reviewed a comparison of the old method of operation with the new Facilities Management system, noting that the goal is to improve levels of service to the University community at costs consistent with industry standards. To be successful, Ms. Markham stated that Facilities Management needs support, understanding and cooperation from its customers, organized labor and the Legislature. In addition, she asked for support from the Board of Regents, the President and the Administration in establishing appropriate policies relating to the organization.

In summary, Ms. Markham stated that the months ahead will be difficult for the organization because of the cultural changes necessary to implement the new system, in addition to major budget reductions and the resulting layoffs. She expressed appreciation to the Board for the opportunity to present her report.

Regent Kuderer stated that this item was scheduled to provide the Board with an update on the changes made in Facilities Management as a result of the Legislative Audit and the follow-up audit report. He noted that significant progress has occurred since Ms. Markham assumed leadership of the organization.

Regent Roe stated that he does not feel it will be possible for Facilities Management to provide appropriate levels of service in an efficient manner without a new facility. Mr. Erickson stated that the

management team is committed to follow an evolutionary process and make the choices necessary to address the problems that have been identified in as humane a manner as possible. He stated that although this is a time of tremendous uncertainty within the organization, he is confident that Ms. Markham and the management team will be successful.

Regent Sahlstrom commented on the inadequacy of the comparisons which determined that Facilities Management costs are too high, stating that national comparisons affecting all University units must be reviewed with discretion and the understanding that there are differences. Ms. Markham stated that although the auditors attempted to acknowledge the differences, she feels that it would have been more appropriate to compare the University with the City of Minneapolis and the City of St. Paul.

Regent Neel congratulated Ms. Markham for a superb report. He concurred with Regent Roe's concerns regarding facilities, but stated that he feels this is a great opportunity for the University to show what it can do in the current situation, and then go to the Legislature with a good case for what could be done with better facilities. He requested a timetable for addressing the remaining problems and information regarding how deferred maintenance will be built into the system. Regent Kuderer stated that further information regarding Facilities Management will be presented to the Board in the Fall, including a report on progress made toward resolving outstanding problems.

With regard to the high wage rates for student employees, Student Representative Wolf noted that student employment is a form of financial aid and he commented on the value of student contributions to the University. He asked the Administration not to reduce student wages.

Regent Rosha concurred with Student Representative Wolf's comments. In addition, he urged the Administration to implement the changes in Facilities Management faster than is planned.

With respect to student wages, Mr. Erickson stated that if student employment is to be considered financial aid, it is necessary for the system to be administered properly and to ensure that students meet required criteria. He noted that the intention is to address the issue prospectively, since the University has a contract with current student employees and any change would not have an impact on those individuals.

Regent Wynia asked if the concept of placing financial responsibility on units for maintenance and energy consumption has been considered. Ms. Markham and Mr. Erickson stated that the concept is being explored with respect to services and space, noting that such

responsibility and accountability would result in increased conservation.

President Hasselmo expressed appreciation to Ms. Markham for the outstanding leadership she provides to Facilities Management. Regent Kuderer thanked Mr. Erickson and Ms. Markham for their report.

1991-92 UNIVERSITY OF MINNESOTA HOSPITAL BUDGET

Vice President Perlmutter presented the 1991-92 operating and capital budgets for the University of Minnesota Hospital and Clinic to the committee for approval.

In response to Regent Anderson, Robert Dickler, General Director of the Hospital and Clinic, stated that there is a line in the budget for the potential acquisition of the Interstate Medical Center, a medical practice in Red Wing, Minnesota. He noted that any such acquisition would have to be presented to the Board for approval at a future date.

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

Regent Craig congratulated the Hospital administration for their current profile during a difficult period for the health care industry.

1991-92 BUDGET PLAN (Including Tuition Plan, Compensation Plan and Student Services Fees)

President Hasselmo presented the proposed 1991-92 Budget Plan, including the Tuition Plan, Compensation Plan and Student Services Fees, to the committee for approval. He noted that the Budget Plan was prepared within the context of the University's \$60 million restructuring and reallocation plan and the restrictions imposed by the state's budget crisis. The plan is based on the Budget Principles which were approved by the Board in June, and he stated that document will guide further refinements in the 1991-92 budget and the preliminary work on the 1992-93 budget.

President Hasselmo discussed the five-year central and internal reallocation process, and he reviewed the academic and support units and the system-wide initiatives scheduled to receive funds through the reallocation process. He reviewed the principles for budget reductions, stating that the goal is to continue quality improvement while

downsizing to adjust to the amount of resources received from the state.

In summary, President Hasselmo stated that the budget review and formulation of the University's strategy for the 1992 legislative session will continue, with the budget implementation plan being presented to the Board for information in October and approval at the November meeting.

Senior Vice President Erickson reviewed a summary of the sources and amounts of all funds included in the proposed 1991-92 budget. He noted that the total budget is \$1.76 billion, \$367 million of which is generated through sponsored research and training. This results in a significant economic impact on the State of Minnesota. Regent Anderson urged Mr. Erickson to convey the message regarding the positive impact of sponsored research and training throughout the state.

Mr. Erickson stated that the proposed budget does not provide for compensation increases for faculty and staff in 1991-92. He noted that the Administration is fully aware of the sacrifice that employees are being asked to make, and indicated that it is imperative to provide salary increases in the second year of the biennium.

Mr. Erickson presented the administrative recommendations regarding student services fees, as follows:

Twin Cities Campus	\$118.03
Summer Session	\$ 57.50
Crookston Campus	\$ 65.30
Duluth Campus	\$ 91.75
Summer Session	\$ 33.00
Morris Campus	\$102.00
Summer Session I	\$ 11.00
Summer Session II	\$ 8.00
Waseca Campus	\$ 59.65

He noted that the Administration supports the recommendation forwarded for the Twin Cities campus fee, with the single exception that the assessment of the Boynton Health Service Fee will be reviewed during Fall Quarter, 1991.

Mr. Erickson indicated that the Administration has withdrawn its original recommendation to fund \$1.5 million in additional student financial aid from tuition revenue. He stated that \$500,000 will be

devoted to financial aid as was done in 1990-91, in addition to another \$500,000 that the state has provided for financial aid for graduate and professional students.

Mr. Erickson noted that the University Foundation has made raising funds for student financial aid its top priority. Associate Vice President Fischer discussed the fund raising effort and stated that \$6.7 million was raised for scholarships in 1991, which is a 50 percent increase over the previous year.

With respect to the administrative recommendation regarding tuition increases, Mr. Erickson stated that withdrawal of the proposal to fund \$1.5 million in additional financial aid through tuition revenue has resulted in a 9.3 percent average undergraduate tuition increase for residents.

Regent Craig stated that she is concerned about the small percentage of the University budget which comes from the state. Mr. Erickson clarified the issue, noting that the amount of state appropriations listed in the Budget Plan does not reflect the capital funds received from the state. In response to Regent Craig, Assistant Vice President Berg stated that the proposed tuition increase for non-residents is approximately 30 percent.

