

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

MINUTES

BOARD OF REGENTS MEETINGS

AND

COMMITTEE MEETINGS

**September 10-11, 2009
September 21, 2009**

Office of the Board of Regents

600 McNamara Alumni Center

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Minutes of the Board of Regents Meetings
and Committee Meetings

September 10-11, 2009

| | PAGE |
|--|------|
| I. Committee Meetings | |
| A. Audit Committee - September 10, 2009 ----- | 31 |
| B. Faculty, Staff & Student Affairs Committee - September 10, 2009 ----- | 34 |
| C. Finance & Operations Committee - September 10, 2009 ----- | 38 |
| D. Educational Planning & Policy Committee - September 10, 2009 ----- | 42 |
| E. Facilities Committee - September 10, 2009 ----- | 46 |
| II. Board of Regents Work Session - September 10, 2009 | |
| A. Graduate & Professional Education: Quality, Tuition & Financial Aid ----- | 49 |
| B. University of Minnesota Physicians: Relationship with the University and with Fairview Health Services ----- | 50 |
| III. Board of Regents Meeting - September 11, 2009 | |
| A. Recognition of Regents Professors ----- | 52 |
| B. Approval of Minutes ----- | 52 |
| C. Report of the President ----- | 53 |
| D. Report of the Chair ----- | 53 |
| E. Receive and File Reports ----- | 53 |
| 1. Annual Review on Legal Matters | |
| 2. Quarterly Report of Grant & Contract Activity | |
| 3. Annual Asset Management Report | |
| F. Approval of Consent Report ----- | 53 |
| 1. Gifts Report | |
| 2. Summary of Expenditures | |
| G. Report of the Faculty Consultative Committee ----- | 54 |
| H. Review 2010 State Capital Request ----- | 54 |
| I. Review Resolution Related to: Creation & Organization of UMore Development LLC: Review Resolution Related to: Creation, Capitalization & Use of the UMore Park Legacy Fund ----- | 55 |
| J. Review <i>University Plan, Performance & Accountability Report</i> ----- | 56 |
| K. Report of the Finance & Operations Committee | |
| 1. Approval of Consent Report ----- | 57 |
| 2. Issues Related to: Annual Asset Management Report ----- | 57 |
| 3. Issues Related to: Federal Stimulus American Recovery & Reinvestment Act (ARRA) | |
| 4. Committee Workplan 2009-10 ----- | 57 |
| 5. Information Items ----- | 57 |
| L. Report of the Audit Committee | |
| 1. Peer Review Report: Follow-Up ----- | 57 |
| 2. External Audit Update ----- | 57 |
| 3. American Recovery & Reinvestment Act of 2009 (ARRA): U of M Prepared to Respond ----- | 57 |
| 4. Internal Audit Update ----- | 57 |
| 4. Committee Workplan 2009-10 ----- | 57 |
| M. Report of the Educational Planning & Policy Committee | |
| 1. Approval of Consent Report ----- | 57 |
| 2. Academic Program Changes Report ----- | 57 |
| 3. Academic Issues Related to: <i>University Plan, Performance & Accountability Report</i> --- | 57 |
| 3. Committee Workplan 2009-10 ----- | 57 |
| N. Report of the Facilities Committee | |
| 1. Approval of Capital Budget Amendment ----- | 58 |
| A. TCF Bank Stadium (Field Wall) | |
| 2. Facilities Condition Assessment Update ----- | 58 |
| 3. Committee Workplan 2009-10 ----- | 58 |
| 5. Information Items ----- | 58 |

| | | |
|------------|---|----|
| O. | Report of the Faculty, Staff & Student Affairs Committee | |
| 1. | Approval of Consent Report ----- | 58 |
| 2. | Approval of Resolution Related to Collective Bargaining Agreement with AFSCME Local 3800 & 3801 (Clerical Unit 6)----- | 58 |
| 3. | Approval of Resolution Related to Collective Bargaining Agreement with AFSCME Local 3260 (Health Care Unit 4) ----- | 59 |
| 4. | Approval of Resolution Related to Collective Bargaining Agreement with AFSCME Local 3937 & 3801 (Technical Unit 7) ----- | 59 |
| 5. | Approval of Resolution Related to Collective Bargaining Agreement with IBEW Local 292 (Radio & Broadcast Technicians)----- | 59 |
| 6. | Post-Tenure Review: Update----- | 60 |
| 7. | H1N1 Preparedness----- | 60 |
| 8. | Committee Workplan 2009-10 Discussion----- | 60 |
| 9. | Information Items ----- | 60 |
| P. | Report of the Litigation Review Committee | |
| 1. | No meeting this month ----- | 60 |
| IV. | Special Board of Regents Meeting - September 21, 2009 | |
| A. | Resolution to Conduct Non-Public Meeting of the Board of Regents to Discuss Attorney- Client Privileged Matters ----- | 61 |

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

September 10, 2009

A meeting of the Audit Committee of the Board of Regents was held on Thursday, September 10, 2009 at 8:15 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Steven Hunter, presiding, Linda Cohen, Richard Beeson, John Frobenius, Maureen Ramirez, and Patricia Simmons.

Staff present: Chancellors Charles Casey and Jacqueline Johnson; Senior Vice President and Provost Thomas Sullivan; Vice Presidents Kathryn Brown, Steve Cawley, Timothy Mulcahy, and Richard Pfitzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt, Stuart Mason, and Michael Volna.

Student Representatives present: Christina Brakken-Thal and Jennifer McCabe.

PEER REVIEW REPORT: FOLLOW-UP

Regent Hunter recalled for the committee their July 2009 discussion of the March 2009 Quality Assurance Review (Review) of the Office of Internal Audit relating to a follow-up of “essential” comments that have been issued in a formal report. Because both “essential” and “significant” comments are included in final reports, the Review team recommended that the Office of Internal Audit follow-up on all comments included in Audit reports. Hunter indicated that due to limited staff, he supports the recommendation of Auditor Klatt’s to continue to follow up on essential recommendations, only. Members of the committee indicated their support for this approach.

EXTERNAL AUDIT UPDATE

Associate Vice President Volna introduced Don Loberg and Craig Popenhagen, Principals, LarsonAllen, to present progress on the June 30, 2009 annual external audit, as detailed in the materials distributed at the meeting and on file in the Board Office.

Popenhagen discussed progress on audits of the financial statement, student financial aid, federal programs, sponsored research, information technology, and alternative investments. He noted several challenges for the 2009 audits, including: potential delays due to financial system reporting; implementation of new accounting standards; and delays or barriers in valuation testing of alternative investments. Loberg outlined a number of solutions to remain efficient and keep the audit progressing on time. He noted the audit is progressing well and within the outlined timeframe.

