

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

June 27, 2007

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, June 7, 2007, at 1:00 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Anthony Baraga, presiding; Dallas Bohnsack, Maureen Cisneros, Linda Cohen, Venora Hung, Steven Hunter, Dean Johnson, David Metzen, and Patricia Simmons.

The following Regents participated via telephone: Clyde Allen, John Frobenius, and David Larson.

Staff Present: President Robert Bruininks; Senior Vice President and Provost Thomas Sullivan; Senior Vice President Robert Jones; Vice President Richard Pfutzenreuter; Acting Executive Director Carol Kraus; and Associate Vice President Donna Peterson.

PRESIDENT'S RECOMMENDED ANNUAL OPERATING BUDGET FY2008

A motion was made and seconded to approve the following revised resolution related to the President's recommended annual operating budget for FY2007-08:

WHEREAS, the University of Minnesota as the state's public, land grant university is charged with the responsibility to pursue knowledge and to help apply that knowledge through research and discovery, teaching and learning, and outreach and public service; and

WHEREAS, the State of Minnesota, through its legislative and executive branches, has appropriated \$712,572,000 in state general fund monies for fiscal year 2007-08 to the University of Minnesota, which represents an increase of \$92,993,000 (including \$25 million one-time for the University/Mayo Foundation Partnership) compared to the prior year's base level funding, for the pursuit of its mission and in support of our goals and objectives; and

WHEREAS, the University of Minnesota is committed to achieving standards of national and international excellence; and

WHEREAS, the future of the University is premised on partnerships within the University community of faculty, staff and students, with the State of Minnesota, other educational institutions, business and industry, University alumni, local communities, and the citizens of Minnesota; and

WHEREAS, the University of Minnesota must be positioned to maintain desired undergraduate enrollment levels and enrollment profiles on each campus as the number of high school graduates declines over the next 5-10 years in the reciprocity states from which the University recruits most of its nonresident students,

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

Approves the University of Minnesota Fiscal Year 2007-08 Operating Budget as follows:

The annual revenue and expenditure plan for current, non-sponsored funds and projected expenditures for sponsored funds for fiscal year 2007-08.

The Fiscal Year 2007-08 Operating Budget approved by the Board of Regents includes the following attachments which are included in the President's Recommended Fiscal Year 2007-08 Operating Budget:

- Attachment 1 – Resource and Expenditure Budget Plan (University Fiscal Page)
- Attachment 2 – University of Minnesota 2007-08 Tuition Plan: Tuition Rates
- Attachment 6 – University of Minnesota 2007-08 Tuition Plan: Course Fees
- Attachment 7 – University of Minnesota 2007-08 Tuition Plan: Academic Term Fees
- Attachment 8 – University of Minnesota 2007-08 Tuition Plan: Fees in Lieu of Tuition
- Attachment 9 – Student Services Fees
- Attachment 10 – Fund Forecast - Centrally Distributed and Attributed Funds

Approves a new tuition structure for new nonresident, non-reciprocity undergraduate students matriculating in 2008-09 on the Duluth and Twin Cities campus that sets tuition for such students at the resident rate plus \$1,000 per semester on the Duluth campus and at the resident rate plus \$2,000 per semester on the Twin Cities campus.

Bruininks noted that the language in the resolution relating to the Minnesota/Wisconsin reciprocity agreement was removed pending final resolution of a draft agreement between the two states. A final recommendation regarding reciprocity will be presented to the Board at its September 2007 meeting.

President Bruininks briefly reviewed the details of the proposed two-year operating budget plan as described in the docket materials on file in the Board Office, noting that the plan was reviewed in detail at the June 8, 2007 Board meeting. He stated that the investments in the budget continue to emphasize the University's strategic positioning goals.

Bruininks summarized the proposed tuition reforms, indicating they were designed to improve affordability and access for students. In response to a question from Regent Frobenius, Bruininks indicated that the disparity in proposed tuition increases of 4.5 percent in year one and 7.5 percent in year two reflect the significant shortfall in State appropriations and carryover funds in year two of the biennium, the alignment with the University's strategic positioning priorities, and the commitment to invest in compensation and benefits. He explained how the tuition restructuring strategies benefit a vast number of students, and added if additional funding were to become available, reducing tuition would be a priority.

Board members expressed support for the operating budget and the demonstrated commitment to excellence.

Chair Baraga called for a roll call vote on the motion. The votes were cast as follows:

Regent Allen	Yes
Regent Baraga	Yes
Regent Bohnsack	Yes
Regent Cisneros	Yes
Regent Cohen	Yes
Regent Hung	Yes
Regent Frobenius	Yes*
Regent Hunter	Yes
Regent Johnson	Yes
Regent Larson	Yes
Regent Metzen	Yes
Regent Simmons	Yes

Chair Baraga announced that the resolution related to the President's recommended FY 2008 annual operating budget was approved unanimously by the Board of Regents.

The meeting adjourned at 1:27 p.m.



CAROL E. KRAUS
Acting Executive Director and
Corporate Secretary

*Although Regent Frobenius participated in the meeting by telephone in accordance with Board of Regents Bylaws, he was disconnected from the call before he could communicate his vote in favor of the resolution. Regent Frobenius thereafter communicated his vote to the Secretary of the Board by email on June 27, 2007, and by telephone on June 28, 2007.