

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**December 9, 2005**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, December 9, 2005, at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Clyde Allen, Peter Bell, Frank Berman, Dallas Bohnsack, John Frobenius, Steven Hunter, David Larson, David Metzen and Lakeesha Ransom.

Staff present: President Robert Bruininks; Chancellors Charles Casey and Samuel Schuman; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Kathryn Brown, Carol Carrier, R. Timothy Mulcahy, Kathleen O'Brien, Richard Pfitzenreuter, and Linda Thrane; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice Presidents Terry Bock, Steve Cawley, Donna Peterson, and Michael Volna.

Regent Simmons announced she was chairing this month as Regent Baraga had taken a short leave of absence from his duties as chair.

**INTRODUCTION OF DEAN OF SCHOOL OF PUBLIC HEALTH**

President Bruininks called on Senior Vice President Cerra to introduce John R. Finnegan, Jr. newly-appointed Dean of the School of Public Health. Finnegan briefly addressed the Board.

**APPROVAL OF MINUTES**

A motion was made and seconded, and the Board of Regents voted unanimously to approve the minutes of the following meetings:

Litigation Review Committee – November 10, 2005  
Audit Committee – November 10, 2005  
Faculty Staff & Student Affairs Committee – November 10, 2005  
Facilities Committee – November 10, 2005  
Work Session – November 10, 2005  
Board of Regents – November 10, 2005

**REPORT OF THE PRESIDENT**

President Bruininks reported briefly on progress of the strategic positioning process noting that over 500 members of the University community have been working on approximately 30 task forces charged with creating an implementation strategy.

The President also reported on projects and progress that have resulted from the Children, Youth & Families Initiative that was announced two years ago.

Finally, the President noted the passing of Gerald Christenson, the former Chancellor of MnSCU, the state's community college system.

A copy of the Report of the President is on file in the Board Office.

### **REPORT OF THE CHAIR**

Vice Chair Simmons reported on the Governor's recent mission to China. President Bruininks, Regents Metzen and Simmons accompanied the Governor as part of the education delegation. She called on Regent Metzen who provided comments about the trip. Simmons added that the University plays a major role with regard to the educational relationship between the University and China and particularly noted the important role of the University's China Center in the relationship.

Simmons noted the resignation of Regent Richard McNamara from the Board of Regents. She spoke about his role as a Regent and his commitment to the University of Minnesota.

Lastly, she noted the next meetings of the Board will be held on February 9-10, 2006.

### **RECEIVE AND FILE REPORTS**

Vice Chair Simmons noted the receipt and filing of the Quarterly Report of Grant and Contract Activity.

### **GIFTS**

Assistant Vice President Judy Kirk presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation through October 31, 2005 as included in the docket materials.

A motion was made, seconded, and the Board of Regents voted unanimously to approve the receipt of gifts as presented.

### **QUARTERLY SUMMARY OF EXPENDITURES**

Regent Simmons presented the Quarterly Summary of Expenditures for the Office of the Board of Regents, the President's Office, and Eastcliff Operations, for three months ending September 30, 2005 as contained in the docket materials.

A motion was made and seconded and the Board of Regents voted unanimously to approve the Summary of Expenditures for the period ending September 30, 2005.

### **APPOINTMENT OF REGENTS PROFESSOR**

President Bruininks reported that a recommendation from the Regents Professor Nominating Committee was forwarded to the Board in a letter dated November 23, 2005. He would recommend approval of the recommendation.

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

## **SIX-YEAR CAPITAL IMPROVEMENT PLAN**

President Bruininks presented the following resolution for approval relating to the Six-year Capital Improvement Plan (Plan):

WHEREAS, preserving the University campuses through stewardship of public investments that have been made over 150 years is a commitment the Board has made to the State; and

WHEREAS, advancing key academic priorities is critical for the University to achieve and maintain excellence; and

WHEREAS, continuing investment in research infrastructure is essential for the future competitiveness of the University and the State of Minnesota; and

WHEREAS, enhancing the student experience for both undergraduate education and graduate and professional education is required as the core of its mission in order to generate and disseminate knowledge; and

WHEREAS, improving outreach and engagement is necessary in order to transform State communities, fuel the State economy, address State social issues, and improve the State's health; and

WHEREAS, the administration has developed a capital-planning framework designed to focus its capital planning efforts toward projects that support the University's institutional priorities within a financial strategy that is responsible;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents approves the University's Six-Year Capital Improvement Plan in order to create and maintain facilities that serve as tools in accomplishing the University's education, research and outreach objectives.