**AMERICAN RECOVERY & REINVESTMENT ACT OF 2009 (ARRA):
UNIVERSITY OF MINNESOTA PREPARED TO RESPOND**

Vice President Mulcahy introduced Pamela Webb, Associate Vice President and Director, Sponsored Projects Administration, and Suzanne Paulson, Director, Sponsored Financial Reporting, to discuss the efforts the University is taking to comply with the complex requirements imposed by the American Recovery and Reinvestment Act of 2009 (ARRA) as a predicate to the receipt and expenditure of federal stimulus funds (presentation on file in the Board Office).

Webb reported that the stimulus bill includes more than \$21.5 billion in research funding opportunities, with large portions going to the National Institutes for Health and the National Science Foundation. She noted that a majority of these funds must be appropriated by September 30, 2009. The approaching deadline has placed stress on University faculty to search for funding opportunities, write proposals, and respond to requests from agencies. Webb noted proposals totaling over \$672 million have been submitted to date, with approximately \$69 million in awards received so far.

Webb discussed the administrative challenges with preparing and submitting proposals, managing new audit requirements, and interpreting the detailed instructions in the ARRA requirements on how to expend funds. She noted the University is not receiving funds to cover costs of the additional administrative burden associated with the increased reporting activities; however, management has provided resources to ease some of the burden on staff. A number of initiatives have been put in place to assist faculty and staff by streamlining the process and a team of staff from various offices are addressing compliance issues.

Paulson reported that since ARRA's awards have unprecedented reporting requirements, she discussed how the institution has responded with creation of a proposal and award designation in the Enterprise Financial System so specific data can be captured and reported. She also described how a number of peer institutions are approaching the increased reporting requirements.

In response to questions from Regents Beeson and Frobenius, Mulcahy reported that the ARRA funds provide an opportunity to submit proposals in strategic areas and capture opportunities for renovation, reconstruction, or new construction. He commented that research universities such as the University of Minnesota could expect to receive a competitive fair share of the ARRA funds if quality proposals are submitted. He added that Minnesota is among the leaders in application submission.

Associate Vice President Klatt emphasized that within the ARRA there also are significant new requirements around whistle-blower reporting and obligations. She assured the committee that the administration has put systems in place to manage the additional requirements and address concerns people may have about fraud and the ARRA funds specifically.

INTERNAL AUDIT UPDATE

Associate Vice President Klatt presented the Internal Audit Update, as included in the docket materials. Since the last update to the Audit Committee in May 2009, 36 percent of outstanding recommendations rated as "essential" were implemented by University departments, a percentage slightly less than the expected implementation rate of 40 percent. In addition, nine units fully implemented all their remaining "essential" recommendations.

COMMITTEE WORKPLAN 2009-10

Regent Hunter referred committee members to the preliminary 2009-10 committee workplan (included in the docket materials). Proposed topics focus on oversight and monitoring of risks that could impede the University from achieving its strategic positioning goals and items based on relevancy to the committee's institutional risk assessment. The committee indicated their support of the workplan.

The meeting adjourned at 9:29 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff & Student Affairs Committee

September 10, 2009

A meeting of the Faculty, Staff & Student Affairs Committee of the Board of Regents was held on Thursday, September 10, 2009 at 9:45 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Dean Johnson, presiding; Anthony Baraga, Dallas Bohnsack, Linda Cohen, and Maureen Ramirez.

Staff present: Chancellor Jacqueline Johnson; Senior Vice President and Provost Thomas Sullivan; Senior Vice President Frank Cerra; Vice Presidents Nancy Barceló, Carol Carrier, and Timothy Mulcahy; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt and Kristin Lockhart.

Student Representatives present: Sarah Shook and Lauren Snively.

**COLLECTIVE BARGAINING AGREEMENT WITH AFSCME
LOCAL 3800 AND 3801, CLERICAL UNIT 6**

Vice President Carrier invited Patti Dion, Director of Employee & Labor Relations, to present the collective bargaining agreement between the University and AFSCME Local 3800 and 3801, on behalf of clerical workers, as detailed in the docket materials. Dion noted that negotiations on this contract began in May 2009, and concluded with a tentative agreement on June 10, 2009. The Union's contract ratification process was completed on July 23, 2009. The contract includes no salary increase in the first year and a two percent increase in the second year.

The committee voted unanimously to recommend approval of the collective bargaining agreement with AFSCME Local 3800 and 3801, Clerical Unit 6.

**COLLECTIVE BARGAINING AGREEMENT WITH AFSCME LOCAL 3260,
HEALTH CARE UNIT 4**

Vice President Carrier invited Patti Dion, Director of Employee & Labor Relations, to present the collective bargaining agreement between the University and AFSCME Local 3260, on behalf of health care workers, as detailed in the docket materials. Dion noted that negotiations on this contract began in May 2009, and concluded with a tentative agreement on June 9, 2009. The Union's contract ratification process was completed on July 23, 2009. The contract includes no salary increase in the first year and a two percent increase in the second year.

The committee voted unanimously to recommend approval of the collective bargaining agreement with AFSCME Local 3260, Health Care Unit 4.

**COLLECTIVE BARGAINING AGREEMENT WITH AFSCME
LOCAL 3937 AND 3801, TECHNICAL UNIT 7**

Vice President Carrier invited Patti Dion, Director of Employee & Labor Relations, to present the collective bargaining agreement between the University and AFSCME Local 3937 and 3801, on behalf of technical workers, as detailed in the docket materials. Dion noted that negotiations on this contract began in May 2009, and concluded with a tentative agreement on June 11, 2009. The Union's contract ratification process was completed on July 23, 2009. The contract includes no salary increase in the first year and a two percent increase in the second year.

The committee voted unanimously to recommend approval of the collective bargaining agreement with AFSCME Local 3937 and 3801, Technical Unit 7.

**COLLECTIVE BARGAINING AGREEMENT WITH IBEW
LOCAL 292, RADIO AND BROADCAST TECHNICIANS UNIT 2**

Vice President Carrier invited Patti Dion, Director of Employee & Labor Relations, to present the collective bargaining agreement between the University and the International Brotherhood of Electrical Workers (IBEW) Local 292 on behalf of radio and broadcast technicians, as detailed in the docket materials. Dion noted that negotiations on this contract began in June 2009, and concluded with a tentative agreement on July 6, 2009. The Union's contract ratification process was completed on July 9, 2009. The contract includes no salary increase in the first year and a two percent increase in the second year.

In response to a question from Regent Bohnsack, Dion confirmed that there are only five employees in this labor group and explained that state law requires their representation by the IBEW.

The committee voted unanimously to recommend approval of the collective bargaining agreement with IBEW Local 292, Radio and Broadcast Technicians Unit 2.

POST-TENURE REVIEW: UPDATE

Senior Vice President and Provost Sullivan and Vice Provost Arlene Carney presented an update on post-tenure review procedures and outcomes, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Sullivan reviewed the process and procedures for post-tenure review, noting that during the 2007-08 academic year 97.5 percent of faculty were reviewed, and 99 percent of those reviewed met or exceeded the goals and expectations established by their academic unit. He summarized the post-tenure review process and provided examples of how departments implement improvement plans for faculty that do not meet expectations.

In response to questions from the committee, Carney explained that the majority of institutions across the country do not have a post-tenure review process. Sullivan added that the University was the first to implement a formal process when it did so in 1996. In response to a question from Regent Baraga, Sullivan reported that administrative involvement in the process is minimal and that the majority of the review occurs at the departmental and collegiate levels.

H1N1 PREPAREDNESS

Vice President Carrier introduced Terrance Cook, Director of the Department of Emergency Management, Jill DeBoer, Director of the Academic Health Center (AHC) Office of Emergency Response, and Elizabeth McClure, Medical Director of the AHC Office of Emergency Response, to present information on the University's emergency management operations, institutional planning for potential pandemic influenza outbreaks, and the anticipated activity of the H1N1 influenza virus in the upcoming months.

Cook provided information on the physical characteristics and logistical capabilities of the University's emergency operations center, observing that the Department of Emergency Management has evolved to serve all of the University's campuses. DeBoer reviewed the University's pandemic influenza preparations and noted that the planning initiative began in 2005 and involves units dealing with issues related to communications, health services, residential life, human resources, campus infrastructure, teaching, and research. She observed that because the University is a large institution operating in a loosely-contained infrastructure, the option of closure in the event of an influenza outbreak is not possible as it would be with a smaller organization such as an elementary school. DeBoer reported that the University first began planning for H1N1 influenza in April 2009 after the Center for Disease Control (CDC) put out the first health alert on the virus.

McClure explained the characteristics of the H1N1 influenza and noted that although the disease is highly transmissible, it is not believed to be more dangerous than seasonal influenza. She reported that everyone is encouraged to receive the seasonal flu vaccine, and persons of high risk will be the first to receive the H1N1 vaccine, most likely in the next two months. McClure stated that students with influenza-like symptoms are encouraged to leave University housing and return home or self-isolate in their rooms. She also noted that the University is communicating with employees to stay home from work if feeling ill and with instructors to work with students who are unable to attend classes due to illness.

In response to a question from Regent Ramirez, Cook reported that the University does utilize an emergency text message service, but that it is intended for quickly-evolving emergency situations and probably would not be used for an influenza outbreak. In response to a question from Regent Baraga, DeBoer reported that the University would only cancel classes due to an influenza outbreak if there was such a critical mass of ill students that participation was hampered or if the state or the CDC directed all institutions to suspend group gatherings.

COMMITTEE 2009-10 WORKPLAN DISCUSSION

Vice President Carrier reviewed the 2009-10 Workplan, as detailed in the docket materials and on file in the Board Office. The committee expressed support for the workplan.

CONSENT REPORT

Vice President Carrier presented for action the Consent Report, which included the following items:

- Conferral of tenure to seven faculty who were hired at the University of Minnesota since June 2009.

The committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

Vice President Carrier referred the committee to the Information Items contained in the docket materials, including:

- Personnel highlights;
- University highlights;
- Faculty and staff activities and awards; and
- Student activities and awards.

The meeting adjourned at 11:07 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Finance & Operations Committee
September 10, 2009

A meeting of the Finance and Operations Committee of the Board of Regents was held on Thursday, September 10, 2009 at 9:45 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: John Frobenius, presiding; Clyde Allen, Richard Beeson, Venora Hung, Steven Hunter, and Patricia Simmons.

Staff present: Chancellors Charles Casey and Jacqueline Johnson; Senior Vice President Frank Cerra; Vice Presidents Steven Cawley, Tim Mulcahy, Steven Rosenstone, and Richard Pfutzenreuter; Deputy General Counsel William Donahue; Executive Director Ann Ciesak; and Associate Vice Presidents Stuart Mason and Michael Volna.

Student Representatives present: Matt Privratsky and Aditya Srinath.

ISSUES RELATED TO: ANNUAL ASSET MANAGEMENT REPORT

Vice President Pfutzenreuter invited Associate Vice President Mason, Chief Investment Officer, to present the Annual Asset Management report as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. Mason commented that investments across higher education resulted in significant losses and a decrease of equity in FY2009, and that the University experienced a wide spectrum of results.

The University's invested assets totaled approximately \$1.5 billion on June 30, 2009. Mason noted that the value of the Consolidated Endowment Fund (CEF) decreased \$313.1 million in FY2009, or 25.2 percent, and that the Temporary Investment Pool decreased 3.4 percent during the same period. Short-term portfolio adjustments made this year will reduce volatility, focus on capital preservation, selectively liquidate hedge funds, and discontinue new private equity commitments. Private capital represents approximately 30 percent of the CEF and was down 18 percent in FY2009, compared to public and private benchmarks that were down almost 30 percent. The University's private debt, historically a solid performer, also experienced losses during the year.

Mason observed that the current asset allocations are outside the recommendations of Board of Regents policy, but at this time preserving liquidity and migrating towards fixed income continues to reduce volatility. A gradual return to asset allocations consistent with Board policy is planned, and as confidence in the economy improves, additional investments will be placed in more actively managed accounts.

In response to questions from the committee, Mason noted that an investment manager was terminated last year due to extraordinarily poor performance. He also indicated that flat and decreased budgets are being modeled for the institution and that the University will need to look to sources other than investments to fund inflation and other increases that are a normal part of the budget.

Pfutzenreuter stated that the Medical School and Academic Health Center endowments have been adversely affected by the CEF's performance. A report outlining programs and offices impacted by the downturn will be presented at a future meeting. Regent Hunter requested that an update on the University's endowments be presented at a future meeting.

ISSUES RELATED TO: FEDERAL STIMULUS AMERICAN RECOVERY & REINVESTMENT ACT

Vice President Pfutzenreuter invited Budget Director Julie Tonneson to present information related to the American Recovery & Reinvestment Act (ARRA) and its impact on the University, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Tonneson reviewed the State Fiscal Stabilization Fund (SFSF) through which the ARRA funds are appropriated. She highlighted three primary areas of ARRA funding: 1) sponsored grants and contracts (currently 123 University awards totaling \$69.6 million dollars); 2) grants to support infrastructure development and public safety; and 3) SFSF of \$89,323,000 allocated to the University. Shared goals for the SFSF include the following: save and create jobs; improve student achievement; ensure transparency and accountability; and invest one-time funds thoughtfully.