In response to Regent Keffeler, President Hasselmo stated that the proposed budget provides the same amount of financial aid for disadvantaged students as would have resulted from the \$1.5 million from tuition revenue, but it will be funded through different sources. Regent Keffeler stated that the issue of funding student financial aid through tuition increases is a policy issue that the Board should discuss.

With respect to the \$15 million internal reallocation proposed for 1991-92, Regent Keffeler suggested that it would be useful to have information regarding major changes which are made to achieve that goal. President Hasselmo stated that an examination of internal reallocation decisions within several units will be included in the budget presentation at the November Board meeting.

Regent Sahlstrom spoke in support of the plans to continue providing financial aid to disadvantaged students and he expressed appreciation for the reduction in the proposed average increase in undergraduate tuition. He also stressed the need for the University to ensure that legislators and citizens of the state understand that increased state support is necessary for the University to meet the challenges of the future.

Regent Roe commended the Administration on the development of the proposed Budget Plan, but stated that he cannot support the

plan because of the proposed tuition increases. He also reiterated his disagreement with previous restructuring and reallocation decisions, including the elimination of the University of Minnesota, Waseca.

Regent Wynia expressed frustration regarding the lack of clarity of the budget documents, stating that it would be easier to follow one coherent financial statement. Mr. Erickson concurred with Regent Wynia's comments, stating that the documents are difficult to follow because the focus is on the source of funds as opposed to where the funds are spent. He stated that one of his goals is to make accounting in general more understandable.

Student Representative Wolf noted that students have asked the Administration to hold tuition rates down, stating that he is hopeful that in the future a tuition increase will not be necessary. He expressed appreciation regarding the administrative budget recommendation, particularly the lower tuition increase and the plans for increased financial aid funds with help from the University Foundation.

Regent Anderson expressed support for the proposed budget, stating that it is the best plan that could be developed in light of the budget decisions made by the state's political leaders. He commended the Administration, and Regent Kuderer concurred with his comments.


Regent M. Page expressed appreciation to the individuals who will be affected by the reallocation plans and she urged them to focus on the goal of improving the overall quality of the University.

Regent Kuderer stated that the printed budget document will be distributed to the Regents in December.

Following the discussion, the committee voted by a majority, with Regent Roe voting against the motion, to recommend approval of the 1991-92 Budget Plan.

Regent Rosha concurred with Regent Anderson's comments, stating that he appreciates the way the Administration addressed the financial aid issue. He agreed with Regent Keffeler's suggestion that the policy of using tuition revenue to fund financial aid should be discussed in the future.

The meeting adjourned at 11:40 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

July 12, 1991

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, July 12, 1991, at 8:35 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: President Hasselmo; Chancellors Johnson, Lindahl and Sargeant; Senior Vice President Erickson; Vice Presidents Allen, Hughes and Perlmutter; General Counsel Brady; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Fischer and Hewitt; Assistant Vice Presidents Markham and Vikmanis.

Student Representative present: Tim Wolf.

RECOGNITION

The committee recognized Dr. Thomas Lindahl for his service as Acting Chancellor of the University of Minnesota, Waseca. Regent Kuderer noted that Dr. Lindahl has accepted the position of Dean of the College of Agriculture at the University of Wisconsin, Platteville and he wished him well in his future endeavors.

Dr. Lindahl briefly addressed the committee.

STEAM SERVICE EVALUATION CRITERIA

Senior Vice President Erickson presented the proposed steam service evaluation criteria to the committee for approval. He indicated that the Negotiating Team has tried to be responsive to the interests of the University community in developing the document. The proposed evaluation criteria will provide the Board of Regents with the

necessary information to make a decision regarding steam service for the Twin Cities campus.

Assistant Vice President Markham noted two minor changes in the proposed evaluation criteria and reviewed the principal objectives of the criteria. She stated that the evaluation of each proposal will focus on a number of areas, including economic and financial, life cycle cost, engineering and technical, environmental impact and the cost for mitigation, human resources and the impact on University employees, and allocation of business risk between the vendor and the University. She discussed the projected timetable for completing the contract negotiation process, stating that the administrative recommendation will be presented to the Board at its November 1991 meeting.

Regents Sahlstrom and Wynia asked if the evaluation criteria have been changed in response to the concerns that have been raised regarding environmental impact. Mr. Erickson stated that although the section regarding sizing of the facility has not been changed, it addresses those concerns, and he noted that it is extremely important for the University to expand its energy conservation efforts. Regent Wynia asked if the Administration disagrees with the argument that the University could do considerably more in terms of conservation by making further reductions in the size of the facility. Mr. Erickson responded that the Administration feels that the proposed sizing of the facility reflects a prudent approach to aggressively address the energy conservation issue.

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

RESOLVED, that the Report on Negotiation Process and Recommended Evaluation Criteria and Methodologies dated June 7, 1991 (as amended in the letter to the Regents dated July 11, 1991) submitted by the University administration be formally adopted in its entirety by the Board of Regents. The Senior Vice President for Finance and Operations and the appropriate administrative officers should proceed with the negotiation of steam services agreements in accordance with the resolution adopted by the Board of Regents on February 8, 1991, and in accordance with the negotiation process and evaluation criteria and methodologies presented in the report adopted herein. Further, all contract offers resulting from negotiations shall be final and binding upon the vendors and shall be the final and best offer of the vendor, with no further opportunity for modification of the offer prior to contract award.

In response to Regent Sahlstrom, Mr. Erickson stated that the input of the Steam Plant Advisory Committee has been very valuable and that Administration will continue to work with that group.

UNDERGRADUATE EDUCATION (UMC/UMD/UMM)

Vice Provost Hopkins led a discussion regarding programs and initiatives designed to improve undergraduate education at the coordinate campuses of the University of Minnesota.

University of Minnesota, Crookston

Rita Meyer, Vice Chancellor for Academic Affairs at the University of Minnesota, Crookston (UMC), reviewed curricular changes made at UMC in an effort to strengthen undergraduate education to facilitate transfer of credits, noting that the changes were coordinated with appropriate units within the University and with external institutions. She stated that the refocusing of UMC's mission was done in response to changing student needs and the Initiative for Excellence in Undergraduate Education, and was made possible by a Title III grant from the United States Department of Education.

In summary, Ms. Meyer stated that the changes at UMC enrich the campus, create better faculty working relationships among units, and maximize the educational opportunities for students to transfer.

In response to Regent Sahlstrom, Ms. Meyer stated that approximately 45 percent of UMC students pursue an Associate of Applied Science degree. In response to Regent Kuderer, Ms. Meyer stated that UMC is pursuing 2+2 and 3+1 options, whereby students could take courses toward a baccalaureate degree on the Crookston campus.

