

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

July 12, 2001

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, July 12, 2001 at 1:45 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Maureen Reed, presiding; Anthony Baraga, Robert Bergland, Dallas Bohnsack, Warren Larson, David Metzen, H. Bryan Neel, Michael O'Keefe, and Jessica Phillips.

Staff present: President Mark Yudof; Chancellors Donald Sargeant and Samuel Schuman; Executive Vice President and Provost Robert Bruininks; Senior Vice President Frank Cerra; Vice Presidents Tonya Brown, Carol Carrier, Sandra Gardebring, Eric Kruse, and Christine Maziar; Executive Director Ann Cieslak; Provost David Carl; Associate Vice Presidents Gerald Fischer, Robert Jones, Gail Klatt, Donna Peterson, and Richard Pfitzenreuter.

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 - June 7, 2001
Facilities - June 7, 2001
Faculty, Staff & Student Affairs Committee - June 7, 2001
Educational Planning & Policy Committee - June 7, 2001
Finance & Operations Committee June 7, 2001
Board of Regents - June 8, 2001
Board of Regents - June 26, 2001

REPORT OF THE PRESIDENT

President Yudof stated that he did not have a report this month.

REPORT OF THE CHAIR

Chair Reed reported that she met with Governor Ventura on July 9, 2001. The discussion focused on the role of the University in the State, accountability, and mission differentiation with the Minnesota State Colleges and University System. The Governor also confirmed that he will appoint new Board members within the next month. Reed recognized Board members Larson, O'Keefe, Phillips, and Spence whose terms have expired and seats are subject to gubernatorial appointment.

Reed also noted that the Board will hold its annual retreat August 9-10, 2001 at the St. James Hotel in Red Wing,

Minnesota.

RECEIVE AND FILE REPORTS

Chair Reed noted that there were no receive and file reports this month.

GIFTS

Associate Vice President Gerald Fischer presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation through May 31, 2001 as listed in the docket material and 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 FACILITIES COMMITTEE

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

- a. Approval of a recommendation of the President that the appropriate administrative officers receive authorization to execute the appropriate documents providing for the acquisition of 20 acres at 410 W. 82nd Street, Victoria, from the Minnesota Landscape Arboretum Foundation.
- b. Approval of a resolution relating to the University of Minnesota Academic Health Center Minneapolis District Plan 2000 to 2020, as follows:

WHEREAS, on September 6, 1996, the Board of Regents approved the *University of Minnesota Twin Cities Campus Master Plan 1996* (the Master Plan); and

WHEREAS, Section 5 of the Master Plan divides the Twin Cities Campus into fifteen Precincts (also known as Districts) and a Corridor; and

WHEREAS, based on the Structure Plan Elements and Policies developed in Section 4 of the Master Plan, the Precinct Plan Guidelines with accompanying illustrations in Section 5 of the Master Plan direct decision making at the level of the Precinct; and

WHEREAS, through the process described in Section 6, Implementation of the Master Plan, Precinct Plans are intended to be refined and amended over time, ensuring the Master Plan remains an up-to-date, living, and relevant decision making tool; and

WHEREAS, the *Academic Health Center Strategic Facilities Plan* was discussed with the Board of Regents in March 1999; and

WHEREAS, based upon the principles contained in the Master Plan and the goals articulated in the *Academic Health Center Strategic Facilities Plan*, the *University of Minnesota Academic Health*

Center Minneapolis District Plan 2000 to 2020 has been developed to guide decision making for facilities development in response to future programmatic decisions within the Academic Health Center Minneapolis District,

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents accepts the *University of Minnesota Academic Health Center Minneapolis District Plan 2000 to 2020* as a guide for the future development of the Academic Health Center Minneapolis District.

c. Approval of a resolution relating to the Central Corridor Light Rail Transit or dedicated busway alternatives, as follows:

WHEREAS, the following Light Rail Transit or dedicated busway alternatives have been discussed with the Board of Regents in March, April, and June 2001:

Alternative A: A route through campus on Washington Avenue (the Avenue) below grade, through a tunnel from Coffman Memorial Union to east of Oak Street. On the East Bank, at least one station would likely need to be below grade to service both sides of the Avenue. On the West Bank, the probable location for a station would be between Walter F. Mondale Hall and Blegen Hall at grade on the Avenue;

Alternative B: An alignment over the existing # 9 railroad bridge, along the north edge of the campus in the existing railroad corridor. East of Oak Street it could follow the transitway right-of-way. This alternative offers the opportunity to interface with the inter-campus shuttle bus system to serve both the East and West Bank campuses. It may also facilitate the development of the "research park" as a multi-modal development;

Alternative C: A route through campus on the Avenue at grade. This alternative would likely have the same station location on the West Bank as the below grade alternative. A number of issues arise with this alternative on the East Bank: (need to be explored) station location, auto traffic and parking, existing transit service, interface with inter-campus shuttle bus system, and impacts on the built environment (pedestrian access, bicycle usage, landscape, and noise);

Alternative D: An alignment over the existing # 9 railroad bridge, connecting with the one-way pairs of University Avenue SE east bound and 4th Street SE west bound. The issues associated with this alignment: feasibility from an engineering perspective, station location(s) on the East Bank, interconnectivity with the inter-campus shuttle bus system; and

WHEREAS, the University's evaluation of the alternatives is based upon the following planning principles:

- An alignment that best serves existing transit users and can attract the largest number of new riders in the University community on the Minneapolis East and West Bank Campus;
- Provide transit services within an affordable fare structure;
- New transit modes and alignments must increase the capacity and improve the quality of the total transportation system;
- Stations should be located and designed for the convenience of transit users, pedestrians and bicyclists;
- The introduction of new transit alternatives must be done in a manner that does not negatively impact the campus environment; and

WHEREAS, the *University of Minnesota Twin Cities Campus Master Plan — 1996* (the Master Plan) states "Consideration should be given to changing the cross-section of the Avenue to accommodate a single lane of traffic in each direction, separated by a landscaped 'pedestrian-friendly' median. ... The two outside lanes of the street should be dedicated to a busway route, with the potential to accommodate Light Rail Transit in the future"; and

WHEREAS, since the completion of the Master Plan and the last study of the Avenue, University-related pedestrian and auto use of the Avenue has intensified: larger replacement parking facility at Harvard Street, 700 additional student housing beds (Riverbend Commons, Territorial Hall Addition and Frontier Hall Addition), increased parking capacity at Riverbend Commons, projected future addition of 381,000 gross square feet of space in the Academic Health Center, and the proposed future addition to the Weisman Art Museum; and

WHEREAS, based upon the changed conditions on the Avenue, the Master Plan's consideration to accommodate Light Rail Transit at grade on the Avenue is no longer determined to be appropriate by the University; and

WHEREAS, the Central Corridor planners have requested that the University reduce the number of alternatives for further study; and

WHEREAS, the University has consulted with a broad range of internal and external stakeholders and has considered the alignment alternatives in light of the future potential growth and development of the University; and

WHEREAS, the University recognizes the physical, economic, political and operational advantages and disadvantages of the various alternatives,

NOW, THEREFORE, BE IT RESOLVED that the University recommends that the following alternatives be evaluated for the Central Corridor:

- A feasible northerly Light Rail Transit alignment over the existing # 9 railroad bridge that provides for excellent connectivity with University intra-campus shuttle bus service and future development;
- A modified Bus Rapid Transit alignment on the Avenue that provides improved bus service to the University, with East and West Bank stations, and with no exclusive transit lanes through campus; and

BE IT FURTHER RESOLVED that if the Central Corridor planners decide to study a Light Rail Transit alignment on the Avenue, the University requires that the alignment and station be below grade in a tunnel; and

BE IT FURTHER RESOLVED that if the Central Corridor planners proceed with an alternative that proposes to close a section of the Avenue to automobile traffic through the campus, that the section of the Avenue to be closed be vacated and the land become a part of the campus; and

BE IT FINALLY RESOLVED that if a section of the Avenue is vacated and becomes a part of the campus, the University would grant the necessary utility and surface easements needed to accommodate acceptable transit service.