Tonneson noted the federal guidelines for expenditures are fairly general and allow the University to use the funds to mitigate tuition and fees for in-state residents and for modernization, renovation, or repair of facilities used for instruction, research, or student housing. The President's recommended budget allocates 56 percent of the SFSF for tuition mitigation. The remaining funds will be dedicated to a Stimulus Bridge Pool for use in FY2010 and FY2011 as one-time funds for unit level initiatives and temporary needs, including the following:

- \$15.7 million for bridging to lower full-time-equivalent counts or lower operating costs;
- \$6.5 million for one-time costs for academic program initiatives; and
- \$5 million for service unit initiatives.

Tonneson noted that the projected impact from the stimulus bridge pool over two years includes creation of an estimated 65 temporary jobs and retention of more than 245 positions.

In response to a question from Regent Hung, Tonneson reviewed data on the impact of the SFSF tuition and fee buy-down after FY2011.

COMMITTEE WORKPLAN 2009-10

Vice President Pfutzenreuter reviewed the proposed 2009-10 committee workplan, as detailed in the docket materials. He explained that the plan is organized around five broad categories that reflect the role of the committee in meeting its fiduciary responsibilities. He highlighted several new presentations requested by the committee. The committee expressed support for the workplan.

CONSENT REPORT

Vice President Pfutzenreuter presented the Consent Report, as detailed in the docket materials, including:

General Contingency:

An expenditure of \$250,000 by the Vice President for University Relations, for campus-area neighborhood/district plan and vision.

Purchase of Goods and Services Over \$250,000

- LKO Contracting and Ulland Brothers for an estimated \$600,000 of contract machine work labor, materials, and equipment services as needed for the period of October 1, 2009 through September 30, 2010 for the Department of Facilities Management on the Duluth campus.
- Multi-Venue Productions for up to \$425,000 for post-event cleanups in Athletic Facilities from September 18, 2009 to June 30, 2010 for Intercollegiate Athletic Facilities.
- Oracle Corporation for \$1,421,689.43 to renew Oracle PeopleSoft University-wide computer software licenses, updates, and maintenance support for the one-year period from September 2009 through September 2010 for the Office of Information Technology.
- Patterson Dental for an estimated \$600,000 for non-stock dental lab supplies, dental medical supplies, dental instruments, dental X-ray films, and dental chemicals, etc. The contract period is from October 1, 2009 through September 30, 2010.
- PETNET Solutions, a division of Siemens Medical Solutions USA, Inc. for \$1,036,800 for a three-year guaranteed minimum radiopharmaceuticals purchase for the period November 2010 through October 2013 for the Center for Magnetic Resonance Research, Department of Radiology.
- Siemens Medical Solutions USA, Inc. for \$285,775 for the lease of a Picture Archiving and Communication System for the five-year period of November 2010 through October 2015 for the Center for Magnetic Resonance Research (CMRR), Department of Radiology.
- Thermo Electron North America LLC for \$340,700 for a TSQ Vantage Triple Quadrupole Mass Spectrometer for the Cancer Center (Analytical Biochemistry Shared Resource).
- Xerox for \$363,945 for the purchase of an iGen3 90 Digital Press, which will be installed in September 2009, for Printing Services.

The committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

Pfutzenreuter referred committee members to the Information Items contained in the docket materials, including:

- Quarterly Purchasing Report;
- Annual Economic Development Report;
- Debt Management Advisory Committee Update; and
- Emergency Approval.

The meeting adjourned at 11:16 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning & Policy Committee

September 10, 2009

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, September 10, 2009 at 3:15 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Richard Beeson, Linda Cohen, John Frobenius, and Maureen Ramirez.

Staff present: Senior Vice President & Provost Thomas Sullivan; Vice President Timothy Mulcahy; Executive Director Ann Cieslak; and Associate Vice President Kristin Lockhart.

Student Representatives present: Christina Brakken-Thal and Megan Hines.

ACADEMIC PROGRAM CHANGES REPORT

Senior Vice President & Provost Sullivan introduced Director John Ziegenhagen, who led the discussion of the Academic Program Changes Report. Ziegenhagen noted that this year's report, the fifth presented to the committee, provides an excellent opportunity to take a longer term, higher-level view of broad trends and their relevance to the University's strategic positioning aspirational goals.

Ziegenhagen described the administrative process through which academic changes are evaluated prior to their consideration by the Board; analyzed program changes approved by the Board from 2004-2009; and identified some conclusions about the program changes implemented (materials in the docket and in associated handouts distributed at the meeting and on file in the Board Office). As a result of a rigorous program approval process, academic departments, collegiate units, coordinate campuses, and the University as a whole are taking an increasingly mission driven, holistic approach to the creation and amendment of academic programs and degrees.

During the first five years of the strategic positioning plan, academic additions, changes, and discontinuations were the result of collegiate reorganizations; curriculum reform/revitalization; new undergraduate initiatives; changes in student/market demand; changes in accreditation standards; and new interdisciplinary initiatives/degree programs. Next steps include improved monitoring of graduate degree programs; post-approval program reviews at all levels; and additional cost-savings through programmatic efficiencies.

In response to questions from the committee, Ziegenhagen indicated that academic programming resource allocations reflect the need to offer courses in support of a quality undergraduate education; the need to offer courses in areas of comparative advantage; and the vagaries of student/market demand. Sullivan added that there always is a creative tension between the allocation of academic programming resources to meet the demands of students and allocations to meet the demands of the marketplace, but that the University's goal is to intellectually challenge students so that they are prepared to assume their place in the larger society.

**ACADEMIC ISSUES RELATED TO:
UNIVERSITY PLAN, PERFORMANCE & ACCOUNTABILITY REPORT**

Senior Vice President & Provost Sullivan led the discussion of the *University Plan, Performance & Accountability Report* (UPPAR). He stated that the focus of his remarks would be the measures and metrics related to student academics, primarily compared to peer institutions (materials in the docket and in associated handouts distributed at the meeting and on file in the Board Office).

Relative to its peers, the University has a notably larger graduate and professional student enrollment and ranks in the top five in the number of graduate degrees awarded. The University also compares favorably in the diversity of incoming freshmen, student satisfaction, research expenditures, and the quality of Twin Cities Campus libraries. Substantial gaps remain between the University and peer institutions on such indicators as the class rank and average ACT scores of incoming freshmen and retention/graduation rates.

