

Year 2003-04

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
October 10, 2003**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, October 10, 2003, at 9:00 a.m. in Oyate Hall on the University of Minnesota Morris campus.

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

Staff present: President Robert Bruininks; Chancellors Velmer Burton and Samuel Schuman; Executive Vice President and Provost Christine Maziar; Vice Presidents Kathryn Brown, Carol Carrier, Sandra Gardebring, Robert Jones, and Kathleen O'Brien; Interim Vice President David Hamilton; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice President 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 - September 11, 2003
Litigation Review Committee - September 11, 2003
Educational Planning & Policy Committee - September 11, 2003
Facilities Committee - September 11, 2003
Faculty, Staff & Student Affairs Committee - September 11, 2003
Finance & Operations Committee - September 11, 2003
Board of Regents - September 11, 2003
Board of Regents Meeting- September 12, 2003

REPORT OF THE PRESIDENT

President Bruininks reported on enrollment for Fall 2003. He stated that total enrollment was 63,769, up from 62,789 from the previous year. Enrollment has increased by 9.6 percent since Fall 2000 and is the third highest in the United States. He provided information on student trends relating to preparation, diversity, credit loads, and retention.

The President presented a brief update on issues relating to a possible Gopher-only football stadium on campus. He indicated that draft principles will be presented to the Board in November and that a feasibility study that was commissioned is scheduled to be completed by mid-November.

Lastly, he reported on the University's economic development strategy, an effort being led by Vice President Charles Muscoplat. As a part of this strategy, the President will be making a series of visits to greater Minnesota communities to engage in conversations relating to the University's statewide economic, social, and cultural impact. He will also engage in conversations with Minnesota's elected officials, major foundations and non-profit organizations, and leaders in the private sector to explore leveraging community development resources across institutions.

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

REPORT OF THE CHAIR

Chair Metzen reported that the Board's workplan for the next two years has been distributed to the Board. It was based on priorities developed at the Board's August 2003 retreat.

He reported briefly on the President's recent visit to Alexandria and Fergus Falls indicating that Regents Frobenius and Allen also attended the events. He also noted the grand opening of the Regis Art Center on the Twin Cities campus.

Metzen expressed appreciation to Chancellor Schuman, his wife Nancy, and all the staff, faculty and students of the Morris campus for their warm welcome.

RECEIVE AND FILE REPORTS

Chair Metzen reported the receipt and filing of the Asset Management Annual Report.

GIFTS

President Bruininks 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 August 31, 2003. The list is on file in the Board Office.

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

BOARD OF REGENTS POLICY REVIEW

Chair Metzen presented amendments to the following Board of Regents policies:

Board of Regents Policy: *Board Authority*

Board of Regents Policy: *Founding Date, Corporate Name, and Seal*

Board of Regents Policy: *Board and Individual Regent Responsibilities*

A motion was made and seconded and the Board of Regents voted unanimously to adopt the amendments to the policies as presented below:

Board of Regents Policy: *Board Authority*

Subd. 1. Authority. The authority of the Board of Regents (Board) resides only with the Board as a whole and not in its individual members, except as the Board itself may have delegated specific authority to one of its members or one of its committees.

Subd. 2. Rule Violations. No Board member shall make any request or demand for action that violates the written policies, rules, and regulations of the Board or the University.

Subd. 3. University Management. Regents should be vigilant to ensure they are fully informed about the effectiveness of management at the University. Specific recommendations about University operations shall be presented in public meetings of the Board or its committees. Board of Regents Policy: *Founding Date, Corporate Name, and Seal*

Subd. 1. Founding Date. The Minnesota Territorial Laws of 1851, chapter 3, establish the University of Minnesota (University), vest its government in a Board of Regents (Board), and remain the charter under which the University is governed. This statute was approved on February 25, 1851, and that date shall be used as the founding date of the University.

Subd. 2. Corporate Name. Pursuant to and in conformity with Minnesota Territorial Laws of 1851, chapter 3, as perpetuated in the Constitution of the State of Minnesota, Article XIII, Sec. 3, this corporate body shall be known and designated as Regents of the University of Minnesota. All its business shall be carried on and written instruments shall be executed in this corporate name by its authorized officers and agents and authenticated, when necessary, by affixing its corporate seal (seal) bearing the name Regents of the University of Minnesota. All grants, gifts, bequests, or devises, made in trust or otherwise, in the name of the University or in the name of any school, college, department, or unit of the University, shall be and are grants, gifts, bequests, or devises, each according to its terms, to the Regents of the University of Minnesota. Acts of the Regents of the University of Minnesota to manage the grants, gifts, bequests, or devises meant and intended for the said corporation are ratified, approved, and confirmed.