President Hasselmo stated UMC has been sensitive to the educational needs of its students and to its role in northwestern Minnesota. He indicated that over the next several months the Administration will present UMC planning reports to the Board and will ask the Regents to chart a future course for UMC that will maintain it as a viable part of the University of Minnesota in that part of the state.

Regent Sahlstrom expressed concern regarding the curriculum changes in the Hospitality & Home Economics Division because of the unique leadership role UMC has played in providing educational programs that meet the needs of the hospitality industry. He urged the Administration not to neglect that area as UMC's future is considered.

University of Minnesota, Duluth

Professor Robert Evans, former Acting Vice Chancellor for Academic Affairs at the University of Minnesota, Duluth (UMD), discussed the Undergraduate Research Opportunities Program (UROP). He stated that this is a cooperative University-wide program which provides opportunities for undergraduates to become involved in research and scholarly activities with close guidance from faculty. He noted that UMD will receive approximately \$60,000 for this program in 1991-92, which will allow 50-60 students to participate.

Dr. Evans stated that this program differs significantly from other research opportunities for students. He indicated that the application process for admission to the program is very competitive and closely parallels that required for contracts and grants, and once accepted, students are paid for their research work.

In summary, he stated that this program has been very successful at UMD because it enhances the educational experience of the students involved, as well as the research of the faculty.

Regent Neel congratulated Dr. Evans on this program. In addition to being a great educational opportunity for students, he stated that it enhances the scholarly activities on the campus and the students' communication skills.

In response to Regent Kuderer, Vice Provost Hopkins stated that all students on all campuses are eligible to apply for participation in this program. She stated that for many students, UROP is the first step that leads them to graduate-level study. Regent Neel feels that students who do not pursue graduate-level education are much more competitive in the marketplace after having research experience.

Student Representative Wolf indicated that the undergraduate research program that he has been involved in for the past two years has been a very rewarding experience. He feels that it strengthened his determination to go to graduate school and it contributed to his success as a recipient of the Truman scholarship.

University of Minnesota, Morris

Bettina Blake, Vice Chancellor for Academic Affairs at the University of Minnesota, Morris (UMM), discussed "Inquiry: Values in a Changing World", which is a three-credit required course for all freshmen. This course is part of Project ProsPer (Process and Expanding Perspectives), the undergraduate general education curriculum at UMM.

Dr. Blake stated that Inquiry is planned and taught by a group of faculty, staff and students. In the past three years, she noted that approximately 40 UMM faculty representing 20 disciplines have participated in the course.

Dr. Blake stated that through the course, students learn how to do critical thinking and gain a sense of how to discover ideas through the successful interchange of ideas. Since the course is not based on a particular field, faculty members have to demonstrate what it means for educated people to approach new ideas.

In summary, Dr. Blake indicated that while Inquiry was designed as a student development course, it has become a faculty development program. She stated that there is no single factor that is more important to the improvement of undergraduate education than the faculty.

Regent Craig congratulated UMM for providing young people with such an exciting educational opportunity at the beginning of their post-secondary education.

President Hasselmo expressed gratitude to the faculty, staff and students for their leadership in helping shape meaningful educational experiences which contribute to quality undergraduate education at the University of Minnesota.

Regent Kuderer expressed appreciation to all of the participants for their excellent presentations.

ATHLETIC FACILITIES

Senior Vice President Erickson led the discussion regarding the proposed development of athletic facilities on the Twin Cities campus. He stated that this project is very exciting and gives the University community great promise for the future. He indicated that the Administration was asking for Board authority to proceed with the \$41 million project, \$5.5 million of which will come from private contributions. He stated that Roger Paschke, University Treasurer and Director of Asset Management, would discuss funding of the balance of the project, noting that those funds would not be available to the University if the project does not proceed.

President Hasselmo stated that the proposed athletic facilities are an essential component in building a strong sense of community on the Twin Cities campus, and will enhance the quality of the educational experience for students. He indicated that he is very pleased that Stanley Hubbard and Kathleen Ridder agreed to lead the private fund drive for the project. He introduced Mr. Hubbard and Ms. Ridder, and they briefly addressed the committee. Regent Kuderer

expressed appreciation on behalf of the Board for their willingness to assist the University on this important project.

Through the use of visual aids, Mr. Paschke reviewed a financial summary for the project, including a discussion of the funds which will be generated from the facilities through increased seating capacity, concessions, assured seating plans, advertising and booster clubs. He reviewed an analysis of the revenue and expense assumptions from 1994 to 2003, stating that the assumptions are reasonable. He also noted that 95 percent of respondents to a fan survey last year strongly supported keeping Gopher basketball and hockey on campus. A number of the respondents indicated that they would cancel their season tickets if the teams were moved off campus, and he reviewed the financial implications that would result.

Mr. Paschke presented an athletic facilities bonding resolution to the committee for its review and approval.

Associate Vice President Hewitt reviewed the proposals and bidding process for the new hockey arena and the Williams Arena/Mariucci Arena renovation project. He discussed the time schedule for the projects, noting that the new hockey arena is scheduled to be completed by August 1993 and the renovation project by December 1993. Mr. Hewitt used visual aids to illustrate the location of the proposed facilities, new parking facilities and new roads. He stated that work on this project has required collaboration with the University's transitway project and road work by the City of Minneapolis.

Dan Swedberg of Hammel, Green and Abrahamson, Inc., the architect on the Williams Arena/Mariucci Arena renovation project, used visual aids to illustrate the internal and external design of the proposed project.

Mr. Erickson expressed appreciation to Rick Bay and Chris Voelz, Directors of the Departments of Men's and Women's Intercollegiate Athletics, respectively, for their willingness to work together and compromise on this project. Mr. Bay and Ms. Voelz expressed support for the proposed athletic facilities and thanked Mr. Hubbard and Ms. Ridder for volunteering their time and leadership to make the project a reality.

Vice President Hughes stated that her efforts with respect to this project have focused on ensuring that it is student-centered and on the capacity and location of student seating. In the future, she will focus on student employment, cost of tickets and concession stands. Dr. Hughes indicated that there are six guiding principles of student development represented by the proposed facilities, including community building, diversity, bonding to the University, student involve-

ment, connections with other people throughout the community, and recreation.

President Hasselmo expressed appreciation to everyone involved in the project for their fine work, and he recommended the proposal to the Regents for their consideration and approval.

Regent Kuderer expressed appreciation for the presentations and stated that he is pleased that the project has reached this stage of development.

In response to Student Representative Wolf, Mr. Bay stated that the concept of assured seating will not displace current long-term season ticket holders who do not make a financial contribution. Mr. Swedberg reviewed the student seating areas in the proposed facilities.

In response to concerns raised by Regent Sahlstrom, Mr. Hewitt stated that the proposed project is consistent with the long-range planning concepts for the development of the campus.

Regent Roe stated that he hopes there are plans to bring tennis back to campus. He also commended Mr. Erickson and his team for their first-class presentation. In response to Regent Roe, Mr. Swedberg and Mr. Hewitt stated that the facilities will contain a combination of chair and bench seating, however, the specific number of each type of seat will not be known until the bids are received. Mr. Erickson stated that although the commendations expressed by the Regents are wonderful, he is simply carrying out the plan formulated by Gus Donhowe, former Senior Vice President for Finance and Operations.

Regent Reagan stated that if the University does not have a varsity ice hockey program for women, it should be considered. Ms. Voelz stated that there are no plans to add varsity ice hockey for women, however, that sport is available through club sports and ice time will be available in the new facilities.

In response to Regent A. Page, Janice Unstad, a Development Officer with the University Foundation, stated that the current plan is to raise the \$5.5 million in private funds for the project over a three-year period. However, with the leadership of Stanley Hubbard and Kathleen Ridder, she feels it will be possible to complete the fund raising project by the time the buildings are ready for occupancy in Fall of 1993.

In light of recent discussions regarding basic unmet needs throughout the University, raising tuition and a \$60 million revenue shortfall, Regent A. Page expressed concern about putting tax dollars

at risk for athletic facilities without some guarantee that the University will not have to provide the funds from other sources. President Hasselmo stated that he would not recommend this project if he believed tax dollars were at risk. Given the importance of moving the University forward even during a time of budgetary constraints, he indicated that he feels this is a prudent course to follow.

Regent Anderson stated that he feels the Board has always put academics first, and noted that the top priority in terms of athletics was a new facility for non-varsity sports. He stressed the positive impact the proposed facilities will have on the University community.

Regent Kuderer spoke in support of the project despite the current budgetary problems, and stated that he is hopeful this will move the University in the right direction.

Following the discussion, the committee voted unanimously to recommend approval of the following resolutions, with Regent A. Page abstaining from the vote:

That the June 8, 1990 resolution of the Board of Regents authorizing \$37 million for the development of on-campus sports facilities be amended to provide:

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 development of on-campus sports facilities consisting of a new arena for hockey, the renovation of Williams Arena for basketball, and the renovation of Mariucci Arena to create a sports pavilion, all within a total budget of \$41 million. Up to \$1 million of the \$41 million total project budget shall be allocated for the relocation of Facilities Management operations located on the hockey arena site.

Athletic Facilities Bonding Resolution

WHEREAS, the Regents of the University of Minnesota (the "University") have approved the construction and equipping of a new hockey arena with capacity for 9,600 spectators, the renovation and refurbishing of Williams Arena and Mariucci Arena (the "Project");

WHEREAS, the total capital cost of the Project is presently estimated to be \$41 million;

WHEREAS, to finance all or a portion of the cost of the Project, the University proposes to issue and sell gen-

eral obligation bonds of the University (the "Bonds") in one or more series;

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

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

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

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

1. To provide funds to pay part or all of the costs to be incurred for the Project, the University hereby authorizes the sale and issuance of the Bonds in an aggregate principal amount not in excess of \$43 million (excluding original issue discount, if any, with respect to the Bonds). It is intended that the interest on the Bonds be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended. The interest rate on any series of Bonds may be a fixed rate or variable rate, as provided in the Indenture of Trust pursuant to which it is issued; provided that the yield on any series of Bonds which is initially issued as fixed rate Bonds after taking into account any original issue discount may not exceed 8.00 percent per annum. The Senior Vice President for Finance and Operations is authorized to approve the terms of any series of Bonds; including but not limited to the principal amount thereof, the interest rate or rates thereon, and the provisions with respect to redemption of such Bonds prior to the stated maturity thereof.

2. The Senior Vice President for Finance and Operations is authorized to negotiate with one or more banks or investment banking firms (the "Underwriters") the terms and conditions upon which one or more series of Bonds shall be sold and issued, and approve the terms of any sale of a series of Bonds by the University to the Underwriters.

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

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

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

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

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

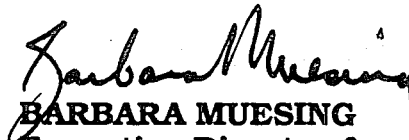
8. The execution of any document by the appropriate officers of the University herein authorized shall be conclusive evidence of the approval of such documents in

accordance with the terms hereof. In the absence of the President or Treasurer, the Indenture of Trust, the final Official Statement and the purchase agreement with the initial purchaser or purchasers of the Bonds may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer. In the absence of the Senior Vice President for Finance and Operations, all authority granted to the Senior Vice President for Finance and Operations by this resolution may be executed by the Treasurer.

9. All or a portion of the costs of the Project may be paid by the University prior to the issuance of the Bonds to finance the Project, and to the extent such costs are paid by the University prior to the issuance of the Bonds it is the intent of the University to reimburse all or a portion of the costs of the Project paid by the University prior to the issuance of the Bonds from the proceeds of the Bonds. The reasonably expected source of funds that will be used to pay the costs of the Project to be reimbursed from proceeds of the Bonds is amounts which the University has on hand and available for such purpose. The reasonably expected source of funds to be used to pay debt service on the Bonds is any proceeds of the Bonds to be used to pay interest on the Bonds during the period of construction of the Project, and the general revenues and funds of the University.

10. A copy of this resolution shall be maintained by the Secretary and shall be continuously available for public inspection at the office of the Secretary during normal business hours of the University on every business day beginning on the earlier of 10 days after adoption of this resolution or the date of issuance of the Bonds and ending on, and including, the date of issue of the Bonds.

The meeting adjourned at 10:45 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

July 12, 1991

A meeting of the Board of Regents of the University of Minnesota was held on Friday, July 12, 1991, at 11:00 a.m. in the Regents' Room, 238 Morrill Hall.

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

Staff present: Chancellors Johnson, Lindahl and Sargeant; Senior Vice President Erickson; Vice Presidents Allen, Heydinger, Hughes and Perlmutter; Vice Provost Hopkins; General Counsel Brady; 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:

Physical Planning & Operations Committee -
June 13, 1991
Finance & Legislative Committee - June 13, 1991
Faculty, Staff & Student Affairs Committee -
June 13, 1991
Educational Planning & Policy Committee -
June 13, 1991
Committee of the Whole - June 13, 1991
Committee of the Whole - June 14, 1991
Board of Regents - June 14, 1991

REPORT OF THE PRESIDENT

President Hasselmo presented his regular monthly report which contained items pertaining to American Indian Studies Endowed Professorships; the College of Biological Sciences addition groundbreaking; athletic facilities; the International

Special Olympics; personnel items; an update on ROTC developments; further program and budget changes and capital improvements request and timetable.