Sullivan emphasized that achievement of the established four-year graduation rates is closely linked to continued improvements in the profile of incoming freshmen. Although there is room for improvement compared to the freshman profile at peer institutions, the University is committed to a broad range of strategies that will continue to improve the quality and diversity of incoming freshmen; improve academic advising and mentoring programs; and enhance PreK-12 relationships. These efforts, in combination with student learning outcomes, student development outcomes, and changes in cultural norms regarding graduation in four years, will produce an alignment that is consistent with timely graduation.

In response to a question from Regent Beeson, Sullivan explained that the UPPAR conceptual framework is a first attempt at measuring efficiency. He agreed that this is an area of concern to many external stakeholders and that it will be important for UPPAR measures to evolve to a more mature stage that appropriately measures the University's success in managing its resources.

In response to a question from Student Representative Hines, Sullivan reported that graduation rates do vary by college. The academic profile of incoming students, degree requirements, and the quality of advising/mentoring are critical determinants of graduation rates, but recent evidence also suggests the importance of creating a culture in which it is presumed that students will graduate in four years, and it is to that point that the University is now turning its attention.

The committee's suggestions for improvements to the UPPAR include a breakdown of data by gender; the University's responsibilities relative to PreK-12 education; and the addition of a separate section for graduate education data and metrics.

COMMITTEE WORKPLAN 2009-10

Regent Simmons and Senior Vice President & Provost Sullivan led a discussion of the committee's workplan for 2009-10. Simmons noted that the workplan is a strategically focused, flexible framework within which additional appropriate topics could be considered. The committee expressed support for the workplan.

CONSENT REPORT

A motion was made and seconded, and the committee unanimously recommended approval of the following academic program changes, as described in the Consent Report:

- **New Academic Programs**
 - Graduate School – Create M.A. degree and minor in Multicultural College Teaching and Learning
 - Medical School – Create Fellowship in Selective Pathology
 - Medical School – Create Fellowship in Neurotology
 - Crookston Campus – Create Bachelor of Manufacturing Management (B.M.M.) degree in Quality Management
 - Crookston Campus – Create B.S. degree in Marketing
 - Crookston Campus – Create Minor in Marketing
- **Changed Academic Program**
 - Law School (Twin Cities Campus) – Create Business Law concentration in J.D. degree
- **Discontinuation of Academic Programs**
 - College of Education and Human Development (Twin Cities Campus) – Discontinue the Education and Human Development B.S. degree
 - College of Continuing Education (Twin Cities Campus) – Discontinue the B.A.Sc. in Radiation Therapy

INFORMATION ITEMS

There were no information items this month.

The meeting adjourned at 4:47 p.m.

A handwritten signature in black ink, appearing to read "Ann D. Cieslak". The signature is fluid and cursive, with the first name "Ann" and last name "Cieslak" clearly distinguishable.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

September 10, 2009

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, September 10, 2009 at 3:15 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Steven Hunter presiding; Clyde Allen, Anthony Baraga, Dallas Bohnsack, Venora Hung, and Dean Johnson.

Staff present: Chancellors Charles Casey and Jacqueline Johnson; Vice President Kathleen O'Brien; Executive Director Ann Cieslak; and Associate Vice President Michael Berthelsen.

Student Representatives present: Jennifer McCabe and Aditya Srinath.

CAPITAL BUDGET AMENDMENT

A. TCF Bank Stadium (Field Wall)

A motion was made and seconded to recommend approval of the following action:

On the recommendation of the President and the Vice President for University Services, the FY2010 Capital Budget is amended to increase the budget for the following project:

TCF Bank Stadium, Twin Cities Campus.

Scope of Project: addition of brick to the field wall in TCF Bank Stadium.

Cost Estimate: \$507,767.

Capital Funding: Private donations.

Completion date: September 2009.

Vice President O'Brien informed the committee that the capital budget amendment was being brought for review and action in one month since the construction was completed prior to the first football game on September 12, 2009. Brian Swanson, University Budget Officer, provided information on the project, as detailed in the docket materials.

In response to a question from Regent Baraga, Swanson reported that the only outstanding stadium project is the Hall of Fame, which is currently in the design stage and scheduled for completion in spring 2010. He added that the construction of TCF Bank Stadium included more than 2,000 Minnesota tradespeople and that 80 percent of the contracts went to Minnesota companies.

The committee voted unanimously to recommend approval of the capital budget amendment for TCF Bank Stadium (Field Wall).

FACILITIES CONDITION ASSESSMENT UPDATE

Vice President O'Brien introduced Associate Vice President Berthelsen, Bernadette Fiske, Finance Officer, University Services, and Sean Schuller, Assistant Director, Facilities Management, to present the annual Facilities Condition Assessment report. The report is a comprehensive evaluation of the institution's campus facilities and infrastructure portfolio, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Berthelsen outlined strategies used to enhance facility conditions, including: renovation of existing spaces; demolition of targeted buildings; building new facilities; enhanced utilization of existing space; and targeting individual system improvements. Schuller highlighted the following:

- The University has 29 million gross square feet on all campuses and 18 research and outreach centers or experiment stations;
- The University's technical complexity ranked 4th when compared to 18 peer research institutions;
- Buildings over 25 years old comprise 78 percent of Twin Cities campus facilities, but when factoring in renovations during the next five years, the percentage will drop to 60 percent; and
- The University's Facility Condition Needs Index (FCNI) has remained relatively constant over the past several years.

Fiske reviewed historical Higher Education Asset Preservation and Replacement (HEAPR) requests and allocations, noting that University requests have outpaced the state allocations for several years. Berthelsen reviewed the University's strategy for maintaining the FCNI rating despite the HEAPR funding gap, including: 1) the addition of new buildings; 2) extending the useful life of buildings through good maintenance; and 3) tearing down targeted buildings.

In response to questions from the committee, Berthelsen clarified that the federal government guidelines for defining usable space suggest that 55 percent of the University's total square footage is assignable, and he added that classrooms total 3 to 4 percent of the University's overall square footage. In response to a question from Student Representative Srinath, O'Brien emphasized that residential housing and residential life costs are closely monitored, and that new housing is carefully considered because of the associated debt service that impacts students' cost of attending the University.

COMMITTEE 2009-10 WORKPLAN

Vice President O'Brien reviewed the 2009-10 workplan, as detailed in the docket materials. The committee expressed support for the workplan.

CONSENT REPORT

There were no consent items this month.

INFORMATION ITEMS

Vice President O'Brien referred committee members to the Information Items, including:

- Emergency approval of the purchase of land and building at 1701 University Avenue SE, Minneapolis, MN;
- University of Minnesota Morris (UMM) Biomass Update; and
- McNamara Alumni Center Addition.