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

Neel reported that the committee also reviewed: information relating to a proposed acquisition of land in St. Louis County from the University of Minnesota Foundation and the St. Paul Campus Northeast District Plan. The committee also reviewed

a number of information items as described in the docket materials.

REPORT OF THE FACULTY, STAFF, & STUDENT AFFAIRS COMMITTEE

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

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

Regent O'Keefe, 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 12, 2001 committee minutes.

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

O'Keefe reported that the committee also engaged in an extended discussion relating to the 2001-2002 operating budget and received an update on University debt.

REPORT OF THE AUDIT COMMITTEE

Regent Reed reported that the committee did not meet this month.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

Regent O'Keefe, Vice 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 12, 2001 committee minutes.

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

O'Keefe reported that the committee also reviewed a draft of the University Plan and Performance Report; engaged in a discussion regarding the implications of the 2001-2002 Operating Budget on institutional and collegiate academic programs and initiatives; and received an update on the Biomedical Innovation and Commercialization Initiative. The committee also reviewed a number of information items as described in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

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

CONSENT REPORT: FACULTY, STAFF, AND STUDENT AFFAIRS COMMITTEE

Executive Vice President and Provost Bruininks presented the Consent Report for the Faculty, Staff, and Student Affairs Committee.

A motion was made and seconded and the Board of Regents voted unanimously to approve the Consent Report as presented in the docket materials, including the following:

1. Appointment of Robert Jones as Vice President for Campus Life effective July 15, 2001;
2. Appointment of Zigang Dong to the Hormel Foundation Board of Directors; and
3. Appointment of Susan K. Knollberg to the Community University Health Care Center Board of Governors.

AMENDMENTS TO THE BYLAWS OF THE BOARD OF REGENTS

Regent Reed presented proposed amendments to the Bylaws of the Board of Regents. A motion was made and seconded to approve the proposed amendments.

In response to a question from Regent O'Keefe, Reed stated that in light of the recently adopted Board of Regents Policy: *Reservation and Delegation of Authority*, a number of policies will be on the Board's agenda for review and possible revision in the coming months.

The Board of Regents voted unanimously to approve the amendments to the Bylaws of the Board of Regents.

BYLAWS

INTRODUCTION

The Board of Regents of the University of Minnesota was established by the University Charter passed by the Legislative Assembly of the Territory of Minnesota in the Territorial Laws 1851, Chapter 3; and this establishment was perpetuated by the Constitution of the State of Minnesota, Article XIII, Section 3.

ARTICLE I. CORPORATE NAME AND SEAL

The name of the body corporate shall be *Regents of the University of Minnesota*. The corporation shall have a seal on which shall be inscribed the name of the corporation.

ARTICLE II. AUTHORITY AND RESPONSIBILITY

The government of the University of Minnesota shall be vested in a Board of twelve Regents as provided in an act approved in 1851 by the Legislative Assembly of the Territory of Minnesota* and affirmed in 1857 in the Constitution of the State of Minnesota, and as amended thereafter.

ARTICLE III. OFFICERS OF THE BOARD OF REGENTS

Section A. Officers

The officers of the Board of Regents shall consist of the Chancellor as ex officio President, Chair, Vice Chair, Secretary, and Treasurer. The Chair and Vice Chair shall be elected from members of the Board of Regents, but the Secretary and Treasurer need not be members of the Board of Regents.

Section B. Term of Office

The officers of the Board of Regents, except the President, shall be elected for a two-year term which shall commence on July 1 of the odd-numbered year following the annual meeting or shall serve until their successors are elected. The Board of Regents shall have the power to remove any officer when in its judgement the interest of the University requires it.

Section C. Duties and Responsibilities

(1) *Chancellor*. The Board of Regents by formal action on June 12, 1943, resolved that the Chancellor shall also be known and designated as the President of the University of Minnesota. The President shall be ex officio, non-voting, President of the Board of Regents and shall perform such duties as set forth in these bylaws or otherwise required by the Board.

The President of the University shall be elected by the Board of Regents whenever there is a vacancy and shall hold office at the pleasure of the Board. If the President is unable to serve, as determined by the Board of Regents, the Board may designate an Acting President.