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

The following individuals were present and recognized for their work in helping to establish the two new endowed professorships in American Indian Studies: Ms. Linda Johnston, Assistant Director, University of Minnesota Student Support Services; Mrs. JoAnne Stately, Staff Assistant, Minnesota Indian Affairs Council; Dr. David Beaulieu, Minnesota Department of Education, Indian Education Section; Ms. Valerie Sheehan, Vice Chair, Urban Indian Advisory Council; Mr. John Day, Outgoing President of the American Indian Advisory Board; Mr. Reid Raymond, Co-Chair of the Twin Cities American Indian Advisory Council; Roger Head, Executive Director of the Minnesota Indian Affairs Council; and Dr. John Red-Horse, Dean of the College of Liberal Arts, University of Minnesota, Duluth.

Special recognition was also given to Thomas Lindahl for his service to the University of Minnesota, Waseca as professor and chair of the Agricultural Business Division, Vice Chancellor for Academic Affairs, and most recently as Acting Chancellor.

REPORT OF THE CHAIR

Chair Kuderer presented the final reports on the assessment of the President and the Executive Director of the Board of Regents which were recommended by the Regents' Assessment Committee. Copies of the two reports are filed supplement to the minutes, No. 22,298. Chair Kuderer noted that the results of this assessment would normally merit an increase in salary for the President and Executive Director. However, due to the pending financial crisis facing the University, both individuals have indicated that they would not accept any increase in salary for the 1991-92 fiscal year.

Chair Kuderer also reported that there will be no Regents' meeting in August, however, the Board will hold a retreat August 29-30, 1991 in Northfield, Minnesota for Regents and spouses.

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.

CONTRACTS AND GRANTS/APPLICATIONS AND AWARDS

Associate Vice President Kvavik 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 July 11, 1991

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

- a) Approval of resolution re 1991-92 University of Minnesota Hospital and Clinic Budget, as follows:

RESOLVED, that the University of Minnesota Hospital and Clinic operating and capital budgets for fiscal year 1991-92 are hereby approved.

Documentation is filed supplement to the minutes, No. 22,299.

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

Chair Kuderer reported that the committee voted by majority to recommend approval of the following action:

- a) Approval of resolution re 1991-92 Budget Plan (including Tuition Plan, Compensation Plan and Student Services Fees), as follows:

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

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

WHEREAS, the University of Minnesota is committed to providing educational services of high quality at affordable costs, and

WHEREAS, the University of Minnesota is committed to preserving access through a program of financial aid, and

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

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

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

NOW THEREFORE, BE IT RESOLVED; that the Board of Regents approve the University of Minnesota budget for 1991-92 in the context of the biennial plan as follows:

The annual revenue plan including:

- State appropriations as enacted by the 1991 session
- Tuition plan as proposed
- Changes to temporary investment distributions as proposed
- Student service fees as proposed

The annual expenditure plan including:

- Price level allocations as proposed
- Targeted program improvements as proposed
- Provision for contingencies
- Program reductions as proposed
- Reallocations as proposed

The following was noted for clarification regarding the recommendation pertaining to the Student Services Fees:

1. For the Crookston, Waseca, Morris, and Duluth campuses, the administration supported the recommendations as forwarded;
2. For the Twin Cities campus, the administration supported the recommendation as forwarded, with the single exception that the assessment of the Boynton Health Service Fee will be reviewed during fall quarter, 1991.

Documentation is filed supplement to the minutes, No. 22,300.

The Board of Regents voted by a majority to approve the recommendation of the Committee of the Whole, with Regent Roe voting against the recommendation.

Chair Kuderer reported that the committee also recognized new Regents' Professors, Dr. Paul Quie and Dr. Frank Sorauf, Jr., and engaged in a discussion regarding the University's response to the Legislative Auditor's follow-up report on Physical Plant Operations.

REPORT OF THE COMMITTEE OF THE WHOLE
July 12, 1991

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

- a) Approval of resolution re Steam Service Evaluation Criteria, as follows:

RESOLVED, that the Report on Negotiation Process and Recommended Evaluation Criteria and Methodologies dated June 7, 1991 (as amended in the letter to the Regents dated July 11, 1991) submitted by the University administration be formally adopted in its entirety by the Board of Regents. The Senior Vice President for Finance and Operations and the appropriate administrative officers should proceed with the negotiation of steam services agreements in accordance with the resolution adopted by the Board of Regents on February 8, 1991, and in accordance with the negotiation process and evaluation criteria and methodologies presented in the report adopted herein. Further, all contract offers resulting from negotiations shall be final and binding upon the vendors and shall be the

final and best offer of the vendor, with no further opportunity for modification of the offer prior to contract award.

Documentation is filed supplement to the minutes, No. 22,301.

- b) Approval of resolutions re Athletic Facilities, as follows:

That the June 8, 1990 resolution of the Board of Regents authorizing \$37 million for the development of on-campus sports facilities be amended to provide:

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 development of on-campus sports facilities consisting of a new arena for hockey, the renovation of Williams Arena for basketball, and the renovation of Mariucci Arena to create a sports pavilion, all within a total budget of \$41 million. Up to \$1 million of the \$41 million total project budget shall be allocated for the relocation of Facilities Management operations located on the hockey arena site.

ATHLETIC FACILITIES BONDING RESOLUTION

WHEREAS, the Regents of the University of Minnesota (the "University") have approved the construction and equipping of a new hockey arena with capacity for 9,600 spectators, the renovation and refurbishing of Williams Arena and Mariucci Arena (the "Project");

WHEREAS, the total capital costs of the Project is presently estimated to be \$41,000,000;

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

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

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

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

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

1. To provide funds to pay part or all of the costs to be incurred for the Project, the University hereby authorizes the sale and issuance of the Bonds in an aggregate principal amount not in excess of \$43,000,000 (excluding original issue discount, if any, with respect to the Bonds). It is intended that the interest on the Bonds be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended. The interest rate on any series of Bonds may be a fixed rate or variable rate, as provided in the Indenture of Trust pursuant to which it is issued; provided that the yield on any series of Bonds which is initially issued as fixed rate Bonds after taking into account any original issue discount may not exceed 8.00 percent per annum. The Senior Vice President for Finance and Operations is authorized to approve the terms of any series of Bonds; including but not limited to the principal amount thereof, the interest rate or rates thereon, and the provisions with respect to redemption of such Bonds prior to the stated maturity thereof.
2. The Senior Vice President for Finance and Operations is authorized to negotiate with one or more banks or investment banking firms (the "Underwriters") the terms and conditions upon which one or more series of Bonds shall be sold and issued, and approve the terms of any sale of a series of Bonds by the University to the Underwriters;

3. In connection with the issuance of any series of Bonds, the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust under which the series of Bonds is issued in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the Bonds in accordance with such Indenture of Trust. The signatures of the Secretary and/or Treasurer on the Bonds may be by facsimile.
4. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and General Counsel.
5. The Senior Vice President for Finance and Operations is authorized to approve the Preliminary Official Statement and the final Official Statement to be prepared and distributed by the University to any purchaser or potential purchaser of a series of Bonds, and the President is authorized to execute and deliver the final Official Statement.
6. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate for completion of the issuance and sale of the Bonds.
7. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the Bonds certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them;

and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the University as to the truth of all statements contained therein.