Chancellor Johnson and Lowell Rasmussen, Vice Chancellor for Finance and Operations at UMM, presented an update on the biomass heating plant and discussed several alternatives for resolving challenges associated with the operation of the plant.

The meeting adjourned at 4:41 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Work Session

September 10, 2009

A work session of the Board of Regents of the University of Minnesota was held on Thursday, September 10, 2009, at 1:45 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Clyde Allen, presiding; Anthony Baraga, Richard Beeson, Dallas Bohnsack, Linda Cohen, John Frobenius, Venora Hung, Steven Hunter, Dean Johnson, Maureen Ramirez, and Patricia Simmons.

Staff present: President Robert Bruininks; Senior Vice President & Provost Thomas Sullivan; Senior Vice President Frank Cerra; Vice President Timothy Mulcahy; and Executive Director Ann Cieslak.

Chair Allen called the meeting to order, noting that this session will be allocated to two topics: (1) quality, tuition, and financial aid in graduate and professional education and (2) the relationship of University of Minnesota Physicians to the University and Fairview Health Services.

1. Graduate & Professional Education: Quality, Tuition & Financial Aid

President Bruininks, Senior Vice President & Provost Sullivan, and Vice President Mulcahy led the discussion of graduate and professional education. Bruininks noted that graduate and professional education is one of the strongest signatures of the University, representing 40% of the degrees conferred each year, and gives the University, with graduates all over the world, an international presence and distinction.

Sullivan highlighted the differences between the financing of undergraduate and graduate/professional degree programs and among graduate and professional degree programs; explained the role of market and competitive forces in the financing of graduate/professional education; and cited the reasons for historical differences at the University and at other universities in the financing of undergraduate vs. graduate/professional education (materials in the docket and in associated handouts distributed at the meeting and on file in the Board Office).

Allen invited comments from Student Representative Christina Brakken-Thal, who encouraged the Board to follow up on the information provided in today's work session by looking at the adequacy of funding in graduate/professional education in terms of meeting not only the educational, but also the basic living needs of graduate/professional students. She recommended to the Board a recent report of the

Graduate & Professional Student Assembly on graduate student indebtedness and its effect on the career decisions of graduate/professional students.

A lengthy discussion ensued in which the following issues and questions were addressed:

- the validity of Board policies governing tuition and financial aid for graduate/professional students;
- the potential role of indebtedness in career choices;
- the various sources of funding for graduate/professional students employed as research or teaching assistants;
- the relationship between graduate/professional enrollment and research grants;
- the unique contribution of graduate/professional students to the education and research mission of the University;
- the entrepreneurial aspect of the University's graduate/professional programming;
- the need for evaluative criteria to assess the status of the University's graduate/professional programs; and
- the appropriate standards for administrative accountability in graduate/professional education.

Allen commented that this discussion of graduate/professional education had identified a number of topics that would most appropriately be first considered by the Board's Educational Planning & Policy Committee.

2. University of Minnesota Physicians: Relationship with the University and with Fairview Health Services

Senior Vice President Cerra, Roby Thompson, CEO, University of Minnesota Physicians, and Bobbi Daniels, chair-elect of University of Minnesota Physicians (UMP), led the discussion.

Thompson provided a brief history and description of UMP, recalled its mission and vision, and described ongoing efforts to fulfill its mission and integrate its activities with Fairview Health System (FHS) over the last few years (materials in the docket and in associated handouts distributed at the meeting and on file in the Board Office). He also reminded the Board that UMP is closely linked to the University through the Board's reserved powers, exists to support the Medical School, is the University's primary clinical interface with FHS, and was designed to have the flexibility to respond to market and business challenges.

Thompson described the potential advantages of further integration with FHS, including enhanced patient access; a simplified organization structure to capture additional efficiencies; joint planning opportunities; enhanced regulatory compliance; and improved financial performance through shared infrastructure, more effective care delivery, and better care coordination.

A lengthy discussion ensued in which the following issues and questions were addressed:

- the appropriateness of integrating three distinct entities;
- the mission/governance implications of expanding UMP to include community-based, non-academic physicians;
- the role of a new integrated delivery system in supporting medical education;
- long-term considerations in the funding of medical education;
- the importance of maintaining a stable base of patients and capturing market share;
- the financial risks of uncompensated care; and
- the importance of protecting the University's name and reputation.

Allen stated that a work group of the Board continues to follow these issues very carefully, but that this session had provided critical background information for future work sessions and for important decisions that will soon be coming before the Board.

The work session adjourned at 2:58 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

September 11, 2009

A meeting of the Board of Regents of the University of Minnesota was held on Friday, September 11, 2009 at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Clyde Allen, presiding; Anthony Baraga, Richard Beeson, Dallas Bohnsack, Linda Cohen, John Frobenius, Venora Hung, Steven Hunter, Dean Johnson, David Larson, Maureen Ramirez, and Patricia Simmons.

Staff present: President Robert Bruininks; Chancellors Charles Casey and Jacqueline Johnson; Senior Vice President and Provost Thomas Sullivan; Senior Vice President Frank Cerra; Vice Presidents Kathryn Brown, Steve Cawley, Karen Himle, Timothy Mulcahy, Charles Muscoplat, Kathleen O'Brien, Richard Pfutzenreuter, and Steven Rosenstone; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice Presidents Stuart Mason, Donna Peterson, and Michael Volna.

Chair Allen asked for a moment of silence in recognition of the eight-year anniversary of the terrorist attacks of September 11, 2001.

RECOGNITION OF REGENTS PROFESSORS

Recognition was given to newly-appointed Regents Professors Bruce Blazar, Pediatrics; Thomas C. Johnson, Geological Sciences; and Lawrence Que, Jr., Chemistry. Regents Professorships are the highest honor that the University of Minnesota bestows on its faculty. The individual holds the title as long as the individual retains a full-time, tenured appointment as a faculty member of the University.

APPROVAL OF MINUTES

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

- Audit Committee – July 8, 2009
- Faculty, Staff & Student Affairs Committee – July 8, 2009
- Finance & Operations Committee – July 8, 2009
- Educational Planning & Policy Committee – July 8, 2009
- Facilities Committee – July 8, 2009
- Board of Regents Work Session – July 8, 2009
- Board of Regents Meeting – July 8, 2009

REPORT OF THE PRESIDENT

President Bruininks noted a number of events during the first week of fall semester: Welcome Week for 5,400 incoming students, the return of Gopher football to campus, and the submission of over 800 new proposals beyond the usual faculty research activity from federal stimulus funds in support of research. Bruininks acknowledged Chancellor Kathryn Martin's retirement in 2010, and highlighted a number of accomplishments made during her tenure at the University of Minnesota Duluth.