(2) *Chair*. The Chair shall preside at the meetings of the Board of Regents. The Chair shall name and identify the duties and responsibilities of all committees, and shall fill committee vacancies arising from any cause whatsoever in the same manner. The Chair shall be empowered and authorized to execute such instruments and documents which would devolve upon the principal corporate officer.

(3) *Vice Chair*. In the absence of the Chair, the Vice Chair shall perform the duties ordinarily performed by the Chair of the Board of Regents.

(4) *Secretary*. It shall be the duty of the Secretary to record all of the proceedings of the Board of Regents and all committees of the Board of Regents and to carefully preserve all of its books and papers. The Secretary shall be the custodian of the corporate seal of the Regents of the University of Minnesota and shall duly execute for and on behalf of the "Regents of the University of Minnesota" or the "University of Minnesota" such instruments and documents which would devolve upon a corporate officer and would be usual to that office. The Secretary shall cause all notices to be duly given in accordance with the Bylaws of the Board of Regents and shall perform such other duties as the Board of Regents may direct.

(5) *Treasurer*. The Treasurer shall keep a true and faithful account of all moneys received and paid out and shall give such bonds for faithful performance as the duties of the Board of Regents may require.

Section D. Election of Officers

The election of the officers of the Board of Regents shall be conducted at the annual meeting in June of the odd-numbered year in accordance with the following procedure:

- (1) The Nominating Committee, as described in Article V, Section C, shall prepare a slate of at least one candidate for Chair, Vice Chair, Secretary, and Treasurer of the Board of Regents.
- (2) The report of the Nominating Committee shall be sent by United States mail or facsimile to each member of the Board of Regents at least ten calendar days prior to the annual meeting.
- (3) After the report of the Nominating Committee has been presented at the annual meeting, nominations may be received from the floor.
- (4) If there is only one nominee for each office, a member may move election of the nominated slate. The vote shall be by unanimous consent.
- (5) If there are two or more nominees, election of each officer shall be conducted separately by roll call. The first nominee receiving at least seven votes is elected.
- (6) If there are three or more nominees and no one is elected on the first four ballots, the nominee who received the least number of votes on the fourth ballot will be dropped. This procedure shall be used until two nominees remain or a nominee has been elected. In case of a tie for the least number of votes, balloting shall continue on all candidates until the tie is broken.

Section E. Vacancy of an Office of the Board of Regents

In the event of a vacancy in the office of the Chair, the Vice Chair shall assume the position of Chair and shall serve out the Chair's term of office. In the event of a vacancy of any other office of the Board of Regents, including the position of Vice Chair when the Vice Chair assumes the office of the Chair, an election shall be held for the unexpired term at a subsequent meeting of the Board of Regents. Nominations may be made from the floor. Voting shall be conducted according to Section D.

Written notice shall be sent to each member of the Board by United States mail or facsimile ten days prior to the date of the meeting at which the election shall be conducted.

ARTICLE IV. MEETINGS OF THE BOARD OF REGENTS

Section A. Annual Meeting

The annual meeting of the Board of Regents shall be held on the second Friday in June each year unless otherwise determined by the Board of Regents. Written notice shall be mailed ten calendar days prior to the annual meeting. The Board of Regents shall set its schedule of Regular Meetings for the ensuing year at the annual meeting.

Election of officers of the Board of Regents shall be held at the annual meeting of the odd-numbered years. Standing committees of the Board of Regents shall be appointed by the Chair at or immediately following the annual meeting of the odd-numbered years.

Section B. Regular Meetings

Regular meetings of the Board of Regents shall be held in accordance with the schedule of meetings approved at the annual meeting. The Board of Regents may vote to change the date of any regular meeting. Written notice of regular meetings shall be mailed ten calendar days prior to the meeting.

The Order of Business at regular meetings of the Board of Regents shall include, but not be limited to, the following:

1. Approval of Minutes
2. Report of the President of the Board
3. Report of the Chair of the Board
4. Receive and File Reports
5. Reports of Committees
 - a) Standing Committees
 - b) Special Committees
6. Old Business
7. New Business

Section C. Special Meetings

Special meetings of the Board of Regents to consider specific items of business may be called by the Chair of the Board, and shall be called by the Chair at the request of any five members thereof at such time and place, and in such form as the Chair may deem appropriate.

The Secretary shall provide reasonable public notice of special meetings, and the Chair may in special circumstances waive the requirement of written notice provided that other appropriate public notice is given.

ARTICLE V. COMMITTEES OF THE BOARD OF REGENTS

Section A. Standing Committees

The Chair of the Board of Regents shall name and identify the responsibilities of standing committees.

(1) *Membership.* The Chair of the Board of Regents shall appoint the Regents to all standing committees and shall designate the Committee Chair of each. Vacancies arising from any cause whatsoever shall be filled in the same manner.

(2) *Meetings.* Standing committees shall meet prior to the regular meeting of the Board of Regents. A special meeting of a standing committee to consider specific items of business may be called by the Chair of the Board, and shall be called at the request of the majority of the members thereof at such time and place and in such form and with reasonable notice, as the Chair may deem appropriate.

Section B. Nominating Committee

The Chair of the Board of Regents shall appoint a Nominating Committee of three members of the Board and designate the Committee Chair at the regular May meeting of the odd-numbered years. The Nominating Committee shall conduct itself according to Article III, Section D.

Section C. Special Committees

The Chair of the Board of Regents shall appoint the members, designate the Committee Chairs and identify the responsibilities of special committees.

ARTICLE VI. RULES OF PROCEDURE FOR MEETINGS OF THE BOARD OF REGENTS AND ITS COMMITTEES

Section A. Parliamentary Procedures

Robert's Rules of Order, in its most recent revised edition, shall guide the business of the Board of Regents for all meetings to the extent that they are consistent with law and these Bylaws. The University General Counsel shall rule on all disputed questions of procedure.

Section B. Open Meetings

The Board of Regents adopts as its policy the Minnesota Open Meeting Law as set forth in Minnesota statute. A motion to hold a non-public meeting must be put to a vote at a public meeting of the Board.

Section C. Quorum

A majority of the members of the Board of Regents, or of a committee, shall be necessary to constitute a quorum for meetings of the Board or meetings of a committee.

Section D. Voting the Question

The decision of the majority voting on the question shall prevail. The Secretary shall record the vote of each Regent. A Regent may abstain from voting. Voting by proxy or by mail shall not be permitted.

Participation and voting by Regents via telephone is permissible in special circumstances on approval of a

majority of the members of the Board present, provided the Regent or Regents are available to participate in the items presented, discussed, and voted upon at that meeting, and they shall be counted towards determination of a quorum.

Section E. Business Before the Board of Regents

The Chair of the Board, in consultation with the President and Vice Chair and consistent with the Board of Regents Policy: *Board Operation and Agenda Guidelines*, approves items of business and the agenda to be considered at meetings of the Board of Regents and the standing or special committees. Any Regent may suggest items for the agenda or move to have an item discussed at a meeting.

All items shall be submitted to the Secretary for referral to the appropriate committee for review and consideration. Items and supporting documentation should be in the office of the Secretary at least ten calendar days before the meeting at which consideration is expected.

A request to appear before a meeting of the Board of Regents or its standing or special committees shall be submitted in writing to the Secretary, in advance of the meeting. The Chair shall rule on all requests. If the request is to appear before a committee, the Chair may also consult with the Committee Chair.

The Chair of the Board of Regents or one of the standing or special committees of the Board of Regents shall not ordinarily allow individuals who are not on the agenda to speak at meetings. The chairs of the various committees may allow such individuals to speak when they determine it is in the best interests of the University and will not unduly delay the matters before the particular committee.

The recommendations of Board committees shall be reported to and be subject to approval by the Board of Regents.

Section F. Protocol for Meetings of the Board of Regents

- (1) All those in attendance at meetings of the Board of Regents may be asked to identify themselves to the Secretary or a designee upon entry to the meeting.
- (2) Only members of the Board of Regents, the President, and those recognized by the Chair may address the Board.
- (3) If space is limited in the meeting room, those with business before the Board of Regents and the members of the press shall have priority over those who are visitors.
- (4) No flags, banners, signs, or similar displays shall be permitted in meetings of the Board of Regents.
- (5) No person shall cause any disturbance, delay, or interference, or cause any threats thereof at any meeting of the Board of Regents or its committees. Further, no person shall intentionally or through coercion, force, or intimidation, deny or interfere with the right of another to free access or egress from any meeting.
- (6) Visitors to meetings of the Board of Regents shall observe the reasonable requests of the Chair.

These rules and regulations are adopted for purposes of Minnesota Statute § 624.72.

Section G. Minutes of the Board of Regents Meetings

Minutes of the proceedings of the Board of Regents shall be kept by the Secretary, who shall cause them to be printed, bound, and preserved and who shall transmit copies to the members of the Board of Regents, University officers, administration, libraries, and to other places where it is deemed appropriate. All lengthy reports shall be referred to in the minutes and shall be kept on file as part of the University records, but such

reports need not be incorporated in the minutes except when so ordered by the Board of Regents. The minutes shall reflect the votes cast in committee meetings on matters recommended to the Board of Regents for action.

Section H. Telephone Meetings

The Chair may decide that regular or special meetings of the Board or any of its committees and regular meetings may be held by telephone. For purposes of such a telephone meeting, all Regents who are connected by telephone shall count toward a quorum and may participate and vote. The Secretary shall give reasonable public notice of such meetings and shall make arrangements for the public to hear the telephone discussion, unless it is a non-public meeting.

ARTICLE VII. DELEGATION OF AUTHORITY

Section A. President, Executive Officers, and Administrators

The Board of Regents may authorize appropriate executive officers to act on behalf of the University, consistent with Board of Regents Policy: *Reservation and Delegation of Authority* and other Board policies. As the highest authority that can act on behalf of the University, the Board of Regents shall be the University General Counsel's ultimate client, unless the Board directs otherwise.

Section B. President, University Senate, and Faculties

All matters relating to the education and administrative affairs of the University, consistent with actions or policies of the Regents of the University of Minnesota heretofore or hereafter taken or established and including those incident to the management of the student body are, for the purpose of effectuating the government of the University under and by the Regents, committed to the President, the University Senate, and the several faculties, as provided in the Senate Constitution and as amended from time to time.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section A. Code of Ethics and Conflict of Interest

The members of the Board of Regents shall be guided by the provisions set forth in the Code of Ethics policy adopted by the Board on October 12, 1973, and as amended from time to time.

Section B. Reimbursement for Expenses

Regents may be reimbursed for expenses incurred in the performance of official business in accord with the University's policy and procedures.

ARTICLE IX. AMENDMENTS TO BYLAWS

The Bylaws may be amended by a two-thirds vote of the Board of Regents at any meeting, provided, however, that notice of any proposed changes shall be sent by United States mail to the members of the Board of Regents 30 calendar days in advance of the meeting scheduled to consider such changes.

ARTICLE X. SUSPENSION OF BYLAWS

Any provision of these Bylaws other than those contained in Article VIII, Section A, may be suspended in connection with the consideration of a matter before the Board of Regents by an affirmative vote of two-thirds of the Board of Regents.

HISTORY: Adopted on December 10, 1889. Amended on June 15, 1929; May 9, 1939; June 12, 1954; June 10, 1967; February 9, 1968; September 10, 1971; July 14, 1972; June 8, 1973; February 13, 1976; March 11, 1977; July 10, 1981; January 10, 1986; November 10, 1994; December 12, 1997; February 12, 1999; May 14, 1999; February 11, 2000; July 12, 2001.

LEGISLATIVE SESSION UPDATE

Associate Vice Presidents Donna Peterson and Richard Pfitzenreuter provided the Board with a summary of the 2001 Legislative Session.

Peterson stated that the climate for the 2001 legislative session focused on tax rebates and reductions which resulted in the University of Minnesota receiving approximately half of its requested funding increase. While many legislators were supportive of the University's request, tax issues were the priority for this session. There were positive outcomes, however, from the session. The University's grassroots campaign was accelerated this year with a collaboration of faculty, staff, and students communicating the University's message to the Legislature and the public. Peterson believes that the outcome of the campaign produced a positive change in attitudes regarding the University and legislators have a much better understanding of the institution and its needs for the future. Legislators also clearly understood that if the legislature were unable to provide additional funding for the University, it would mean a large increase in tuition for students.

Peterson stated that redistricting and the outcome of the next state election will play a major role in the success of the next biennial request. It is anticipated that redistricting will result in a number of new legislators and the grassroots campaign that occurred this year will need to be duplicated for the next request.

Board members thanked Peterson and Pfitzenreuter for their extensive efforts during the 2001 session.

2001-2002 OPERATING BUDGET

President Yudof presented the following resolution relating to the University's 2001-2002 operating budget plan as contained in the docket materials:

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 funds to the University of Minnesota 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;

NOW, THEREFORE, BE IT RESOLVED that to achieve these goals, the Board of Regents approves the University of Minnesota Fiscal Year 2001-02 Operating Budget as follows:

The annual revenue and expenditure plan for current, non-sponsored funds and projected expenditures for sponsored funds for fiscal year 2001-02.

The Fiscal Year 2001-02 Operating Budget approved by the Board of Regents includes the following attachments which are included in the President's Recommended Fiscal year 2001-02 Operation Budget:

Attachment 1 -- Resource and Expenditure Budget Plan (University Fiscal Pages)

Attachment 3 -- Fund Forecast - Centrally Allocated and Attributed Accounts

Attachment 4 -- University of Minnesota 2001-02 Tuition Plan: Tuition Rates

Attachment 9 -- Student Services Fees

A motion was made and seconded to approve the resolution.

President Yudof presented details of the \$1.75 billion budget including \$101.8 million in new spending, tuition and fee increases averaging 13.3 percent for FY02, and a number of internal retrenchments and reallocations. Funding for new financial needs and investments over the next two years will be provided in one-third increments from: 1) new state appropriations; 2) increased tuition and fees; and 3) internal reallocations and investment. It is anticipated that for most students the tuition and fee increases will be offset by changes in federal tax laws, increased federal and state grants, and the University's commitment to double its financial aid grants.

Venora Hung, Chair of the Student Representatives, addressed the Board indicating that students understand the difficult decisions the Board has to make regarding the tuition increase. Students are pleased that first, there will be an increase in financial aid and tax credits to partially offset the additional cost and second, that the Board is continuing to show its commitment toward students by targeting significant funds from the operational budget to maintain student services. The Student Representatives recommend that an aggressive educational campaign be undertaken to inform students and their parents of the financial aid opportunities available. It is hoped that increasing tuition will not be a continual solution to replace the lower than needed state appropriation monies. The people of Minnesota need to understand what the implications of decreased state funding for higher education will mean for the future of the state. The Student Representatives are committed to working with the Board and the Student Legislative Coalition to reverse the national trend of higher tuition for public universities.

While a number of Board members expressed disappointment regarding the high tuition increase, there was agreement that the quality of the University is the highest priority. In response to a question, President Yudof stated that most institutions are being forced to turn to higher tuition models for funding. Support for state schools nationwide is decreasing, resulting in students having to pay a much larger share of the cost of their education. He is not optimistic that this trend will change in the future.

Regent O'Keefe complimented President Yudof for the way he has responded to the critical funding issues facing the University by revisiting his vision and engaging the citizens of the state to explore their expectations for higher education.

Regent Larson expressed concern about the effect the tuition increases will have on middle-income families, indicating that he would encourage training for advisers, so that students and parents will have access to as much information as possible with regard to the availability of financial aid and grants. President Yudof agreed that the University will need to communicate to students information regarding their best financial aid opportunities and will initiate such a process.

The Board of Regents voted unanimously to approve the resolution relating to the President's recommended Fiscal Year 2001-02 Operating Budget Plan.

The meeting adjourned at 3:30 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

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Last modified on September 7, 2005