

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**July 6, 2005**

A meeting of the Board of Regents of the University of Minnesota was held on Wednesday, July 6, 2005, at 3:00 p.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Robert Bruininks; Chancellor Samuel Schuman; Senior Vice President and Provost Thomas Sullivan; Senior Vice President Frank Cerra; Vice Presidents Kathryn Brown, Carol Carrier, R. Timothy Mulcahy, Kathleen O'Brien, and Richard Pfutzenreuter; Executive Director Ann Cieslak; and Provost David Carl.

**RECOGNITIONS**

**Civil Service Committee Chair**

Vice President Carrier recognized the work of outgoing Civil Service Committee Chair Dorit Hafner. Hafner served as chair for the 2004-05 fiscal year.

**Council of Academic & Professional Administrators**

Vice President Carrier recognized the work of Teri Wallace, chair of the Council of Academic and Professional Administrators (CAPA) for FY2005.

**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 - June 1, 2005  
Faculty, Staff & Student Affairs Committee - June 9, 2005  
Finance & Operations Committee - June 9, 2005  
Educational Planning & Policy Committee - June 9, 2005  
Facilities Committee - June 9, 2005  
Board of Regents - June 10, 2005  
Board of Regents - June 13, 2005  
Board of Regents - June 27, 2005

**REPORT OF THE PRESIDENT**

President Bruininks recognized Regent Metzen's leadership as chair of the Board of Regents from 2003 to 2005. He thanked him for his guidance, leadership, and support during a time of change and reform at the University of Minnesota.

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

President Bruininks left the meeting and Senior Vice President and Provost Sullivan replaced the President at the Board table.

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

Chair Baraga presented Regent Metzen with a gavel in recognition of his service as Chair of the Board for 2003-05. He acknowledged Metzen's work during his tenure as chair and expressed appreciation on behalf of the Board for his leadership.

Baraga also reported that Board members would be participating in a retreat at the Oak Ridge Conference Center on July 7-8, 2005 and the next scheduled meetings of the Board will be September 8-9, 2005.

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

Chair Baraga noted the receipt and filing of the Civil Service Committee Report and the Council of Academic Professionals & Administrators Report.

#### **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 May 31, 2005, which is on file in the Board Office.

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

#### **REPORT OF THE ALL-UNIVERSITY HONORS COMMITTEE**

Regent Baraga stated that the Report of the All-University Honors Committee was forwarded to the Board from President Bruininks on June 24, 2005.

A motion was made and seconded and the Board of Regents voted unanimously to approve the Report of the All-University Honors Committee. A copy of the report is on file in the Board Office.

#### **APPOINTMENT OF REGENTS PROFESSORS**

Senior Vice President & Provost Sullivan reported that the Regents Professor Nominating Committee forwarded a recommendation to the Board of Regents on June 24, 2005. The President recommends approval of the recommendation.

A motion was made, seconded, and the Board of Regents voted unanimously to approve the recommendation of the Regents Professor Nominating Committee.

## 2005 LEGISLATIVE ACTION REPORT

This item was delayed until the September 2005 Board meeting.

### 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 July 6, 2005 committee minutes.
- b) Adoption of amendments to Board of Regents Policy: *Conflict of Interest*, as follows:

### INDIVIDUAL BUSINESS OR FINANCIAL CONFLICT OF INTEREST

#### SECTION I. SCOPE.

This policy governs individual conflict of interest and applies to covered individuals at the University of Minnesota (University).

#### SECTION II. DEFINITIONS.

Subd. 1. Covered Individual. *Covered individual* shall mean all paid University faculty; academic professional and administrative employees; and other individuals with responsibility for the design, performance, or reporting of University research.

Subd. 2. Individual Business or Financial Conflict of Interest. An *individual business or financial conflict of interest* shall mean a situation that compromises a covered individual's professional judgment in carrying out University teaching, research, outreach, or public service activities because of an external relationship that directly or indirectly affects a business or significant financial interest of the covered individual, an immediate family member, or an associated entity, as defined in related administrative policy.

Subd. 3. Immediate Family Member. *Immediate family member* shall mean the covered individual's spouse or domestic partner and dependent children.

Subd. 4. Associated Entity. *Associated entity* shall mean any trust, organization, or enterprise over which the covered individual, alone or together with an immediate family member, exercises a controlling interest.

#### SECTION III. GUIDING PRINCIPLES.

The following principles shall assist covered individuals and the University in addressing individual conflict of interest:

- (a) The University encourages covered individuals to engage in professional and business interaction with public and private entities. However, such professional activities can create conflicts of interest or the appearance of conflicts of interest that must be addressed.
- (b) Disclosure of potential significant conflicts is essential to allow for review by the University.
- (c) The University's review process shall assist covered individuals and the University in avoiding or controlling risks to the University's integrity and reputation, while at the same time protecting and furthering the interests of covered individuals, the University, and society in the activities supported by sponsored research and contributions.
- (d) Covered individuals shall not engage in activities in which there is an actual conflict of interest.