Bruininks reported that the workplan of the Board of Regents identifies issues, including the future of the Academic Health Center, financing the future of the University, and metrics and measurements, which will be discussed more in the months ahead. Bruininks announced the combination of several offices into a single University-wide Office of Planning under a single senior administrator in order to strengthen the metrics and planning strategy. Bruininks also announced the Financing the Future Task Force report is near completion, and it would be presented and discussed at the October 2009 Board of Regents meeting.

REPORT OF THE CHAIR

Chair Allen reported that the Board of Regents held a retreat in July 2009, during which a workplan was developed for the coming year with selected priorities that will focus on some of the most significant issues facing the institution.

Allen presented a Report of the President's Performance Review by a committee composed of Regents Allen, Chair, Regent Linda Cohen, Vice Chair, and Regent Patricia Simmons. Allen emphasized that, despite a challenging year for the University with decreased funding, the University has still made progress in many strategic areas. He acknowledged Bruininks' academic leadership, fiscal management, his relationship with the legislature, and the respect the faculty holds for him. Chair Allen also recognized Bruininks' significant success in raising scholarship funds and striving to keep tuition affordable. Board members expressed appreciation to Susan Hagstrum, President Bruininks' spouse, for her contributions to the University community.

A copy of the report of the Presidential Performance Review Committee is on file in the Board Office.

RECEIVE AND FILE REPORTS

Chair Allen noted the receipt and filing of the Annual Report on Legal Matters, the Quarterly Report of Grant and Contract Activity, and the Annual Asset Management Report.

CONSENT REPORT

Chair Allen presented the Consent Report as described in the docket materials, including:

- Summary of Gifts through July 31, 2009; and
- Quarterly Summary of Expenditures.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the Consent Report.

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor Marti Gonzales, Chair of the Faculty Consultative Committee (FCC), reported on the activities of the committee since its last report to the Board of Regents. Issues the FCC has been working on include: the reorganization of the Graduate School, conflict of interest in research, and research grant opportunities due to the federal stimulus bill. This academic year's topics include e-education, reorganization of the Academic Health Center, and planning for fiscally challenging times ahead.

A copy of the Report of the Faculty Consultative Committee is on file in the Board Office.

2010 STATE CAPITAL REQUEST

President Bruininks introduced the 2010 State Capital Request (Request), as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. The state of Minnesota requires all state agencies, local governments, and the University of Minnesota to submit a Request by mid-October for consideration by the governor and legislature in preparation for the 2010 legislative session. The Request is built around the priorities outlined in the current Six-Year Capital Improvements Plan with some modifications resulting from the recent strategic positioning discussions.

Bruininks stated the development of the Request was guided by the following principles:

- Align projects with strategic priorities to advance academic excellence;
- Protect the University's financial position by keeping capital expenditures within project debt capacity limits and controlling operating costs;
- Invest in facilities and infrastructures; and
- Advance the institution's life safety, renewal, and preservation objectives.

Bruininks reported that the largest item on the proposed Request is the Higher Education Asset Preservation and Replacement (HEAPR) request of \$100 million, which will be used system-wide to maximize and extend the life of the University's existing physical plant. Bruininks highlighted several projects in the Request, which includes programmatic renovation, improvements, and new construction.

Vice President Pfutzenreuter presented the financial summary. The \$242 million Request is built upon a combination of funds appropriated by the state of Minnesota (\$194.7 million) and resources committed by the University (\$47.3 million). He noted fundraising activities are underway for several projects so potentially the

amount of University debt could be less. Pfutzenreuter briefly discussed estimated operating costs for the projects.

In response to a question from Regent Bohnsack, Bruininks noted that because of the urgency of several renewal projects included in the Request, the administration decided not to include the Bell Museum of Natural History project this year. He added that he has had conversations with leaders of science museums in Minnesota to determine if there are alternative ways to approach the project.

In response to a question from Regent Beeson, O'Brien indicated that the administration carefully monitors the impact of debt and remain aware of the need to ensure that capital investments are not only advancing the academic enterprise and priorities but also engaging in strategies to save money.

The 2010 State Capital Request will return for action at a future meeting of the Board of Regents.

**RESOLUTION RELATED TO: CREATION & ORGANIZATION OF UMORE
DEVELOPMENT LLC
RESOLUTION RELATED TO: CREATION, CAPITALIZATION & USE OF
THE UMORE PARK LEGACY FUND**

Chair Allen invited Vice President Brown, General Counsel Mark Rotenberg, and Associate General Counsel Gregory Brown to present two resolutions related to UMore Park, as detailed in the docket materials.

President Bruininks reminded the Board of its action in December 2008 approving a concept master plan with specific direction to complete the requirements to allow development of UMore Park, a 5000-acre parcel of land south of the Twin City campus. In addition, the Board directed the administration to develop a way to manage the process through a single owner limited liability corporation (LLC) and to create a long-term legacy fund designed for support of research and education and public engagement. He noted that proceeds from this legacy fund would be dedicated to supporting initiatives of the University of Minnesota not typically funded by the state of Minnesota and should be used to leverage other resources.

Brown stated that the administration is seeking Board approval and authorization to create an LLC as a corporate structure to manage the future work on the UMore project. She described the work of a committee she chaired that focused on principals the Board developed and based on those principles established criteria to identify an appropriate corporate structure. This committee of senior University leaders recommends the LLC structure.

Rotenberg reviewed the guiding principles adopted by the Board and noted how those principles were the foundation for development of criteria to evaluate possible advantages and disadvantages of different governance structures (presentation on file in the Board Office). He described four models for management and oversight of development of UMore Park and discussed why the single-member LLC is recommended. Rotenberg discussed the organizational framework, purpose of the LLC, board of governors structure, and LLC management.

Rotenberg described the creation and use of the UMore Park legacy fund, a quasi-endowment managed and invested by the University in compliance with Board and administrative policies. Rotenberg discussed the restrictions, limitations, and goals of the legacy fund.

Regents raised a number of questions and concerns, including:

- Two classes of governors on the LL Board and whether it would be helpful for a University Regent to serve on the LLC;
- The costs associated with the UMore Park Project and the appropriate level of University investment;
- The benefits of the quasi-endowment structure vs. a regular endowment, and which would better support the University in the future; and
- Repayment of start-up funds from the University.

The Resolution Related to Creation and Organization of UMore Development LLC and the Resolution Related to Creation, Capitalization and Use of the UMore Park Legacy Fund will return for action at a future Board of Regents meeting.