Subd. 3. Corporate Seal. The Board adopted the current seal of the Regents of the University of Minnesota on May 9, 1939. The customary use of a seal is to signify authenticity of legal documents of the corporate body; however, it is recognized that the University is a source of pride to many and that there is a desire to display the seal as a symbol of the institution. The use of the seal of the University is therefore established in accordance with the following standards:

(a) The embossed seal is the corporate mark of identification signifying authenticity of contracts, agreements, and other documents executed in the name of the corporation, and its use is limited to that purpose. The instrument of the seal and any replicas shall be in the custody of the executive director/secretary of the corporation.

(b) A non-embossed reproduction of the seal, while unofficial, may be used within the University for purposes authorized by the president or delegate.

(c) When authorized by the president or delegate, use of the seal by external entities on or in connection with their services or products shall be permitted only if subject to a license agreement with the University. The seal has been registered with the U.S. Patent and Trademark Office.

Subd. 4. Standards. Standards regarding use and reproduction of the seal are available from the executive director/secretary of the Board.

Board of Regents Policy: *Board and Individual Regent Responsibilities*

Subd. 1. Responsibilities of the Board of Regents. Responsibilities of the Board of Regents (Board) include the following:

- (a) Clarify the mission of the University of Minnesota (University) and approve programs necessary to fulfill that mission.
- (b) Monitor and evaluate the performance of the institution in achieving its goals and fulfilling its mission.
- (c) Appoint, monitor, advise, motivate, support, evaluate, and, if necessary or advisable, replace the president.
- (d) Approve major policies, long-range plans, educational programs, and annual budgets, while clearly delegating administrative responsibilities.
- (e) Accept fiduciary responsibility for the long-term welfare of the University.
- (f) Ensure adequate resources—human, financial, physical—and effective management of those resources.
- (g) Preserve institutional autonomy, recognizing that the preservation of autonomy requires accountability.
- (h) Foster collaboration with other educational systems and institutions, consistent with the University's mission.
- (i) Serve as a court of appeals when appropriate.
- (j) Enhance the public image of the University.
- (k) Regularly evaluate the Board's performance and strive to improve it.
- (l) Ensure that the University remains an equal opportunity institution.

Subd. 2. Individual Regent Responsibilities. Responsibilities of individual members of the Board include the following:

- (a) To support the mission of the University.

- (b) To maintain loyalty to the entire institution rather than to any part of the University or constituency within it.
- (c) To maintain the highest ethical standards, abiding by Board policies with respect to ethics and conflicts of interest.
- (d) To seek to be fully informed about the University and its role in the state and in higher education and to be responsive to the changing environments that affect it.
- (e) To speak forthrightly at Board meetings and to support Board decisions when determined.
- (f) To understand that the Board's role is policy making rather than involvement in administration or management.
- (g) To strengthen and sustain the president while being an active, energetic, and probing Board member who exercises critical judgment on policy matters.
- (h) To communicate promptly to the president any significant concern or complaint for administrative disposition.
- (i) To defend the autonomy and independence of the University.
- (j) To represent all the people of Minnesota and no particular interest, community, or constituency.
- (k) To enhance the public image of the University and the Board.
- (l) To recognize that authority rests only with the Board as a whole and not in its individual members.
- (m) To recognize that the president is the primary spokesperson for the University, and the chair of the Board is the only other person authorized to speak for the Board.
- (n) To foster openness and trust among members of the Board, the administration, the faculty, the students, state government, and the public.
- (o) To maintain respect for the opinions of Board colleagues and a proper restraint in criticism of colleagues and officers.
- (p) To recognize that no Board member shall make any request or demand for action that violates the written policies, rules, or regulations of the Board or the University. Metzen noted that the Board of Regents Policy: Mission Statement will be on the agenda in November for action.

REPORT OF THE CHANCELLOR

Chancellor Schuman presented a report to the Board addressing the question of why the University of Minnesota, and the people of the State of Minnesota, should be supporting the University of Minnesota Morris - a small selective public liberal arts college. He spoke about the unique educational opportunities that are afforded by small colleges. Sharply focused missions, close student/teacher relationships, opportunities for faculty

and staff to become deeply engaged in the life of the college, sacrifices for the common good, and a more balanced undergraduate experience were advantages cited in his report. The complete report of the chancellor is on file in the Board office.

SIX-YEAR CAPITAL PLAN

President Bruininks presented the Six-Year Capital Plan for review as detailed in the docket materials. The plan includes \$735 million to be considered for capital improvements during FYs 2004-05 to 2008-09 (\$637.2 million in State capital support and \$98.4 million in projects funded by the University through a combination of University debt obligations to the State of Minnesota and local unit resources/fundraising). Bruininks provided an explanation of how the Six-year Capital Improvement Plan is developed, reviewed financial details of the plan, and provided brief descriptions of a number of projects included in the plan. He noted that the plan focuses on capital projects that advance University strategic priorities by:

- Advancing new and strengthening existing teaching, research and public service priorities;
- Offering the best student experience at a research university;
- Renewing the campuses through stewardship of public investments; and
- Managing long-term financing requirements and future operating costs.