Bruininks introduced Vice Presidents O'Brien and Pfutzenreuter who briefly reviewed highlights of the Plan that were reviewed in detail at the November 2005 meeting of the Board of Regents.

The Board of Regents voted unanimously to approve the resolution relating to the University's Six-Year Capital Improvement Plan.

### **BOARD OF REGENTS POLICY: *STUDENT REPRESENTATIVES TO THE BOARD OF REGENTS***

Regent Simmons presented a proposed amendment to Board of Regents Policy: *Student Representatives to the Board of Regents*. The policy amendment changes the term of office starting date for student representatives from May 1 to June 1, to better conform with student elections on all campuses.

The item will be on the February 2006 agenda for action.

### **ANNUAL REPORT ON STATUS OF UNIVERSITY RESEARCH**

Vice President Mulcahy presented the annual report on the status of the University's research programs as provided in the docket materials. Included in the report were: a summary of sponsored program activity for FY2005; an analysis of

research support trends for the past ten years; a comparison of research performance with peer institutions; and an overview of the federal research budget and implications for university research.

Key highlights of the report indicated that total awards for FY2005 totaled \$563.4 million, representing an increase of 7.6 percent from FY2004. Expenditures totaled \$510.9 million, a 5.3 percent increase over FY2004. Award totals were up significantly in several colleges including the School of Pharmacy, Medical School, School of Public Health, College of Education, and the College of Liberal Arts. Faculty submitted nearly 1000 more grant proposals to funding agencies in 2005 compared to 1996. The increased level of activity reflects, in part, the faculty's response to the increasingly competitive nature of sponsored research.

Results from patent and licensing efforts showed continued gains throughout FY2005. However, the number of new start-up companies arising from University intellectual property was disappointingly low considering recent efforts to bolster performance in this area.

Mulcahy reported that while the University of Minnesota has continued a trend of progressive growth over the past decade, various analyses suggest that the growth rate has trailed many of its peers. While the University ranked 8<sup>th</sup> in the 2003 National Science Foundation (NSF) rankings, the growth rate differential has 1) contributed to a drop in the University's position in the NSF rankings; 2) eroded the lead the University has enjoyed over several lower ranked public research universities; and 3) widened the gap between the University of Minnesota and the current top four public research universities. Additionally, it is expected that federal funding for research may remain at its current level or possibly lower in the near future. He added that it is imperative that the University revitalize its research enterprise if it is to obtain its strategic objective of becoming one of the top three research universities in the world.

Board members expressed serious concern regarding the University's slippage in research rankings.

In response to questions from Board members, Mulcahy reported that the University is in the process of identifying a number of ways for the University to increase its research funding:

- Invest in areas where the University is already competitive, i.e. technology and medicine;
- Broaden the faculty's support for the University's vision;
- Provide mechanisms to assist faculty and staff manage extremely large complex grants that involve multiple institutions;
- Invest heavily in infrastructure to keep the University on the cutting edge of research; and
- Define areas to invest limited resources in the direction of a specific goal.

Mulcahy added that he is confident that the outcome of the strategic positioning effort, with the support of the Board, faculty, and students, will reverse the decline in research rankings that the University has been experiencing.

President Bruininks stated that reversing the decline in research rankings will require a long-term strategy with set priorities. He stressed that the legislature needs to understand that the University cannot reverse this decline without sufficient funding from the state. It will require a strong partnership with the state and the private sector if it is to succeed.

## **ANNUAL FINANCIAL REPORT**

Vice President Pfutzenreuter and University Controller Volna presented the Annual Financial Report for FY2005.

Volna reported that the University's balance sheet continues to be strong. Total assets of \$3.8 billion increased by \$225.8 million, or 6.3 percent, over the prior year. Liabilities remained the same as FY2004 at \$1.19 billion. The University experienced very favorable returns on investments during FY2005. Future financial strength is dependent on new sources of revenue, cost containment, state support, and focusing the University's financial resources on its core mission. He reviewed details of the balance sheet, the statement of revenues and expenses and changes in net assets, indicating that total operating revenues for FY2005 were \$1.4 billion and total operating expenses were \$2.2 billion. He reviewed information relating to cash balances and cash flows and provided brief summary statements relating to the University's component units that include the University of Minnesota Foundation, Minnesota Medical Foundation, Minnesota Landscape Arboretum Foundation, Minnesota 4-H Foundation, University of Minnesota Physicians, University of Minnesota Alumni Association, University Gateway Corporation.

Pfutzenreuter reiterated that while FY2005 was a solid financial year for the University, there are continued financial challenges. He believes that the University's financial platform is strong and is well positioned to move forward.

A copy of the 2005 University of Minnesota Annual Financial Report is on file in the Board Office.

## **STRATEGIC POSITIONING ADMINISTRATIVE IMPLEMENTATION PROGRESS REPORT**

Vice President O'Brien provided an update on progress of the Strategic Positioning Administrative Service and Productivity Steering Committee (Committee). The Committee was formed to support the implementation of the President's Strategic Positioning Report (Report) endorsed by the Board of Regents in March 2005. The Committee, formed in July 2005, was charged with implementing seven action areas included in the Report that are intended to ensure that the University of Minnesota will be as well known for the quality of its service, management, and business innovation as it is known for its research and education. The seven action areas are:

1. Recognize the University of Minnesota, its campuses, colleges, departments, and units as a single enterprise.
2. Embrace and achieve a culture that is committed to excellence, service, and continuous improvement.
3. Transform the "centralized vs. decentralized" administrative structure.
4. Adopt best-practice management tools throughout the University that support fact-based decision making.
5. Focus administrative support on serving student, faculty, and academic units.
6. Maximize opportunities for the people of the University to grow, develop, and contribute.
7. Optimize the use of the University's physical, financial, and technological resources.

O'Brien provided detailed information on progress for each of the seven action areas as contained in the materials distributed at the meeting and on file in the Board Office. A timeline of the process was provided. O'Brien noted that the next update will be provided to the Board in approximately six months.

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

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

- a) Approval of the Consent Report for the Educational Planning & Policy Committee as presented to the committee and described in the December 9, 2005 committee minutes.
- b) Adoption of amendments to Board of Regents Policy: *Research Secrecy*, as follows:

### **OPENNESS IN RESEARCH**

#### SECTION I. SCOPE.

This policy applies to research conducted at the University of Minnesota (University) by University faculty, staff, students, visiting researchers, and volunteers, except as provided in Section II.

#### SECTION II. EXCLUSIONS.

This policy shall not apply when:

- (a) the research is performed by faculty members on leave from the University or serving as consultants; or
- (b) the research involves services performed as an external sale, provided that the results of such services either may be published freely in the aggregate or may be used to guide the design of broader research activities.

#### SECTION III. GUIDING PRINCIPLES.

The mission of the University is to generate and disseminate knowledge. Essential to this mission are the fundamental principles of open scholarly exchange and academic freedom. Absent compelling reasons, the University shall not accept restrictions on participation in University research or on the dissemination of the results of University research. The University cooperates with research sponsors in the orderly publication of research results, subject to appropriate restrictions on the use of publications or of the University's name for commercial purposes.

#### SECTION IV. ACCEPTANCE OF RESEARCH AGREEMENTS.

The following provisions shall govern the acceptance of research grants and contracts by the University:

Subd. 1. Disclosure of the Research Relationship. The University shall not accept support from any source for research under a contract or grant that prohibits the disclosure of:

- (a) the existence of the contract or grant;
- (b) the identity of the sponsor or the grantor and, if a subcontract is involved, the identity of the prime contractor if the results of the research must be reported to the sponsor, grantor, or prime contractor; and

- (c) the purpose and scope of the proposed research in sufficient detail (i) to permit informal discussion concerning the wisdom of such research within the University and (ii) to inform colleagues in immediate and related disciplines of the nature and importance of the potential contribution to the disciplines involved.

Subd. 2. Open Dissemination of Research Results. The University shall not accept support for any research under a contract or grant if the contract or grant limits the full and prompt public dissemination of results or specifically permits the retroactive classification of results as nonpublic, except for reasons found compelling through a review process specified in administrative procedures.

Subd. 3. Retroactive Restrictions on Research Results. If a sponsor imposes restrictions on the disclosure of research results after the research has begun, the University shall reevaluate whether to continue the work. In the reevaluation, the University shall apply the provisions of this policy and a review process specified in administrative procedures.

Subd. 4. Use of Facilities. University facilities shall not be available for research that violates this policy. Any exceptions shall be considered through a review process specified in administrative procedures.

#### SECTION V. PUBLICATION.

The following provisions shall govern the publication of research results:

Subd. 1. University's Right to Publish. The University reserves the right to publish and present research results, individually and in collaboration with other researchers. When a research sponsor requests prior review, the University shall provide an opportunity for review of the manuscript or presentation materials and will consider suggested modifications prior to publication.

Subd. 2. Attribution. Publications by the University shall properly acknowledge the financial support and other contributions of research sponsors.

Subd. 3. Brand and Trade Names. Publication and presentation of research results by either the University or the sponsor shall not include commercial brands or trade names unless such brand or trade name is essential to the description of the research.

Subd. 4. Publicity. Research grants and contracts may provide that University researchers must obtain prior written approval from the sponsor for any prepublication publicity regarding the research results.

Subd. 5. Authorization. Authorization for Research Sponsor to Publish. If the University elects not to publish research results, the research sponsor may publish them with the University's consent, which shall not be unreasonably denied.

SECTION VI. USE OF UNIVERSITY NAME.

The name of the University shall not be used in any way by research sponsors for advertising purposes.

SECTION VII. DELEGATION OF AUTHORITY

The president or delegate is authorized to adopt and amend administrative policy and procedures to ensure implementation of this policy.

SUPERSEDES: PUBLICATION OF INVESTIGATION RESULTS DATED JULY 19, 1940 AND RESEARCH SECRECY DATED JULY 10, 1969.

- c) Approval of a resolution related to Events and Classes on Precinct Caucus Night, as follows:

WHEREAS, Minnesota state statutes limit the scheduling of events and classes after 6:00 p.m. on the day of a major political party precinct caucus; and

WHEREAS, events and classes may be held after 6:00 p.m. on the evening of a major political party precinct caucus with the approval of the Board of Regents (Board); and

WHEREAS, the University of Minnesota (University) offers events and classes throughout the day and evening, with evening classes often meeting only one night a week; and

WHEREAS, it is in the best educational interest of the University to have the flexibility to schedule events and classes as appropriate;

WHEREAS, the Board encourages citizen participation in the political process and supports efforts by the administration and faculty to make appropriate accommodations to promote participation;

NOW, THEREFORE, BE IT RESOLVED that the University may schedule events and classes after 6:00 p.m. on the day of a major political party precinct caucus; and

BE IT FURTHER RESOLVED that individual faculty may choose, but are not required, to make alternative arrangements for their own classes; and

BE IT FURTHER RESOLVED that faculty are expected to accommodate individual students who wish to participate in the caucus night process; and

BE IT FURTHER RESOLVED that the Board delegates to the President the authority to determine the nature and scope of appropriate accommodation.

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

Bell reported that the committee discussed format issues related to the University Plan, Performance & Accountability Report and reviewed issues related to K-12 partnerships. The committee also reviewed information items as described in the docket materials.

### **REPORT OF THE FACILITIES COMMITTEE**

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

- a) Adoption of amendments to Board of Regents Policy: *Campus Health and Safety*, as follows:

#### **CAMPUS HEALTH AND SAFETY**

Subd. 1. Scope. This policy applies to all campuses and facilities of the University of Minnesota (University).

Subd. 2. Commitment. The University is committed to providing a safe, secure, and healthy environment for its students, faculty, staff, and visitors. Campus health and safety encompasses personal security and public safety; protection of environmental, physical, and fiscal resources; workplace safety; safe and healthful facilities; and emergency management.

Subd. 3. Mutual Responsibility. University administration shall provide leadership by example and implement programs system-wide to promote and advance a safe, secure, and healthy campus. The University expects students, faculty, and staff to comply with internal and external health and safety policies and procedures and to fulfill their mutual responsibilities for achieving excellence in campus health and safety.

SUPERSEDES: EMERGENCY MANAGEMENT DATED MARCH 12, 1976 AND ENVIRONMENTAL HEALTH AND SAFETY DATED OCTOBER 8, 1976.

- b) Approval of amendments to the FY06 Capital Budget by:
  - \$950,000 for the Gibson-Nagurski Training & Equipment Room Renovation Projection on the Twin Cities campus
  - \$1,300,000 for the University Office Plaza, 2221 University Avenue, *Minnesota Daily* Relocation Project on the Twin Cities campus.
- c) Approval of the following real estate transactions as described in the docket materials:
  - A. Purchase of 8.94 Acres at 601 – 25<sup>th</sup> Avenue SE and 2302 Marshall Avenue SE, Minneapolis.

- B. Sale of 2.352 Acres and Supercomputer Center Building at 1200 Washington Avenue South, Minneapolis.
- C. Permanent Easement & Temporary Construction Easement to Metropolitan Council for Empire Wastewater Treatment Facility Expansion in Dakota County.

Regent Bell recused himself and left the room during the discussion and action on the item pertaining to the Permanent Easement & Temporary Construction Easement due to a possible conflict of interest.

- d) Approval of the schematic plans for the following:
  - A. Student-Alumni Learning Center, College of Veterinary Medicine, Twin Cities campus
  - B. Darland Administration Building Exterior Stone Replacement, Duluth campus

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

Metzen reported that the committee reviewed a proposed amendment to the FY06 Capital Budget related to the Social Science Building on the Morris campus and two proposed real estate transactions: 1) purchase of 4.51 acres at 800 – 23<sup>rd</sup> Avenue SE, Minneapolis; and 2) purchase of 40 acres in Koochiching County for a Forest Resources Field Test Site.

#### **REPORT OF THE AUDIT COMMITTEE**

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

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

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

- a) Approval of the Consent Report for the Faculty, Staff, & Student Affairs Committee as presented to the committee and described in the December 9, 2005 committee minutes.
- b) Adoption of Board of Regents Policy: *Employee Group Definitions*, as follows:

#### **Employee Group Definitions**

##### SECTION I. SCOPE.

This policy defines every employee group within the University of Minnesota (University) in which there exists an employer-employee relationship. Employees within each group are governed according to the policies, rules, and contracts applicable to their group. This policy does not apply to those individuals who are working at the University under independent contractual agreements and are not members of a defined employee group. The terms and conditions of

employment for these individuals are specified in their employment contracts.

## SECTION II. GUIDING PRINCIPLES.

(a) The University shall seek to recruit, mentor, reward, and retain world-class faculty and staff and provide employment opportunities for students during their enrollment.

(b) The University shall classify its positions according to (1) the nature of the work, and (2) the knowledge, skills, abilities, and levels of difficulties of duties and responsibilities assigned to and performed by employees appointed to such positions.

(c) The University extends the safeguards of academic freedom to its employees and holds them to high standards of academic responsibility pursuant to Board of Regents (Board) policy.

(d) The University's system of employment shall provide reasonable and fair treatment and invest in the success of its employees.

## SECTION III. DEFINITIONS.

Subd. 1. Classification. *Classification* shall mean the grouping that includes all positions of sufficiently similar mix or range of responsibilities or job duties.

Subd. 2. Exempt. *Exempt* shall mean employees primarily performing work exempt from or not subject to the overtime provisions of the Fair Labor Standards Act and for whom overtime pay is not required by federal law.

Subd. 3. Non-exempt. *Non-exempt* shall mean employees primarily performing work subject to the overtime provisions of the Fair Labor Standards Act and for whom overtime pay is required by federal law.

## SECTION IV. REQUIREMENTS.

Subd. 1. Statutory Compliance. Definitions of all employee groups and classifications shall comply with all applicable local, state, and federal labor laws or statutes.

Subd. 2. Terms and Conditions. The University shall ascribe to each employee group the terms and conditions of employment (a) dictated by law, (b) negotiated where applicable, and (c) in accordance with sound employment practice.

Subd. 3. Compensation. Employees shall be compensated for carrying out the responsibilities of their position. Total compensation shall include annual base salary plus fringe benefits as determined by the employee group, appointment type, percent of time worked, duration of appointment, and any other eligibility requirements specified.

## SECTION V. EMPLOYEE GROUPS.

### Subd. 1. Faculty.

(a) Definition. Regular (tenured/tenure track) faculty are engaged in teaching, research, and service. Term faculty are engaged in one or more of these functions.

(b) Governing Documents. Board policies, University policies and procedures, and collective bargaining agreements for union-represented faculty shall govern faculty.

### Subd. 2. Academic Professional and Administrative

(a) Definition. The academic professional and administrative (P&A) employee group includes the following sub-groups of employees:

(1) Academic Professionals. Academic professionals parallel faculty in having the requisite preparation and specialized knowledge in an academic discipline or field and in exercising independent professional judgment. These individuals may be engaged in teaching, research, service, and a wide variety of other professional functions within the University.

(2) Academic Administrators. Academic administrators are involved in policy development and execution, and in directing, coordinating, or supervising activities of the University.

(3) Professionals-in-Training. Professionals-in-training are involved in teaching and research. They hold internships, residencies, or are otherwise involved in further training in a disciplinary field.

(b) Representative Body. A representative body is elected by academic professionals and academic administrators from each college, administrative unit, and coordinate campus to (1) participate in the development and implementation of applicable policies, procedures, and compensation plans and (2) advise the administration on any matters related to their conditions, benefits, or annual salary plan.

(c) Governing Documents. Board policies and University policies and procedures shall govern P&A employees.

### Subd. 3. Civil Service.

(a) Definition. The University civil service employee group includes exempt and non-exempt staff whose work supports the academic and administrative functions. Staff perform work that includes, but is not limited to, the following: business operations, information technology, student services, service/maintenance, purchasing, and accounting. Administrative civil service positions typically have a span of control at the department/division level or below.

(b) Representative Body. A committee shall be appointed by the president to represent all areas, campuses, and central administration to (1) review and recommend rules and (2) advise the

administration on any matter related to civil service conditions, benefits, compensation, and salary ranges.

(c) Governing Documents. Civil Service Rules, Board policies, and University policies and procedures govern civil service employees.

Subd. 4. Union-Represented Staff.

(a) Definition. The University recognizes those groups of staff employees that have exclusive representation under law and are statutorily governed.

(b) Governing Documents. Collective bargaining agreements between the Board and the designated union, Board policies, and University policies and procedures govern union-represented staff employees.

Subd. 5. Graduate Assistant.

(a) Definition. Graduate assistants are student employees registered in a graduate or post-baccalaureate professional degree program at the University and employed in a position covered under this employee group. Graduate assistants may be engaged in teaching, research, or administrative functions of the University under the direct supervision of faculty, academic professionals, or administrators.

(b) Governing Documents. Board policies and University policies and procedures govern graduate assistants.

Subd. 6. Student.

(a) Definition. Student employees are those individuals registered for classes who hold employment in non-academic student positions and undergraduate teaching and research assistant positions.

(b) Governing Documents. Board policies and University policies and procedures govern student employees.

SUPERSEDES: ACADEMIC PROFESSIONAL AND ADMINISTRATIVE STAFF DATED DECEMBER 12, 1980; CIVIL SERVICE PERSONNEL DATED NOVEMBER 24, 1945; FACULTY AND ACADEMIC STAFF DATED OCTOBER 8, 1993; AND STUDENT EMPLOYMENT AT THE UNIVERSITY DATED JULY 10, 1981.

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

Bohnsack reported that the committee also received an update on employee health care benefits; reviewed information relating to faculty and staff wellness initiatives; engaged in a discussion related to initiatives and issues concerning student mental health; and reviewed a number of information items as described in the docket materials.

## **REPORT OF THE FINANCE & OPERATIONS COMMITTEE**

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

- a) Approval of the Consent Report for the Finance & Operations Committee as presented to the committee and described in the December 9, 2005 committee minutes.
- b) Approval of a resolution related to issuance of Commercial Paper, as follows:

WHEREAS, it has been proposed that the University proceed with a plan of financing which involves, among other things, the issuance and sale by the University of general obligation indebtedness of the University in the form of commercial paper to finance purchases of land and buildings, construction and remodeling projects undertaken by the University, the acquisition and installation of equipment by the University, and costs of issuance of the commercial paper;

WHEREAS, the commercial paper is proposed to be issued under the University's existing commercial paper program authorized by the Board of Regents in resolutions approved unanimously at its meeting of November 8, 1996, a copy of which is provided in the docket materials, as supplemented and amended in resolutions approved unanimously at its meeting of September 9, 2005, a copy of which is provided in the docket materials (the "Commercial Paper Program");

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

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

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

1. To provide funds to finance purchases of land and buildings, construction and remodeling projects to be undertaken by the University and the acquisition and installation of equipment by the University, the University hereby authorizes the issuance of additional commercial paper pursuant to the Commercial Paper Program in the principal amount of up to \$61,000,000, together with an additional principal amount to finance the costs of issuance of the Commercial Paper (the additional commercial paper so authorized is herein called "Commercial Paper") . The Commercial Paper shall be general obligations of the University and shall mature no later than December 31, 2025.

2. The Treasurer is authorized to negotiate with one or more banks, investment banking firms or financial institutions acting as

the dealer for the Commercial Paper, the terms and conditions upon which the Commercial Paper shall be sold and issued, and to approve the terms of such sale and issuance.

3. In connection with the Commercial Paper Program and the issuance of the Commercial Paper the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order of the University or any supplement or amendment thereto under which the Commercial Paper is to be issued in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the Commercial Paper in accordance with such Indenture of Trust or Order of the University or any supplement or amendment thereto. The signatures of the Secretary and/or Treasurer on the Commercial Paper may be by facsimile.

4. In addition, the Treasurer is further authorized to negotiate with one or more commercial banks, insurers or other credit support or liquidity providers the terms and conditions of any credit support or liquidity facility for the Commercial Paper, and the President and Treasurer are authorized to execute and deliver any agreements of the University with the provider of any such credit support facility or liquidity facility. Such agreements shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel.

5. The Treasurer is authorized to approve the Official Statement, Offering Memorandum, Offering Circular or other offering material to be prepared and distributed by the University to any purchaser or potential purchaser of any of the Commercial Paper (however so entitled, the "Offering Memorandum"), and the Treasurer is authorized to execute and deliver the Offering Memorandum.

6. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate in connection with the Commercial Paper Program and the issuance and sale of the Commercial Paper.

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

8. The execution of any document by the appropriate officers of the University herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, Offering Memorandum, purchase agreement with the initial

purchaser or purchasers of the Commercial Paper or any other document to be executed by the President or Treasurer in connection with the Commercial Paper or Commercial Paper Program may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer.

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

Allen reported that the committee received an update on the State Economic forecast; engaged in discussions related to the Annual Capital Financing & Debt Management Report and the Annual Financial Report. The committee also reviewed a number of information items as described in the docket materials.

#### **REPORT OF THE LITIGATION REVIEW COMMITTEE**

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

The meeting adjourned at 11:30 a.m.

**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**