UNIVERSITY PLAN, PERFORMANCE & ACCOUNTABILITY REPORT

Senior Vice President and Provost Sullivan presented the 2009 *University Plan, Performance & Accountability Report* (Report), as included in the docket and associated materials distributed at the meeting and on file in the Board Office.

Sullivan noted the *Report* summarizes the major strategic initiatives underway at the University, the measure of progress within each of the University's four strategic "pillars," and the institution's rank relative to its peers. The Report also illustrates input and output measures and identifies gaps in progress and strategies to both close the gaps and align priorities and resources.

Sullivan reported progress the University is making in the area of exceptional students. He noted the freshman profile has improved steadily and significantly over the past decade, as undergraduate retention and graduation rates continue to improve. He noted, however, that the institution must continue to bridge the gap that exists between this and comparable peer institutions and work to achieve the goal of increased graduate rates. He described a number of student success initiatives to assist and prepare incoming students, ways in which the institution continues to strive to keep tuition affordable, the need to reflect on the culture of the University and how to promote the importance of graduating in a timely way.

Sullivan briefly discussed the restructuring of graduate education, the support necessary for graduate and professional students, and how to be effective and efficient in delivering educational opportunities and services for this population of students. He highlighted efforts to continue to recruit and retain top faculty, to continue the institution's progress through strategic planning despite financial constraints, and to continue to support exceptional teaching and learning.

Sullivan reported that the University continues to close the gap in research expenditures, with the institution ranking second best among public universities in the

growth rate in research. He indicated that there remains a gap between this institution and the top three public research universities, and that it is crucial to engage in strategies to close the gap.

The *University, Plan, Performance & Accountability Report* will return for action at a future Board of Regents meeting.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

Regent Frobenius, 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 September 10, 2009 committee minutes.

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

Frobenius reported that the committee also discussed issues related to the Annual Asset Management Report, issues related to the federal stimulus American Recovery and Reinvestment Act, discussed the committee 2009-10 workplan; and reviewed a number of information items contained in the docket materials.

REPORT OF THE AUDIT COMMITTEE

Regent Hunter, Chair of the committee, reported that the committee discussed the follow-up to the Peer Review Report; received an external audit update; discussed the American Recovery and Reinvestment Act of 2009 and how the University of Minnesota is prepared to comply with reporting requirements; received an internal audit update; and discussed the committee 2009-10 workplan.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

- a) Approval of the Consent Report as presented to the committee and described in the September 10, 2009 committee minutes.

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

Simmons reported that the committee also received the Academic Program Changes Report; discussed academic issues related to the University Plan, Performance & Accountability Report; and discussed the committee 2009-10 workplan.

REPORT OF THE FACILITIES COMMITTEE

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

- a) Approval of an amendment to the 2010 Capital Budget by:
 - 1. \$507,000 to increase funding for the TCF Bank Stadium Field Wall.

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

Hunter reported that the committee also received a facilities condition assessment update; discussed the committee 2009-10 workplan; and discussed a number of information items.

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

Regent Johnson, 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 September 10, 2009 committee minutes.

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

Johnson reported that the committee also voted unanimously to recommend:

- a) Approval of a Resolution Related to the Proposed Labor Agreement with AFSCME Locals 3800 and 3801 Clerical Employees, as follows:

WHEREAS, the parties have met and negotiated over the course of the past several months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit; and

WHEREAS, AFSCME Locals 3800 and 3801 have ratified acceptance of this agreement; and

WHEREAS, according to Board of Regents Policy: *Reservation and Delegation of Authority*, 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 September 10, 2009.

- b) Approval of a Resolution Related to the Proposed Labor Agreement with AFSCME Local 3260 Health Care Employees, as follows:

WHEREAS, the parties have met and negotiated over the course of the past several months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit; and

WHEREAS, AFSCME Local 3260 have ratified acceptance of this agreement; and

WHEREAS, according to Board of Regents Policy: *Reservation and Delegation of Authority*, 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 September 10, 2009.

- b) Approval of a Resolution Related to the Proposed Labor Agreement with AFSCME Locals 3937 and 3801 Technical Employees, as follows:

WHEREAS, the parties have met and negotiated over the course of the past several months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit; and

WHEREAS, AFSCME Locals 3937 and 3801 have ratified acceptance of this agreement; and

WHEREAS, according to Board of Regents Policy: *Reservation and Delegation of Authority*, 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 September 10, 2009.

- d) Approval of a Resolution Related to the Proposed Labor Agreement with the International Brotherhood of Electrical Workers Local 292 PELRA Unit 2, as follows:

WHEREAS, the parties have met and negotiated and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit; and

WHEREAS, the IBEW Local Union 292 has ratified acceptance of this agreement; and

WHEREAS, according to Board of Regents Policy: *Reservation and Delegation of Authority*, 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 September 10, 2009.

Regent Hunter recused himself and left the room for the votes on above four items due to a possible conflict of interest.

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

Regent Hunter returned to the meeting.

Johnson also reported that the committee received a post-tenure review update; received a report on H1N1 preparedness; discussed the committee 2009-10 workplan; and discussed the information items contained in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

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

The meeting adjourned at 11:40 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

September 21, 2009

A special meeting of the Board of Regents of the University of Minnesota was held on Monday, September 21, 2009 at 4:03 p.m. in the W.R. Peterson Conference Room, 600 McNamara Alumni Center.

Regents present: Clyde Allen, presiding; Dallas Bohnsack, John Frobenius, Steven Hunter, Maureen Ramirez, and Patricia Simmons. Linda Cohen, Venora Hung, Steven Hunter, and Dean Johnson participated via phone.

Staff present: President Robert Bruininks; Vice President Kathryn Brown; Counsel Mark Rotenberg; Executive Director Ann Cieslak.

A motion was made and seconded that the following resolution be approved:

WHEREAS, based on advice of the General Counsel, the Board of Regents has balanced the purposes served by the Open Meeting Law and by the attorney-client privilege, and determined that there is a need for absolute confidentiality to discuss litigation strategy in a particular matter involving the University of Minnesota;

NOW, THEREFORE, BE IT RESOLVED, that in accordance with Minn. Stat. § 13D.01, Subd. 3 and 13D.05 Subd. 3(b), a non-public meeting of the Board of Regents be held on Monday, September 21, 2009 at 4:00 p.m. in the Boardroom, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters, specifically,

- I. Authorizing possible commencement of litigation with respect to certain specific statutory, environmental, constitutional and other claims of the University of Minnesota.

The Board of Regents voted unanimously to approve the resolution.

The public meeting adjourned at 4:06 p.m.


ANN D. CIESLAK
Executive Director and
Corporate Secretary