#### SECTION IV. ASSURANCE AND DELEGATION OF AUTHORITY.

The president or delegate shall:

- (a) establish an oversight process and administrative policies and procedures to address individual conflicts of interest and to identify situations in which individual conflicts of interest may arise;
- (b) implement a plan to manage, reduce, or eliminate individual conflicts of interest; and
- (c) ensure that the oversight process, policies, and procedures established for identifying and addressing individual conflicts of interest conform to federal regulations related to conflict of interest and objectivity in research.

#### SECTION V. DISCLOSURES.

Annually, covered individuals must complete a *Report of External and Professional Activities (Report)*, regardless of the existence of any potential conflict. Under certain circumstances, they also must file an additional *Report* if a new potential conflict arises.

SUPERSEDES: DISCLOSURE OF CONFLICT OF INTEREST DATED MAY 13, 1988 AND PRESENTING TESTIMONY - IDENTIFICATION OF AFFILIATIONS DATED MARCH 9, 1973.

- c) Adoption of amendments to Board of Regents Policy: *Animal Care and Usage*, as follows:

## ANIMAL CARE AND USE

### SECTION I. SCOPE.

This policy governs University of Minnesota (University) research, teaching, and service activities involving animals when conducted by University faculty, staff, or students or when using University facilities or equipment.

### SECTION II. COMMITMENT.

The Board of Regents (Board) of the University affirms the appropriate use of animals in research, teaching, and service activities and is committed to the highest standards for their humane care and use. The president shall support and protect the officially sanctioned use of animals covered pursuant to this policy.

### SECTION III. GUIDING PRINCIPLES.

In performing their duties, University faculty, staff, and students shall adhere to the following recognized principles:

- (a) procedures involving animals shall be designed and performed with due consideration for their relevance to human or animal health, the advancement of knowledge, or the good of society; and
- (b) the proper use of animals requires avoidance or minimization of discomfort, distress, and pain.

### SECTION IV. DEFINITIONS.

Subd. 1. Institutional Animal Care and Use Committee. *Institutional Animal Care and Use Committee* (IACUC) shall mean the committee established by the president or delegate in accordance with federal regulations to review University protocols, animal facilities, and uses of animals.

Subd. 2. Institutional Official. *Institutional official* shall mean the individual appointed by the president to oversee all aspects of the University's animal care and use programs.

Subd. 3. Research Animal Resources. *Research Animal Resources* (RAR) shall mean the program established by the president or delegate to provide veterinary services and support for activities covered under this policy.

### SECTION V. COMPLIANCE WITH FEDERAL AND STATE LAW.

Subd. 1. Federal and University Responsibilities. As required by federal law, the president or delegate shall appoint an IACUC to ensure that activities covered under this policy meet federal requirements. The president or delegate is responsible for overseeing the IACUC. University officials may not approve an activity covered under this policy if it has not been approved by the IACUC. Activities approved by the IACUC nevertheless may be subject to further review and approval by University officials.

Subd. 2. Regulatory Compliance. All activities covered by this policy must comply with applicable federal and state regulations and

guidelines, including, but not limited to, the Public Health Service *Policy on the Humane Care and Use of Laboratory Animals*, the National Research Council *Guide for the Care and Use of Laboratory Animals*, and the federal *Animal Welfare Act* and United States Department of Agriculture regulations.

SECTION VI. UNIVERSITY COMPLIANCE PROVISIONS.

Subd. 1. President. The president shall:

- (a) ensure that activities covered under this policy meet federal requirements; and
- (b) oversee the institutional official.

Subd. 2. Institutional Official. The institutional official shall:

- (a) ensure compliance with applicable laws, guidelines, and policies;
- (b) appoint IACUC members, in consultation with the administrative staff of the IACUC;
- (c) perform all necessary reporting requirements;
- (d) report to the appropriate federal governmental and University officials any serious or continuing noncompliance with applicable laws and policies and any corrective action taken; and
- (e) consult with the Office of the General Counsel in carrying out these responsibilities as appropriate.

Subd. 3. RAR. The veterinary services and support provided by RAR shall include:

- (a) quality husbandry programs;
- (b) quality veterinary medical services; and
- (c) expert consultation on the selection, care, and use of University animals.

Subd. 4. IACUC. The IACUC has the authority to:

- (a) gain access to all facilities used for the care and research of animals;
- (b) obtain University records and other relevant information related to the use of animals; and
- (c) take any actions, including suspending an activity, that are in its judgment necessary to ensure compliance with applicable federal, state, or University policies and procedures.

Subd. 5. IACUC Responsibilities. The IACUC shall use this authority to:

- (a) review and approve, require modifications to, or withhold approval of all University activities involving animals prior to the start of the activity;
- (b) conduct semi-annual inspections of facilities where animals are being used;
- (c) conduct semi-annual evaluations of the University's animal care and use program;
- (d) conduct continuing review of previously approved activities at

- least once per year;
- (e) review and investigate complaints of noncompliance; and
- (f) promptly report to the institutional official:
  - (1) any alleged serious or continuing noncompliance with federal or state laws or University policies or procedures; and
  - (2) any corrective actions taken in response to noncompliance.

Subd. 6. University Faculty, Staff, and Students. University faculty, staff, and students involved in the care and use of animals shall:

- (a) be appropriately qualified or supervised for conducting procedures on animals;
- (b) participate in training and receive periodic certification of training;
- (c) enroll and participate in an occupational health program; and
- (d) abide by and carry out the decisions of the IACUC.

#### SECTION VII. ADMINISTRATIVE PROCEDURES.

The IACUC, with responsible oversight by the president or delegate, shall maintain appropriate administrative policies and procedures to implement this policy.

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

Regent Simmons expressed the importance of the Board reviewing the Board of Regents Policy: *Individual Business or Financial Conflict of Interest* on a regular basis. She would suggest that, in the future, the administration explore the possibility of combining the Regents Policy: *Individual Business or Financial Conflict of Interest* and the Board of Regents Policy: *Institutional Conflict of Interest* into a single policy based on common philosophy.

Bell reported that the committee also reviewed follow-up information relating to the 2004-05 University Plan, Performance & Accountability Report (Civic Engagement & Academic Quality); engaged in a preliminary discussion relating to the committee's workplan for 2005-06; and reviewed a number of 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) Approval of a resolution relating to the establishment of a governmental program, Mayo-University Biotechnology & Medical Genomics Collaboration, as follows:

WHEREAS, the Regents of the University of Minnesota (University) and the Mayo Clinic have entered into a collaboration to conduct research in biotechnology and medical genomics as described in the Minnesota Partnership for Biotechnology and Medical Genomics Research Collaboration Agreement (Agreement) dated January 1, 2004, a copy of which is provided in the docket materials dated July 6, 2005; and

WHEREAS, it is the intention of the University and the Mayo Clinic, through this collaboration, to achieve breakthroughs and new methods to accurately diagnose and develop innovative therapies for major disease areas such as cancer, heart disease, and neurological disease; and

WHEREAS, it is the hope and intention of the University and the Mayo Clinic through their research efforts to help expand the medical industry in Minnesota, creating new businesses and jobs and further establishing the medical industry as a major contributor to the State's job base; and

WHEREAS, the Agreement contemplates the development of additional laboratory and research space to facilitate the collaborative work of the University and the Mayo Clinic; and

WHEREAS, the University expects to receive a State appropriation in the amount of \$21,726,000 in general obligation bond proceeds to finance the creation and acquisition of a research facility in which to conduct the research contemplated by the collaboration; and

WHEREAS, the State appropriation will be used to partially fund a state-of-the-art medical research facility designed, constructed, furnished, and equipped in a manner suitable for the conduct of medical research in a multi-floor vertical addition to the Mayo Clinic's existing Stabile Building (Addition);

NOW, THEREFORE, BE IT RESOLVED, that the University adopts and establishes the collaborative medical research efforts of the University and the Mayo Clinic, as described in 2005 Minnesota Laws, Chap. 20, H.F. No. 3, Article 1, Section 23, Subd. 19 (provided in the docket materials dated July 6, 2005) and in the Agreement, as a governmental program of the University, including both basic science and clinical research. Such research shall be conducted in the Addition, whose construction is primarily funded by State appropriation of general obligation bond proceeds.

- b) Approval of the schematic plans for the Rowing Facility on the Twin Cities campus and of the appropriate administrative officers proceeding with the award of contracts for the development of construction documents and construction.
- c) Approval of the schematic plans for Centennial Hall Student Housing on the Crookston campus and of the appropriate administrative officers proceeding with the award of contracts for the development of construction documents and construction.

The Board of Regents voted unanimously to approve the recommendations of the Facilities Committee. (Regent Simmons recused herself and left the room during the vote on the resolution relating to the establishment of governmental program, Mayo-University Biotechnology & Medical Genomics Collaboration, due to a possible conflict of interest.

Regent Metzen reported that the committee also engaged in a preliminary discussion of the committee's workplan for 2005-06.

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

Regent Frobenius, Chair of the committee, reported that the committee engaged in discussions relating to an analysis of the University's strategic risks and opportunities; the University's external and internal audit plans; and a preliminary discussion of the committee's workplan for 2005-06.

#### **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 a resolution related to the proposed labor agreement with Law Enforcement Labor Services, Inc., as follows:

WHEREAS, the parties met and negotiated over several months and reached agreement regarding some terms and conditions of employment regarding the employees of this bargaining unit, and sent others to binding arbitration; and

WHEREAS, all terms and conditions of employment for the employees represented by Law Enforcement Labor Services, including those determined through binding arbitration, have been included in a new collective bargaining agreement; and

WHEREAS, according to Board of Regents Policy: *Board Operations and Agenda Guidelines*; approval of labor agreements by the Board of Regents is required;

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for July 6, 2005.

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

Regent Bohnsack reported that the committee received a presentation on staff salary comparison and analysis; engaged in a preliminary discussion of the committee's workplan for 2005-06; 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 July 6, 2005 committee minutes.

The Board of Regents voted unanimously to approve the recommendation of the Finance and Operations Committee.

Regent Allen reported that the committee also engaged in discussions relating to debt refinancing (Goldman Sachs Put Option Agreement) and the committee's preliminary workplan for 2005-06.

**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 3:35 p.m.

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