8. The execution of any document by the appropriate officers of the University herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, the Indenture of Trust, the final Official Statement and the purchase agreement with the initial purchaser or purchasers of the Bonds may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer. In the absence of the Senior Vice President for Finance and Operations, all authority granted to the Senior Vice President for Finance and Operations by this resolution may be executed by the Treasurer.
9. All or a portion of the costs of the Project may be paid by the University prior to the issuance of the Bonds to finance the Project, and to the extent such costs are paid by the University prior to the issuance of the Bonds it is the intent of the University to reimburse all or a portion of the costs of the Project paid by the University prior to the issuance of the Bonds from the proceeds of the Bonds. The reasonably expected source of funds that will be used to pay the costs of the Project to be reimbursed from proceeds of the Bonds is amounts which the University has on hand and available for such purpose. The reasonably expected source of funds to be used to pay debt service on the Bonds is any proceeds of the Bonds to be used to pay interest on the Bonds during the period of construction of the Project, and the general revenues and funds of the University.
10. A copy of this resolution shall be maintained by the Secretary and shall be continuously available for public inspection at the office of the Secretary during normal business hours of the University on every business day beginning on

the earlier of 10 days after adoption of this resolution or the date of issuance of the Bonds and ending on, and including, the date of issue of the Bonds.

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

Regent Alan Page abstained from voting on the athletic facilities resolutions.

Chair Kuderer reported that the committee also recognized Dr. Thomas Lindahl for his services as Acting Chancellor of the University of Minnesota, Waseca, and engaged in a discussion regarding programs and initiatives designed to improve undergraduate education at the coordinate campuses.

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 action:

- a) Approval of the appointment of Dean Ettore Infante as Senior Vice President for Academic Affairs and Provost from July 16, 1991 through June 30, 1992.
- b) Approval of the Senior Vice President's Monthly Faculty, Staff and Student Affairs Report for June 1991 as listed in the docket material and on file in the Regents' Office.

The report contained the following items:

- Recommendation to appoint David Kidwell as Dean of the Carlson School of Management, effective September 16, 1991
- Clarification of contract language involving Richard Bay's deferred compensation
- Recommendation to appoint Robert Bruininks as Dean of the College of Education, effective September 16, 1991
- Proposed change in the Terminal Leave/Early Retirement portion of the Regents' policy on Phased Retirement and Terminal Leave/Early

Retirement to comply with the federal "Older Workers' Benefit Protection Act". The policy will read as follows:

**Phased Retirement and Terminal
Leave/Early Retirement**

This document identifies two voluntary options (Phased Retirement and Terminal Leave/Early Retirement) that colleges may wish to make available to faculty members for the purpose of facilitating change within unity. Only tenured faculty members have access to these options.

Permission to offer these options must be obtained from the senior vice president for academic affairs by the responsible vice president, chancellor, and/or dean.

In all instances, it must be demonstrated that the use of either of these options, which are not available to the faculty in general, is in the best interest of the University, that is, in keeping with specific programmatic goals or under other special circumstances.

Any arrangements, before it can become binding, must be in writing and signed by the faculty member, the appropriate academic administrator(s), and the senior vice president for academic affairs. An agreement may be changed only by mutual consent of the parties and must be in writing.

I. PHASED RETIREMENT

A. For this option the following stipulations apply:

1. Available only to tenured faculty members who are at least 52 years of age.
2. Any agreement must include the proviso that the faculty member agrees to take full retirement at regular benefit levels no later than ten years after the commencement of the phased retirement. The

agreement cannot be extended beyond the University's mandatory retirement age. The last year of employment is that in which the 70th birthday occurs between July 1 and June 30.

3. The leave without salary must be for at least 25% and not more than 75% of a faculty member's annual appointment term.
4. The phased retirement agreement must be described in writing and signed by the faculty member, the appropriate academic administrator(s), and the senior vice president for academic affairs.

B. The benefits for phased retirement are following:

1. Contributions to the faculty member's retirement plan will be based on the unreduced salary through the end of the contract year following the 65th or 68th* birthday. If the leave is for more than 50 percent time, a portion of the University's contributions may have to be reported as taxable income.
2. Mills II contributions are subject to limitations under Section 403B of the Federal Tax Code, which take into account actual salary and University retirement contributions.
3. Social Security coverage is based on actual earnings.

* For the faculty member who began participation in the faculty retirement plan on October 2, 1974 or later, the University will continue contributions through the year in which the faculty member has the 65th birthday. For the faculty member who began prior to October 2, 1974, the University will contribute through the year in which the faculty member has the 68th birthday (between July 1 and June 30.)

4. State plan insurance coverage for health and dental benefits will continue for the duration of the faculty member's phased retirement. The coverage may be extended for twelve months following the end of the phased retirement period at the faculty member's expense.

II. TERMINAL LEAVE/EARLY RETIREMENT

A. This terminal leave (age less than 62) or early retirement (age 62 to 64) option contains the following stipulations:

1. Available only to tenured faculty members who have not reached age 65 at the time the option* begins.
2. The salary payments will be made only as specified in II.B.1. below. The requirements that salary and fringe benefit costs be repaid for a terminal leave is waived under this option.
3. The terminal leave/early retirement agreement must be described in writing and signed by the faculty member, the appropriate academic administrator(s), the senior vice president for academic affairs.

B. The benefits for Terminal Leave/Early Retirement are the following:

1. For cash benefit, this option provides for one year of annual base

* For the faculty member who began participation in the faculty retirement plan on October 2, 1974 or later, the University will continue contributions through the year in which the faculty member has the 65th birthday. For the faculty member who began prior to October 2, 1974, the University will contribute through the year in which the faculty member has the 68th birthday (between July 1 and June 30.)

salary to be paid out over a maximum of three years.

2. Contributions to the faculty member's retirement plan will be based on the actual salary paid on regular payroll defined in the above schedule II.B.1.
3. Mills II contributions are subject to limitations under Section 403B of the Federal Tax code which take into account actual salary and University retirement contributions.
4. Social Security coverage is based on actual earnings.
5. State plan insurance coverage for health and dental benefits will continue for the duration of the payment schedule described in II.B.1. above. The coverage may be extended for twelve months at the faculty members expense.

Regent Keffeler asked if the appointment for the dean of the College of Education might be voted on separately from the Senior Vice President's Monthly Report. The Board agreed to Regent Keffeler's request and then voted unanimously to approve the recommendations of the Faculty, Staff and Student Affairs Committee.

With regard to the appointment of the dean of the College of Education, Regent Keffeler indicated that even though she had voted for the appointment at the committee meeting, she had received some additional information which had raised some concerns. She stated that her concerns related to diversity and the University's commitment to diversity when administrative positions are being filled. She indicated that it was her understanding that an African American woman was among the finalists for this position. She further stated that according to the process, if an individual has been chosen as a finalist, they are qualified to do the duties and it concerns her that a minority was one of the finalists, but was not chosen for the position. She indicated that she would like further information and review regarding the search process for this position and moved that action on the appointment be postponed. The motion was seconded.

Regent Sahlstrom, as chair of the Faculty, Staff and Student Affairs Committee, indicated that he is convinced that the search was properly conducted, that the recommendation is valid and that the recommendation for appointment should be approved.

Discussion ensued, with Board members expressing their views both for and against the motion.

President Hasselmo stated that the credibility of the University's diversity effort is of great concern to him. He indicated that he had reviewed the credentials and experience of each finalist extensively before accepting the recommendation of the search committee, however, if Board members have serious reservations about the search process, he would abide by their request for a delay.

Regent Keffeler stated that what she is requesting is an opportunity to have a better understanding of the nature of the assessment of the candidates.

Surell Brady, the University's General Counsel, spoke briefly to the Board, indicating that under the Minnesota Data Practices Act the amount of information that may be discussed publicly is limited and any discussion relating to the actual assessment of individuals is prohibited.

After further discussion, President Hasselmo requested that the meeting be recessed for ten minutes so that he might confer with his administrators.

President Hasselmo reconvened the meeting and stated that he would like to withdraw his recommendation for the Dean of the College of Education at this time until further review of procedural questions can be resolved.

With the withdrawal of the President's recommendation, Regent Keffeler then withdrew her motion to postpone action on the item and Regent Sahlstrom withdrew the motion to approve the recommendation for Dean of the College of Education.

Chair Sahlstrom continued his committee report, indicating that the committee also reviewed proposed revisions of Section 14.4 of the Tenure Code and received reports from the Campus American Indian Advisory Committees and a report on minority affairs.

**REPORT OF THE PHYSICAL PLANNING &
OPERATIONS 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 Physical Planning and Operations 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 re Purchase of Goods/Services over \$250,000 as follows:

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

It was noted that action on a matter pertaining to the contract with Medicine Lake Lines which was discussed at the committee meeting was delayed until further information is received by the committee.

- c) Approval of resolution regarding projects already 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:

- a Peik Hall, Renovation of Four Classrooms, Twin Cities Campus
Estimated cost of the project: \$205,000
Funding: General Maintenance and Operations Appropriation Program Accommodation Remodeling Allotment and Central Reserves Student Study Space/Classroom Remodeling Allotment
Estimated completion date: November 1991

- b. Civil and Mineral Engineering Building, Complete Level 7, Twin Cities Campus
Estimated cost of the project: \$800,000
Funding: Variable Rate Bond Internal Loan to be repaid from the Operations and Maintenance Appropriation allotment for Institute of Technology Program Accommodation Remodeling
Estimated completion date: March 1992
- c. Ferguson Hall Addition - Music Performance Laboratory, Twin Cities Campus
Estimated cost of the project: \$12,514,000
Funding: 1984 and 1990 Legislative Appropriations' Lead Gift Donation; School of Music Funds; Central Administration Funds; and an internal loan to be repaid by Hall Rental Proceeds
Estimated completion date: July 1993
- d. Research Laboratory Project, Resolution Amendment and Scope Increase, Twin Cities Campus

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the resolution approved by the Board of Regents at their May 1991 meeting regarding the Research Laboratory Project is hereby amended as follows:

The appropriate administrative officers are authorized to execute a lease to Northco Corporation for the use of approximately 2.2 acres of land located north of Fifth Street SE and east of Oak Street, Minneapolis for development of a 51,250 square foot Research Laboratory. The lease would contain an option for the University to take ownership of the building and site improvements prior to lease expiration.

Project development scope increase:
\$1,736,705
Estimated total cost of project development:
\$8,767,585

- e. Bailey Hall, Shower Room Renovation, Twin Cities Campus
Estimated cost of the project: \$298,000
Funding: Housing Services - Support Services
Deferred Maintenance Reserves
Estimated completion date: March 1992
- f. Light Rail Transit (LRT) Resolution, Twin Cities Campus

WHEREAS, the physical setting of the University contributes to a sense of community and affects the quality of scholarship, research and intellectual discourse taking place within its institutional framework, and

WHEREAS, the University's "Advisory Task Force on Planning" has concluded that the University should strive to benefit fully from the natural assets of its surroundings and guard against the intrusions and disruptions of urban life, and

WHEREAS, the traffic on Washington Avenue has a divisive impact on the campus environment and a pernicious influence on the scholarly pursuit of excellence at the University, and

WHEREAS, the University desires to mitigate the traffic congestion on Washington Avenue, and

WHEREAS, the University, the Regional Transit Board, the Minnesota Department of Transportation, the Hennepin County staff, the City of Minneapolis Planning Commission, and most recently, the University of Minnesota Student Association all support the University's efforts in this area, and

WHEREAS, the University, as the second highest generator of transit trips in the Twin Cities Metropolitan Area, desires to receive excellent transit service, and

WHEREAS, the proposed alignment for Light Rail Transit between downtown Minneapolis and downtown St. Paul is through the University along Washington Avenue, and

WHEREAS, the University desires to plan for and participate in the design for construction of LRT through the Minneapolis campus,

THEREFORE, BE IT RESOLVED THAT, when Light Rail Transit is constructed through the Minneapolis campus the Regents of the University of Minnesota hereby authorize, empower and direct the University (i) to insist LRT be built in a tunnel under Washington Avenue from a portal east of the Mississippi River Bridge to a portal east of Oak Street; (ii) to request that Washington Avenue be narrowed, that traffic thereon be redirected, and that a landscape buffer strip be created thereabout; and (iii) to request again that the Mall be extended over Washington Avenue at the time LRT is built.

- d) Approval of the following projects approved in the Capital Request and funded by Legislative Appropriation as follows:
- a. Blegen Hall - Basement of 1st Floor - Sprinkler System, Twin Cities Campus
Estimated cost of the project: \$320,750
Funding: 1990 Capital Appropriation for Health and Safety Improvements
Estimated completion: August 1992
 - b. Snyder Hall, Basement Sprinkler System, Twin Cities Campus
Estimated cost of the project: \$140,820
Funding: 1990 Capital Appropriation for Health and Safety Improvements
Estimated completion: January 1992
 - c. Ford Hall, Enclose Stairwells, Twin Cities Campus
Estimated cost of the project: \$99,010

Funding: 1990 Capital Appropriation for Health and Safety Improvements
Estimated completion: December 1991

- d. Johnston Hall, Enclose East Stairwell, Twin Cities Campus
Estimated cost of the project: \$64,540
Funding: 1990 Capital Appropriation for Health and Safety Improvements
Estimated completion: December 1991
- e. Auditorium/Classroom Addition, Cloquet Forestry Center
Estimated cost of the project: \$370,000
Funding: 1990 Capital Improvements Appropriations; Handicap Access Appropriation; and Minnesota Agricultural Experiment Stations
Debt Financing Sources: Operations and Maintenance Appropriation - College of Natural Resources and Special State Appropriation - General Agricultural Research, Forestry Administration. The debt repayment will be paid over a period of 20 years, averaging approximately \$9,550 per year.
Estimated completion: August 1992

e) Approval of the following land transactions:

- a. Authority to Negotiate Sale of .061 Acre to Theatre in the Round Players, Twin Cities Campus, 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 negotiate the sale of approximately .061 acre behind the building at 245 Cedar Street, Minneapolis, to the Theatre In the Round Players.

- b. Authority to Negotiate Land Exchange with the Minnesota State Agricultural Society, Twin Cities Campus, 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 negotiate a land exchange with the Minnesota State Agricultural Society involving University acquisition of (1) fee title to a 75' strip of land between Como and Commonwealth Avenues, (2) fee title to .162 acre south of Como Avenue, (3) a perpetual non-exclusive easement for roadway purposes along Commonwealth, Arlington, Randall and Buford Avenues, (4) a temporary easement for construction purposes encumbering 2,100 square feet of land south of Como Avenue; and University conveyance of 5.65 acres at the southeast corner of the St. Paul campus.

- c. Authority to Negotiate Purchase of 20 Acres (Marine Minnow Farm) at Cedar and Broadway Streets, Marine-on-the-St. Croix, 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 negotiate the purchase of the property known as the Marine Minnow Farm, Marine-on-the-St. Croix.

The Board of Regents voted unanimously to approve the recommendations of the Physical Planning & Operations Committee.

Chair Roe reported that the committee also reviewed the following land transactions for information:

- a. 99-Year Land Lease to the City of Morris, West Central Experiment Station
- b. Sale of Public Bid of Four University Salt Spring Land Parcels, St. Louis County

In addition, the committee reviewed the following projects for information:

- a. Cancer Center Project (Dwan Variety Club Cardiovascular Research Center Addition), Twin Cities Campus
- b. North Transitway Parking Lot, Twin Cities Campus

- c. Jackson/Owre Halls Remodel Animal Holding Rooms
112-126, Twin Cities Campus
- d. Agricultural Chemical Storage Building, Twin Cities
Campus
- e. Glensheen, East Terrace Waterproofing, Duluth

Chair Roe further reported that the committee received a progress report on the University Building Energy Efficiency Project (UBEEP).

REPORT OF THE FINANCE & LEGISLATIVE COMMITTEE

Regent Anderson, 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 Finance 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 Finance & Legislative Committee.

Chair Anderson reported that the committee also delayed action on a proposed Regents' Investment Policy Relating to Social Concerns and engaged in a discussion relating to legislative strategy for the 1992 legislative session.

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 Appointment of Hubert H. Humphrey Institute of Public Affairs Advisory Committee Members, as follows:

RESOLVED, that on the recommendation of the Dean of the Hubert H. Humphrey Institute of Public Affairs, the following appointments to the Humphrey Institute Advisory Committee are hereby approved:

Honorary Member: Frances Humphrey Howard

Three-year terms, expiring June 30, 1994: Charles H. Casey, Wilton Dillon (second term), Thomas L. Hughes, Akira Iriyama, Walter F. Mondale (second term), Katherine Murphy (second term), William Pearce (second term) and Vernon Ruttan (second term).

- c) Approval of resolution re Appointment of Rochester Area Advisory Committee Members, as follows:

RESOLVED, that the following appointments to the Rochester Area Advisory Committee are hereby approved:

One-year terms, expiring June 30, 1992: Dr. Charles H. Casey, Al Cutaia, Allan DeBoer, Carol Kamper, Dr. Franklyn Knox, John Mulder, Greg Sherman, Marilyn Stewart and Donald Sudor.

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

Chair Craig reported that the committee also reviewed a program proposal for a graduate minor in Studies of Science and Technology at the Ph.D. and Master's levels; received the annual report on the Minnesota Extension Service; and engaged in a discussion pertaining to international education financial issues.

REPORT OF THE AUDIT COMMITTEE

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


- a) Approval of the Compliance Officer's Quarterly Report as presented to the committee in the docket materials.

- b) Approval of the Director of Audits' Quarterly Report as presented to the committee in the docket materials.
- c) Approval to extend the contract for Coopers & Lybrand to be engaged as the external auditor for the University of Minnesota for the 1991-92 fiscal year.

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

Chair Page reported that the committee also received an update regarding the status of external audit activities and an update on the progress of the Financial Management System development.

The meeting adjourned at 12:15 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

July 22, 1991

A meeting of the Board of Regents of the University of Minnesota was held on Friday, July 22, 1991, at 9:00 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Anderson, M. Page, and, Roe. President Hasselmo presided.

Regents connected via telephone: Craig, Keffeler, Kuderer, Neel, A. Page, Reagan and Sahlstrom.

Staff present: Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Hughes and Perlmutter; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Affirmative Action Director Mullen; and Professor Robert Beck.

**APPOINTMENT OF DEAN
COLLEGE OF EDUCATION**

President Hasselmo called the meeting to order and introduced Senior Vice President Infante who presented a recommendation that Professor Robert Bruininks be offered the position of Dean of the College of Education.

Regent Roe moved that the appointment be approved. The motion was seconded.

President Hasselmo commented briefly indicating that diversity in filling administrative positions is a high priority for the University of Minnesota and affirmative action is clearly included in all search processes. He stated that the availability of women and minorities for administrative positions has improved over the last year. However, it is essential to the functioning of the University that it continue to strive to attain distribution among genders and ethnic groups as represented in society.

He further indicated that as of January 1991, the University adopted a new set of search procedures which provides for more flexibility in the search process resulting in shorter and more efficient searches.


Several Regents expressed statements of support for the appointment.

Regent Alan Page stated that it was important to note that the issues which had been raised with regard to the appointment were not issues that related to the individual involved. They were issues that related to the direction that the University is going to go with respect to having a diverse faculty, student body and administration.

Regent Keffeler indicated that she also supports the appointment, reiterating the comments by Regent Alan Page that the issues raised about the appointment were not about the individual, but about the University's overall quality results in attaining diversity. She stated that she feels the University is coming to grips with two important areas of concern: 1) the search process which tends to be slow, cumbersome, expensive and not effective in achieving diversity and 2) the slow pace in efforts to attain diversity, specifically with regard to Afro American availability. She stated that other universities are doing a better job in attaining diversity and the University of Minnesota needs to move more aggressively and effectively in filling its own diversity agenda.

The Board of Regents voted unanimously to approve the recommendation of Robert Bruininks as Dean of the College of Education, effective September 16, 1991.

The meeting adjourned at 9:15 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary