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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

MINUTES

BOARD OF REGENTS' MEETING

AND

REGENTS' COMMITTEE MEETINGS

November 12-13, 1992

Office of the Board of Regents

220 Morrill Hall

UNIVERSITY OF MINNESOTA**BOARD OF REGENTS****Minutes of the Board of Regents' Meeting
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Year 1992-93

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

November 12, 1992

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

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

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

Student Representative present: Karen Schlangen and Brian Swanson.

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

SENIOR VICE PRESIDENT'S QUARTERLY REPORT

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

The following items of discussion were included in the report:

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

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

- Staffing issues in the Internal Audit Department

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

- CUFS Remedial Action Plan

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

The committee engaged in an extended discussion.

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

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

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

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

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

- Followup on Internal Audit Report on Bank Reconciliations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr. Chronister concurred with this recommendation.

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

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

EXTERNAL AUDITOR'S REPORT

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

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

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

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

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

The meeting adjourned at 9:10 a.m.



BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

November 12, 1992

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

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

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

Student Representatives present: Becky Fritel and Brian Swanson.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

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

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

PROJECTS PREVIOUSLY SUBMITTED FOR INFORMATION

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

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

**REAL ESTATE TRANSACTIONS PREVIOUSLY
SUBMITTED FOR INFORMATION**

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

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

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

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

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

- c) Sale of Parker Sanders Duluth Property

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute the appropriate documents providing for the sale of the Parker Sanders Duluth Property to Steve Dronen for the sum of \$300.

PROJECTS PRESENTED FOR INFORMATION

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

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

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

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

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

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

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

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

**Domestic Water Pipe Replacement
Duluth Campus**

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

REAL ESTATE TRANSACTIONS PRESENTED FOR INFORMATION

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

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

**Sale of Former Dormitory Buildings
Waseca Campus**

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

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

The meeting adjourned at 4:40 p.m.

Barbara Muesing
BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Financial Operations & Legislative Committee

November 12, 1992

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

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

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

Student Representative present: Courtney Jaren.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

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

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

PURCHASE OF GOODS/SERVICES OVER \$250,000

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

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

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

QUARTERLY MANAGEMENT REPORT

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

LEGISLATIVE STRATEGY

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

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

The meeting adjourned at 2:35 p.m.

Barbara Muesing
BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

November 12, 1992

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

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

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

Student Representatives present: Courtney Jaren and Sara Nienow.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

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

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

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

CIVIL SERVICE RULES CHANGES

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

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

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

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

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

WHEREAS, according to the Board of Regents' Policy on Board Operation and Agenda Guidelines, regental approval of proposed changes to the Civil Service Rules is required;

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Senior Vice President for Academic Affairs, and the Senior Vice President for Finance and Operations, the Board of Regents approves the Civil Service Rules changes as outlined in the docket for October 8, 1992.

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

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

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

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

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

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

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

ANNUAL SUMMARY OF ACADEMIC PERSONNEL ACTIONS

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

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

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

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

The meeting adjourned at 4:50 p.m.

Barbara Muesing
BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning and Policy Committee

November 12, 1992

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

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

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

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

SENIOR VICE PRESIDENT'S MONTHLY REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPOINTMENTS TO THE MINNESOTA LANDSCAPE ARBORETUM FOUNDATION BOARD OF TRUSTEES

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

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

The committee voted unanimously to recommend approval of the resolution.

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

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

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

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

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

REGENTS' POLICIES ON HEALTH SCIENCES

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

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

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

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

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

REPORT ON TEACHING AND LEARNING STRATEGIES AND INNOVATIONS

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

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

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

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

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

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

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

The meeting adjourned at 3:30 p.m.



Barbara Muesing
BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

November 12, 1992

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

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

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

Student Representative present: Rachel Paulose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OPEN FORUM

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

**Karen Schlangen
Student Representative to the Board of Regents**

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

**Malaika McKee
Member, Student Consultative Committee**

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

**Jan Wickstrom
Chair, Student Services Fees Committee**

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

**Elizabeth Mensing
Council of Graduate Students**

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

Karen Linner
Graduate Student, Public Affairs

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

Kym Kettler
Member, Student Emergency Loan Committee

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

Scott Muggli
Student

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

Ronald Pajari
University Alumnus

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

Steven Brehe
Staff member, Computer Information Services

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

Tom Milton
Associate Professor, Forest Products Department

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

Patricia Olson
Associate Professor, Small Animal Clinical Sciences

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

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

**William Charlesworth
Professor, Institute of Child Development**

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

**Paul Aasness
Minnesota Wheat Research & Promotional Council**

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

**John Kraemer
Former University Employee**

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

**Barbara Nesheim
Vice President, AFSCME Local at the University**

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

**Mary Easterling
Vice Chair, Civil Service Committee**

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

Robert Hogg
Student, University Law School

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

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

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

Roberta Megard
Community Organizer, St. Anthony Park Association

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

Linnea Stromberg-Wise
Valleyfair Amusement Park

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

Al Brodie
Minnesota Motel Association

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

James Smith
Associate Professor, Fisheries and Wildlife

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

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

The meeting adjourned at 12:20 p.m.



BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

November 13, 1992

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

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

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

Student Representative present: Rachel Paulose.

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

HONORS COMMITTEE REPORT

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

SUMMARY OF EXPENDITURES

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

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

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

HOSPITAL GOVERNANCE COMMITTEE RECOMMENDATIONS

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

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

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

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

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

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

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

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

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

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

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

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

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC STRATEGIC PLAN

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

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

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

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

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

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

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

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

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

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

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

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

REPORT OF THE NOMINATING COMMITTEE/ HOSPITAL BOARD OF GOVERNORS

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

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

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

POWER EFFICIENCY PROGRAM GRANT APPLICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REPORT ON INVESTMENT MANAGEMENT

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

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

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

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

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

REPORT ON PHYSICAL PLANT LEGISLATIVE AUDIT RECOMMENDATIONS

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

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

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

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

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

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

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

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

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

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

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

The meeting adjourned at 11:30 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

November 13, 1992

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

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

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

APPROVAL OF MINUTES

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

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

REPORT OF THE PRESIDENT

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

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

REPORT OF THE CHAIR

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

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

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

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

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

GIFTS

Associate Vice President Fischer presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation and the Minnesota Medical Foundation as listed in the docket material and on file in the Regents' Office. Associate Vice President Fischer noted a gift from the Mr. & Mrs. George W. Taylor Foundation in the amount of \$25,000.

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

CONTRACTS AND GRANTS/APPLICATIONS AND AWARDS

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

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

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

REPORT OF THE COMMITTEE OF THE WHOLE November 12, 1992

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

REPORT OF THE COMMITTEE OF THE WHOLE November 13, 1992

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

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

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

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

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

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

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

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

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

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

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

REGENTS' POLICY

HOSPITAL AND CLINIC

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

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

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

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

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

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

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

- (1) Review and approve the Hospital and Clinic's statement of mission and strategic plan;
- (2) Review and approve the Hospital and Clinic's operating and capital budgets;
- (3) Review and approve capital expenditures by the Hospital and Clinic that involve requests for legislative funding or that require an increase in capital indebtedness;
- (4) Review and approve the Bylaws of the Board of Governors;
- (5) Determine the Hospital and Clinic's functional and structural relationships with other University of Minnesota bodies; and
- (6) Receive from the Board of Governors such reports as the Board of Regents or any committee of the Board of Regents may deem necessary from time to time regarding the mission, operation, and financial condition of the Hospital and Clinic.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, according to the Board of Regents' Policy on Board Operation and Agenda Guidelines, regental approval of proposed changes to the Civil Service Rules is required;

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Senior Vice President for Academic Affairs, and the Senior Vice President for Finance and Operations, the Board of Regents approves the Civil Service Rules changes as outlined in the docket for October 8, 1992.

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

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

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

REPORT OF THE FACILITIES COMMITTEE

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

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

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

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

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

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

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

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

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

c) Sale of Parker Sanders Duluth Property

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to execute the appropriate documents providing for the sale of the Parker Sanders Duluth Property to Steve Dronen for the sum of \$300.

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

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

REPORT OF THE FINANCIAL OPERATIONS & LEGISLATIVE COMMITTEE

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

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

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

The following contract was included in the material:

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

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

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

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

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

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

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

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

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

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

REPORT OF THE AUDIT COMMITTEE

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

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

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

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

OLD BUSINESS

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

The meeting adjourned at 12:20 p.m.

Barbara Muesing
BARBARA MUESING
Executive Director &
Corporate Secretary