In response to a question, Bruininks reported that the six-year capital planning process is a highly useful and disciplined process. It is a constant iterative process that provides for the opportunity to change and adjust the plan when new opportunities and circumstances arise.

Regent Berman raised several policy issues that he believes warrant future discussion. The issues related to whether the University should adopt measures for selecting projects to be included in the plan; the appropriate percentage between maintenance projects and new construction; and how much debt the University should assume.

With regard to the percentage balance between maintenance projects (73%) and new construction (27%) in this plan, Regent Reed stated that the Legislature has requested that the University “take care” of its current assets. This plan reflects that request. She also cautioned that the University should remain firm on its priorities for the future and not be subject to private interests and donors.

The Six Year Capital Plan will be on the November 2003 agenda for action.

2004 CAPITAL REQUEST

President Bruininks presented the following resolution relating to the University of Minnesota’s proposed 2004 State Capital Request:

WHEREAS, the Board of Regents has directed the administration to annually submit a capital improvement budget and a 6-year capital improvement plan in support of the University’s strategic priorities; and

WHEREAS, the Board of Regents recognizes the importance of sustaining and improving the University's facilities in support of teaching, research, and outreach; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents approves the University's "2004 State Capital Request" to the Minnesota Legislature in the amount of \$155,467,000 and a University of Minnesota financial contribution through a combination of University issued debt, fundraising, restricted funds and onetime unit resources of \$33,233,000. A motion was made and seconded to recommend approval of the resolution. The Board of Regents voted unanimously to approve the resolution supporting the President's recommended 2004 State Capital Request.

REPORT OF THE AUDIT COMMITTEE

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

REPORT OF THE FACULTY, STAFF, & STUDENT AFFAIRS COMMITTEE

Regent Simmons, 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 October 9, 2003 committee minutes.
- b) Approval of a resolution relating to the Collective Bargaining Agreement with AFSCME Council 6, Locals 3937 and 3801, as follows:

WHEREAS, the parties have met and negotiated over the course of the past few months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit (a complete copy of which is available in the Board of Regents Office);

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

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

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Executive Vice President and Provost, and the Associate Vice President for Budget and Finance, the Board of Regents approves this labor agreement as outlined in the docket for October 9, 2003.

- c) Approval of a resolution relating to the Collective Bargaining Agreement with Teamsters Local Union 320, as follows:

WHEREAS the parties have met and negotiated over the course of the past few months and have reached

agreement regarding terms and conditions of employment regarding the employees of this bargaining unit (a complete copy of which is available in the Board of Regents Office);

WHEREAS, the Teamsters Local Union 320 has ratified acceptance of this agreement; and

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

NOW, THEREFORE, BE IT RESOLVED, that on the recommendation of the President, the Executive Vice President and Provost, and the Associate Vice President for Budget and Finance, the Board of Regents approves this labor agreement as outlined in the docket for October 9, 2003.

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

Regent Simmons reported that the committee received a presentation on the student experience at the University of Minnesota Morris; received an update on employee health care benefits; and reviewed a number of information items as described in the docket materials. The agenda item relating to student experience survey results was delayed due to time constraints.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

Regent Hogan, 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 October 9, 2003 committee minutes.

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

Hogan reported that the committee engaged in discussions regarding issues related to the Annual Capital Financing and Debt Management Report, the Six-Year Capital Plan, and the Asset Management Annual Report. The committee also reviewed a number of information items described in the docket materials.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

REPORT OF THE FACILITIES COMMITTEE

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

- a) Approval of an amendment to the FY03 Capital Budget of \$580,000 to incorporate additional funding for the Phillips-Wangensteen Vascular Biology Center/Hebbel Lab Remodeling project located on the Twin Cities East Bank campus.
- b) Approval that the appropriate administrative officers are authorized to execute the Host Agreement with the National Kidney Foundation for the 2004 U.S. Transplant Games to be held at the University of Minnesota, Twin Cities campus, July 27 through August 1, 2004.
- c) Approval of the schematic plans for the St. Paul Chilled Water Facility, Phase I, Part A and of the appropriate administrative officers proceeding with the award of contracts, the development of construction documents and construction.

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

Bohnsack reported that the committee also reviewed design guidelines for the St. Paul Chilled Water Facility, Phase I, Part B on the Twin Cities campus.

REPORT OF THE LITIGATION REVIEW COMMITTEE

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

The meeting adjourned at 11:10 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary