

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Friday, March 12, 2010**

**9:00 - 11:30 a.m.**

**600 McNamara Alumni Center, Boardroom**

**Board Members**

Clyde Allen, Chair  
Linda Cohen, Vice Chair  
Anthony Baraga  
Richard Beeson  
Dallas Bohnsack  
John Frobenius  
Venora Hung  
Steven Hunter  
Dean Johnson  
David Larson  
Maureen Ramirez  
Patricia Simmons

**AGENDA**

1. Recognitions - R. Bruininks/T. Sullivan/K. Himle (pp. 3-4)
  - A. McKnight Land-Grant Professors
  - B. UMAA CEO
2. Approval of Minutes - Action - C. Allen
3. Report of the President - R. Bruininks
4. Report of the Chair - C. Allen
5. Receive and File Reports (pp. 5-29)
  - A. Quarterly Report of Grant & Contract Activity
  - B. Annual Capital Financing & Debt Management Report
6. Board Calendar Annual Review - C. Allen (pp. 30-41)
7. Consent Report - Review/Action - C. Allen (pp. 42-53)
  - A. Gifts
  - B. Summary of Expenditures
8. Resolution Related to Audit Committee - Review/Action - C. Allen (pp. 54-55)
9. Report of the Faculty Consultative Committee - M. Gonzales (pp. 56-58)
10. Board of Regents Policy: *Individual Business or Financial Conflicts of Interest* - Action - K. Brown/M. Rotenberg (pp. 59-63)
11. Financing the Future: Budget Framework/Principles - R. Bruininks/R. Pfitzenreuter (pp. 64-65)
12. Report of the Educational Planning & Policy Committee - P. Simmons
13. Report of the Facilities Committee - S. Hunter
14. Report of the Faculty, Staff & Student Affairs Committee - D. Johnson
15. Report of the Finance & Operations Committee - J. Frobenius
16. Report of the Audit Committee - S. Hunter

17. Report of the Litigation Review Committee - A. Baraga
18. Old Business
19. New Business
20. Adjournment



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Board of Regents**

**March 12, 2010**

**Agenda Item:** Recognition of McKnight Land-Grant Professors

review       review/action       action       discussion

**Presenters:** President Robert H. Bruininks  
Senior Vice President for Academic Affairs and Provost E. Thomas Sullivan

**Purpose:**

policy       background/context       oversight       strategic positioning

To recognize the 2010-12 McKnight Land-Grant Professors:

Professor Vldas Griskevicius, Department of Marketing and Logistics Management  
Professor Ibrahim Volkan Isler, Department of Computer Science and Engineering  
Professor Alex P. Jassen, Department of Classical and Near Eastern Studies  
Professor Daniel H. Kaplan, Department of Dermatology  
Professor Kenneth H. Kozak, Department of Fisheries, Wildlife, and Conservation Biology  
Professor Vuk Mandic, School of Physics and Astronomy  
Professor Jennifer Jane Marshall, Department of Art History  
Professor Dylan B. Millet, Department of Soil, Water, and Climate  
Professor Yoichiro Mori, School of Mathematics  
Professor John Ohlfest, Departments of Pediatrics and Neurosurgery

**Outline of Key Points/Policy Issues:**

**Background Information:**

The McKnight Land-Grant Professors are junior scholars chosen for their potential for important contributions to their field; the degree to which their past achievements and current ideas demonstrate originality, imagination, and innovation; the potential for attracting outstanding students; and the significance of the research and the clarity with which it is conveyed to the non-specialist. Recipients are honored with the title McKnight Land-Grant Professor, a special award that they will hold for two years. The award consists of a research grant in each of two years, summer support, and a research leave in the second year.



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Board of Regents**

**March 12, 2010**

**Agenda Item:** Recognition: Chief Executive Officer, University of Minnesota Alumni Association and Associate Vice President, Alumni Relations

review       review/action       action       discussion

**Presenters:** President Robert H. Bruininks  
Karen Himle, Vice President for University Relations

**Purpose:**

policy       background/context       oversight       strategic positioning

To recognize Margaret Carlson, Chief Executive Officer of the University of Minnesota Alumni Association and Associate Vice President for Alumni Relations.

**Outline of Key Points/Policy Issues:**

**Background Information:**



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Board of Regents**

**March 12, 2010**

**Agenda Item:** Receive and File Reports

review       review/action       action       discussion

**Presenters:** Regent Clyde Allen

**Purpose:**

policy       background/context       oversight       strategic positioning

**Outline of Key Points/Policy Issues:**

**Background Information:**

There are two items for receipt and filing:

- A) Quarterly Report of Grant & Contract Activity
- B) Annual Capital Financing & Debt Management Report

# UNIVERSITY OF MINNESOTA

Meeting of the Board of Regents



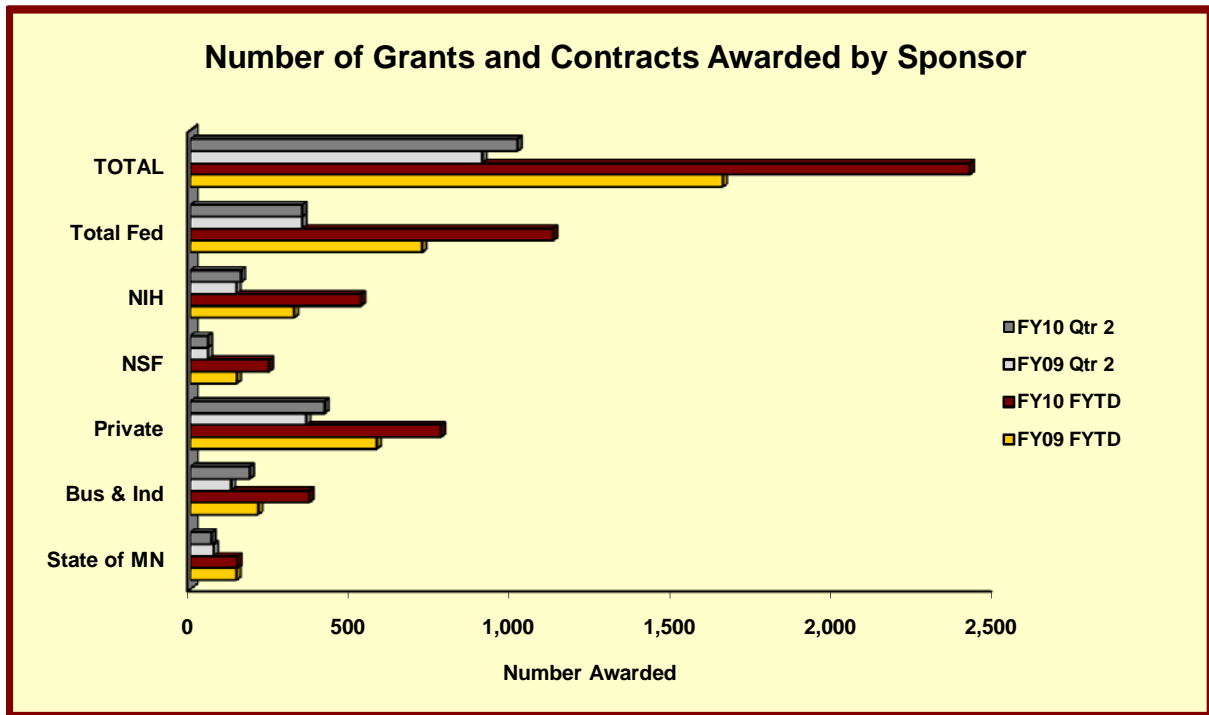
**Quarterly Report of Grant/Contract Activity**

**Fiscal Year 2010  
Second Quarter Data: October - December, 2009**

Produced by: Office of the Vice President for Research

Version date: 2/25/2010

**University of Minnesota**  
**Quarterly Report of Grant and Contract Activity**  
**Award Summary by Sponsor**  
**Fiscal Year 2010 Second Quarter: October - December, 2009**



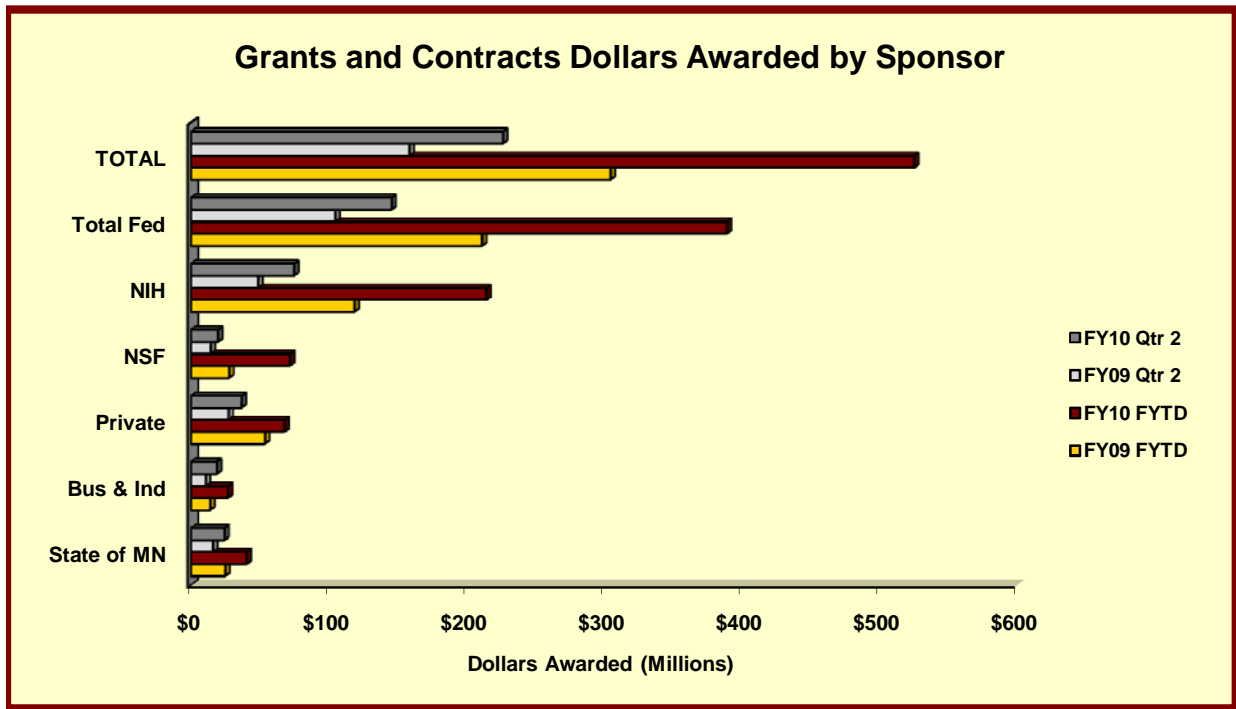
**Figure 1: Number of Awards by Sponsor.**

Comparison for Fiscal Year 2010 versus Fiscal Year 2009. (For numerical data see Table 1 below.)

Agency	Quarter 2		YTD	
	FY09	FY10	FY09	FY10
Total Fed	348	348	721	1,128
NIH	143	158	322	531
NSF	54	54	144	245
Private	360	418	580	779
Bus & Ind	127	185	211	370
State of MN	73	66	143	146
<b>TOTAL</b>	<b>908</b>	<b>1,017</b>	<b>1,655</b>	<b>2,423</b>

Table 1: Qtr 2 and Fiscal Year comparisons.

**University of Minnesota**  
**Quarterly Report of Grant and Contract Activity**  
**Award Summary by Sponsor**  
**Fiscal Year 2010 Second Quarter: October - December, 2009**



**Figure 2: Award Totals by Sponsor.**

Comparison for Fiscal Year 2010 versus Fiscal Year 2009. (For numerical data see Table 2 below.)

Agency	Table 2: Total Awarded (Millions)				
	Quarter 2		YTD		% Change
	FY09	FY10	FY09	FY10	
Total Fed	\$105	\$146	\$212	\$390	84%
NIH	\$49	\$75	\$119	\$215	80%
NSF	\$15	\$20	\$28	\$72	159%
Private	\$27	\$37	\$54	\$68	26%
Bus & Ind	\$11	\$19	\$14	\$27	92%
State of MN	\$16	\$25	\$25	\$41	61%
<b>TOTAL</b>	<b>\$159</b>	<b>\$227</b>	<b>\$305</b>	<b>\$526</b>	<b>72%</b>

Table 2: Qtr 2 and Fiscal Year comparisons.



**University of Minnesota  
 Quarterly Report of Grant and Contract Activity  
 Award Summary by College  
 Fiscal Year 2010 Second Quarter: October - December, 2009**

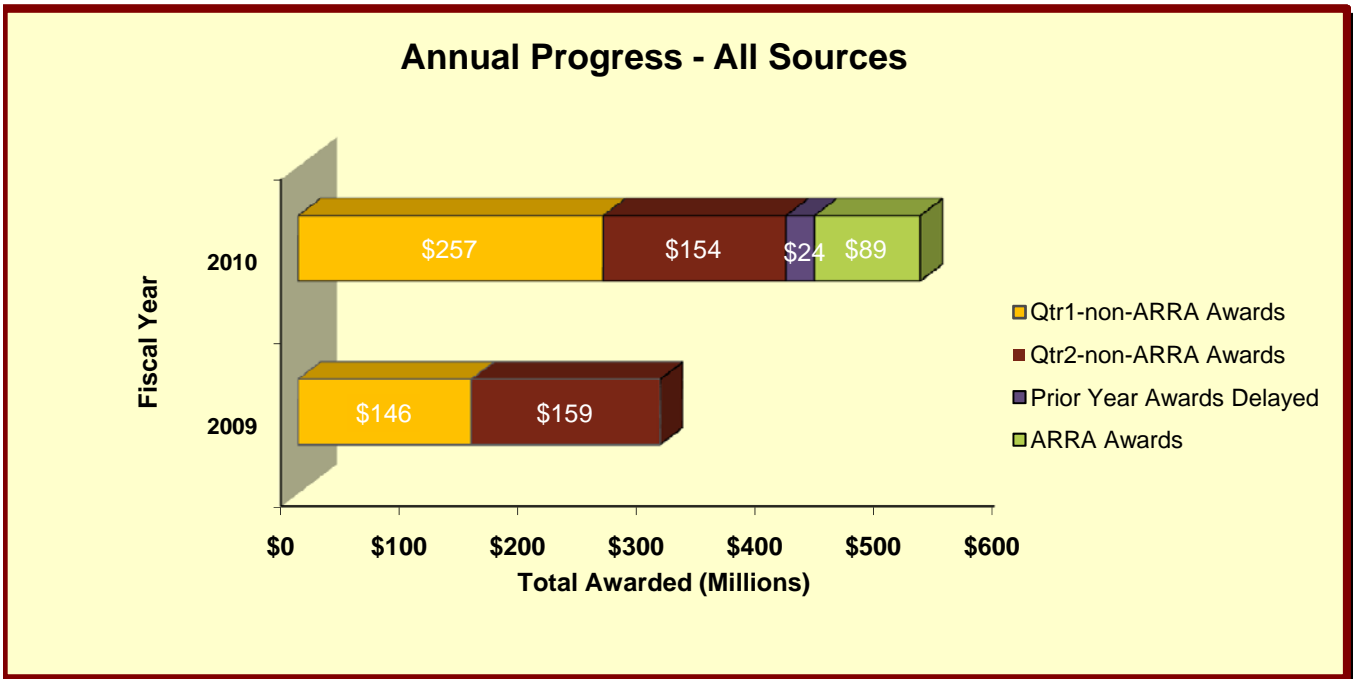


Figure 3: Quarter Comparison – All Sources.

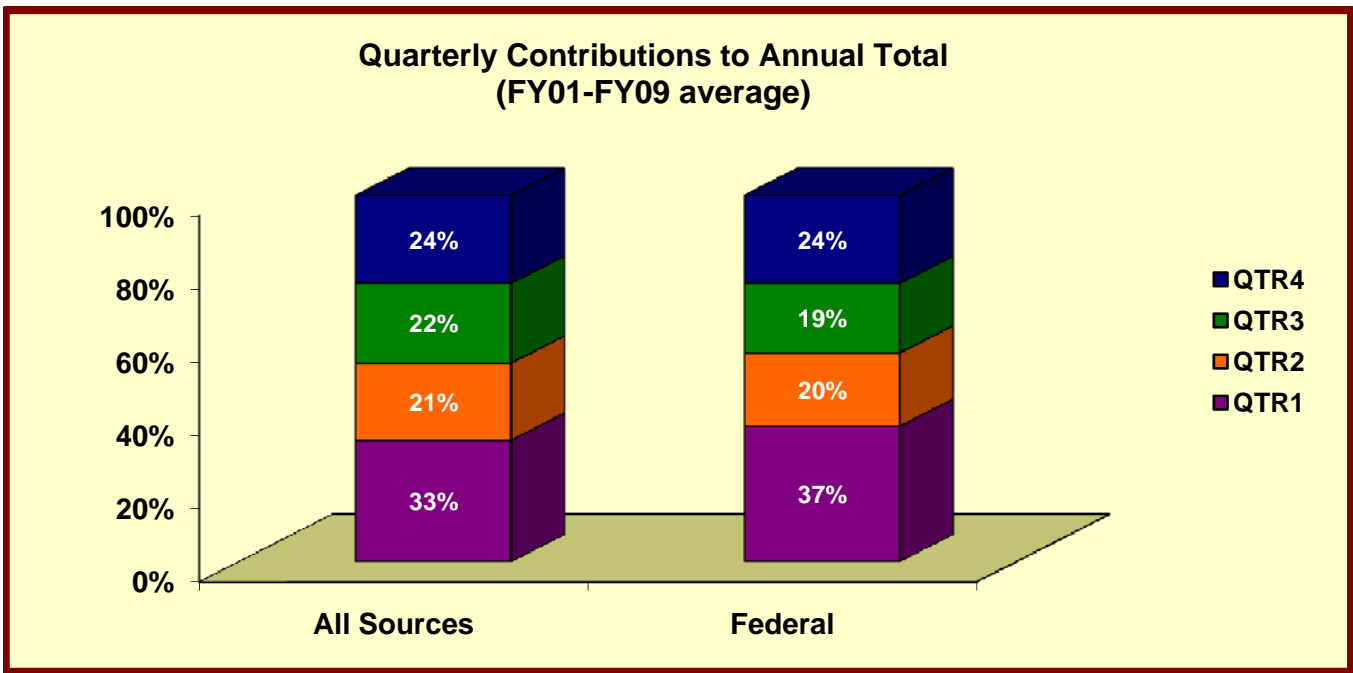
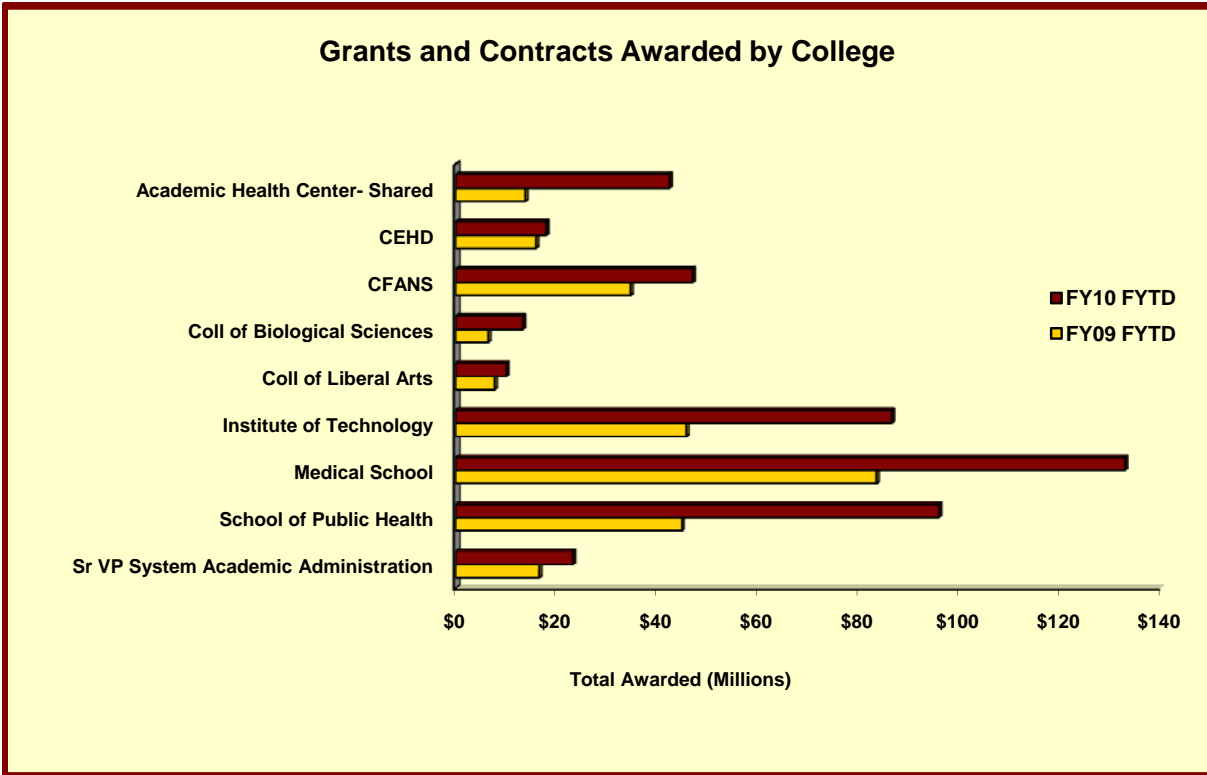


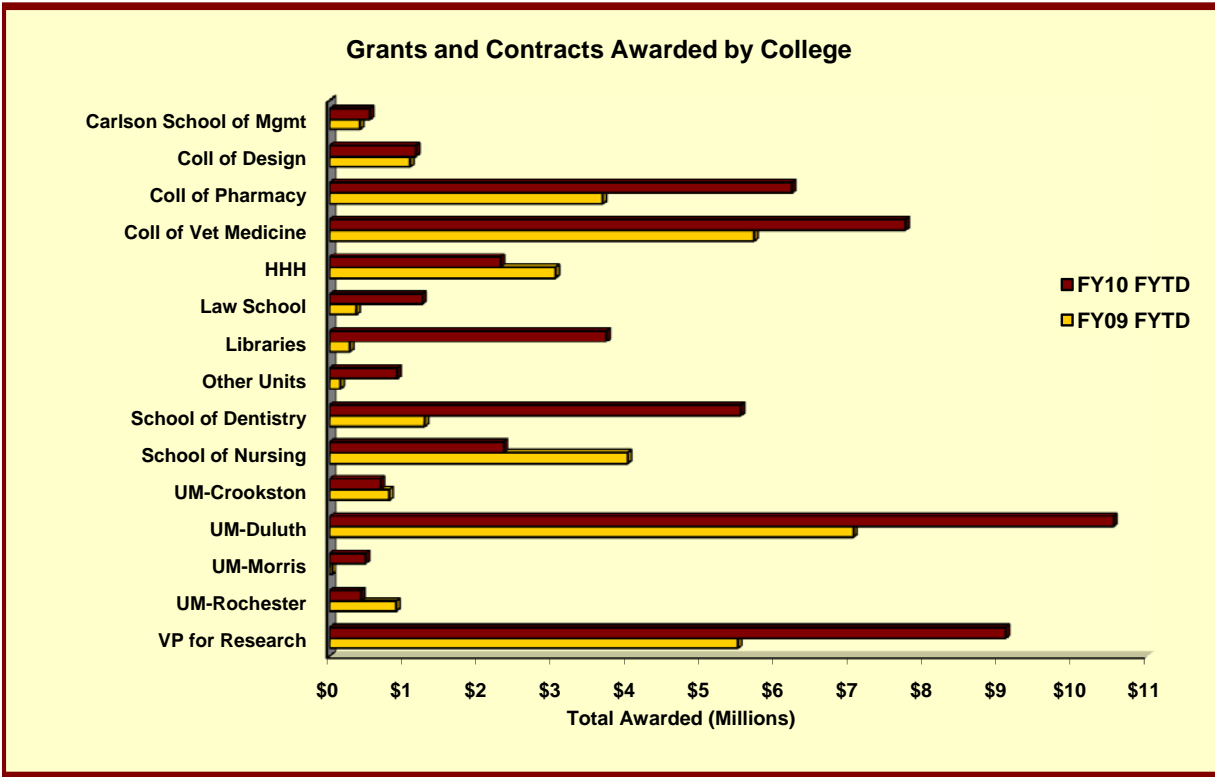
Figure 4: Quarterly Contribution as a percent of year-to-end total (FY01-FY09 average).

**University of Minnesota  
 Quarterly Report of Grant and Contract Activity  
 Award Summary by College  
 Fiscal Year 2010 Second Quarter: October - December, 2009**



**Figure 5: Grants and Contracts Awarded by Colleges: Units with Greater than \$15 Million Awarded Annually.**

**University of Minnesota**  
**Quarterly Report of Grant and Contract Activity**  
**Award Summary by College**  
**Fiscal Year 2010 Second Quarter: October - December, 2009**



**Figure 6: Grants and Contracts Awarded by Colleges: Units with Less than \$15 Million Awarded Annually.**

*Other units* includes Auxiliary Services, Ag Experiment Station, Equity & Diversity, Office of Emergency Response, Student Affairs Adm, University Health & Safety, VP Scholarly & Cultural Affairs.

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CAPITAL FINANCING AND  
DEBT MANAGEMENT REPORT  
FY2009



University of Minnesota  
*Finance & Operations Committee*  
*February 11, 2010*

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## ***Outline of Presentation***

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- University's Capital Structure
- Market Update
- Credit Rating
- Key Financial Indicators
- Peer Group Analysis

## Guiding Principles

- **Core Debt**
  - Preserve core long-term debt ratings at Aa/AA category and short-term core debt rating of A-1/P-1
  - Ensure access to variable and fixed-rate bonds
  - Minimize borrowing costs at acceptable levels of risk over life of the issue
  
- **Special Purpose Debt**
  - Receive an investment grade credit rating
  - Ensure acceptable cost of capital
  - Identify a revenue stream to support debt service
  - Consider unique marketing timing or opportunities

## Long-Term Debt As of June 30, 2009 (000s omitted)

	Interest rate	Due at various dates through fiscal year	Beginning balance	Additions	Reductions	Ending balance
General obligation bonds						
Series 2009D	6.30%	2029		\$37,330		\$37,330
Series 2009C	1.50%-5.00%	2022		49,056	\$55	49,001
Series 2009B	2.50%-6.00%	2029		17,035		17,035
Series 2009A	3.00%-5.25%	2034		42,528	23	42,505
Series 2004A	4.86%	2011	\$11,698		3,804	7,894
Series 2003A	4.39%	2032	65,750		1,650	64,100
Series 2001C	4.40%	2037	133,650		5,900	127,750
Series 2001B	4.33%	2012	1,620		375	1,245
Series 2001A	3.08%	2009	2,670		2,670	0
Series 1999A	4.16%	2034	136,900		10,600	126,300
Commercial paper notes, Series A	3.15%-3.65%	2010	142,100			142,100
Commercial paper notes, Series B	3.15%-3.65%	2010	55,000			55,000
Commercial paper notes, Series C	3.15%-3.65%	2010	66,500			66,500
Obligations to the State of Minnesota pursuant to						0
Infrastructure Development Bonds	3.55%-6.90%	2025	51,516		5,756	45,760
Auxiliary revenue bonds	3.00%	2014	5,530		1,080	4,450
Special purpose revenue bonds	4.00%-5.00%	2030	144,525		4,214	140,311
Capital leases and other	1.72%-8.00%	2017	7,294	1,204	1,554	6,944
<b>Total</b>			<b>\$824,753</b>	<b>\$147,153</b>	<b>\$37,681</b>	<b>\$934,225</b>

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## Long Term Debt Analysis

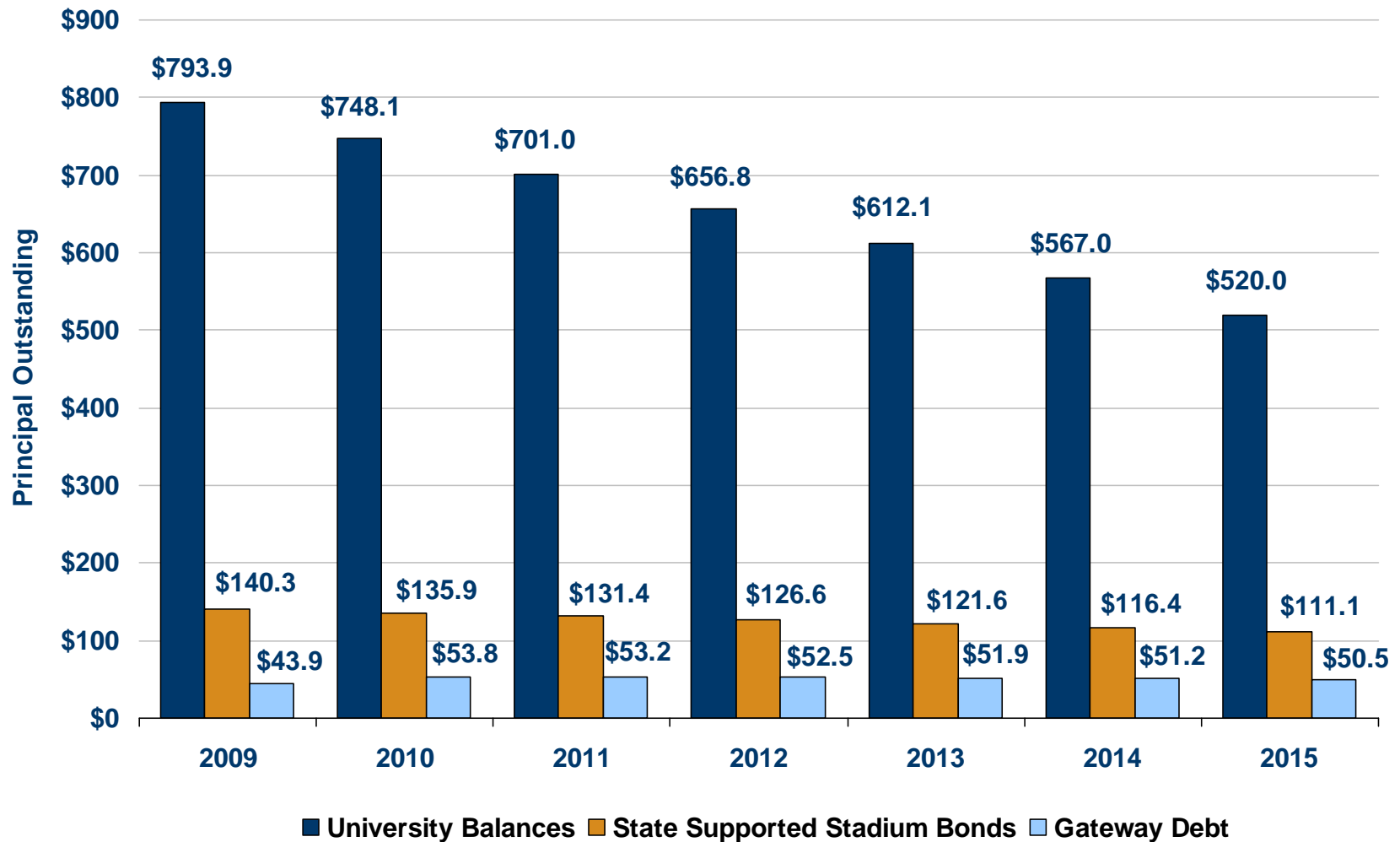
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	<u>6/30/2008</u>	<u>6/30/2009</u>
<b>Total Outstanding</b>	<b>\$824.8 million</b>	<b>\$934.2 million</b>
University Bonds	\$673.0 million	\$787.0 million
State Supported Stadium Bonds	\$144.5 million	\$140.3 million
Capital Leases and other	\$ 7.3 million	\$ 6.9 million
Fixed Rate / Variable Rate	85% / 15%	87% / 13%
University Issued / State Issued	94% / 6%	95% / 5%
<u>Weighted Average:</u>		
University issued fixed rate	4.92%	4.64%
University issued variable rate	<u>1.59%</u>	<u>0.99%</u>
University issued and supported debt	4.28%	4.04%
State Issued Infrastructure Development Bonds (IDB)	<u>5.06%</u>	<u>5.01%</u>
Total University Supported Debt	4.34%	4.10%
University Issued, State Supported Debt	3.82%	3.82%
<b>Total University Debt</b>	<b>4.26%</b>	<b>4.06%</b>



# Projected Outstanding Balance – based on existing amortization structure

## 6/30/09 University Balance Plus Gateway Debt



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## ***Projected Long-Term Debt as of June 30, 2010 (in millions)***

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Balance June 30, 2009 *		\$ 934.2
Scheduled payments		<u>(50.2)</u>
Subtotal		884.0
 New Issuances:		
CP, Series 2009D – TCF Bank Stadium **	25.0	
GO, Series 2010C & D – various capital projects	<u>36.2</u>	<u>61.2</u>
 <b>Projected balance June 30, 2010</b>		 <b>\$ 945.2***</b>

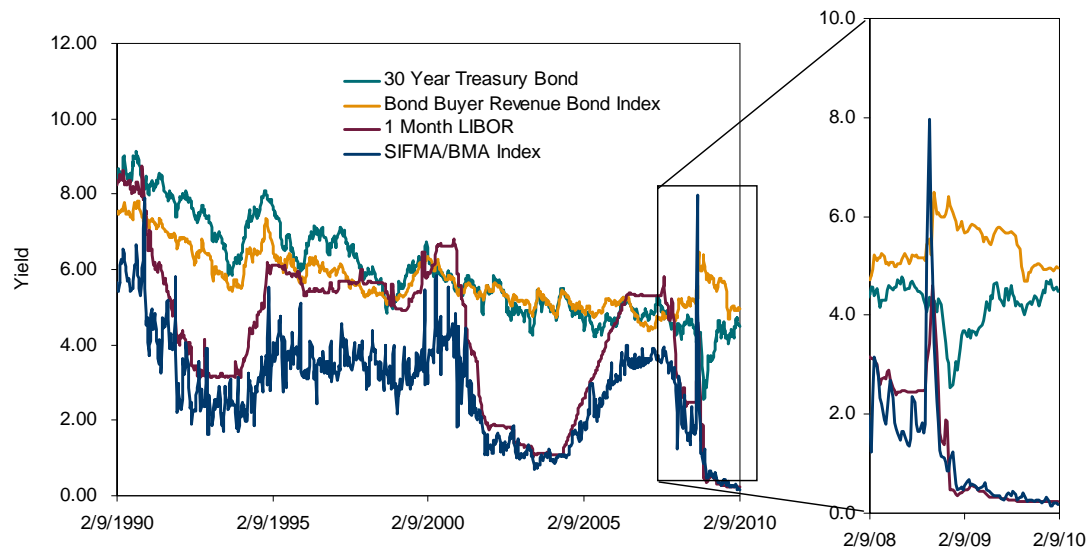
\* Includes \$140.3 of Special Purpose Revenue Bonds that will be excluded for debt capacity calculations

\*\* Total authorized by Board was \$33 million but less was issued due to progress of project closeout.

\*\*\* Excludes \$53.3 million CMRR debt planned in FY10 but likely delayed to FY11.

# Market Update: Taxable and Tax-Exempt Interest Rates

Historic Taxable and Tax-Exempt Interest Rates: 1990 to Present



Funding Levels for University of Minnesota ("Aa2/AA")

	General Revenue Bonds YTC/YTM <sup>(1)</sup>	SIFMA Swap <sup>(2)</sup>	67% of LIBOR Swap <sup>(2)</sup>
1-Year	0.30%	0.61%	0.45%
3-Year	0.95%	1.43%	1.22%
5-Year	1.69%	2.13%	1.83%
7-Year	2.46%	2.41%	2.06%
10-Year	3.10%	3.02%	2.56%
15-Year	3.64%/3.99%	3.43%	2.86%
20-Year	4.08%/4.43%	3.59%	2.96%
25-Year	4.32%/4.63%	3.69%	3.01%
30-Year	4.42%/4.71%	3.75%	3.03%

(1) Yield to call/Yield to maturity; includes 10-year call option at 100% of par.

(2) Excludes remarketing and liquidity fees.

Historical Information

30-Year Treasury  
Revenue Bond Index  
1-Month LIBOR  
SIFMA Index

Low Point

2.52% (12/18/08)  
4.38% (3/15/07)  
0.23% (2/8/10)  
0.15% (1/6/10)

Average Since 1990

5.95%  
5.73%  
4.21%  
2.90%

Current Rates (2/9/10)

4.57%  
4.96%  
0.23%  
0.17%

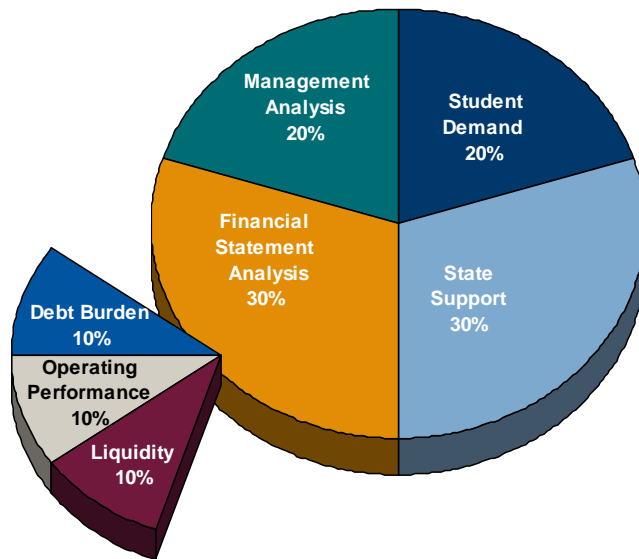
SIFMA Averages

Current 0.17%  
1-Year 0.37%  
5-Year 2.40%  
10-Year 2.23%  
20-Year 2.90%  
25-Year 3.38%

The 10-Year Treasury Bond is currently yielding 3.66%

Source: Barclays Capital

# Credit Rating and Debt Capacity Determinants



## Student Demand- Strong “Aa”

- Solid student market position

## Financial Statement Analysis- Strong “Aa”

- Strength of General Obligation pledge
- Solid financial resources— particularly relative to debt and enrollment
- Debt per student in line with peers
- Debt service as a percentage of budget is moderate

## State Support- State of Minnesota “Aa1/AAA”

- History of strong appropriations, but budget pressures continue

## Management Analysis- Strong “Aa”

- Analyst's assessment of University management strength
- Research position and strategy

An analysis of student demand, market position and financial indicators places the University of Minnesota solidly in the strong “Aa” category. Debt capacity and credit ratings are not a function of ratios alone, but are highly dependent on other factors such as debt strategy, essentiality of debt, future fundraising, revenue producing capability and debt structure.

Source: Barclays Capital

## Letter Ratings to Designate University Credit Quality

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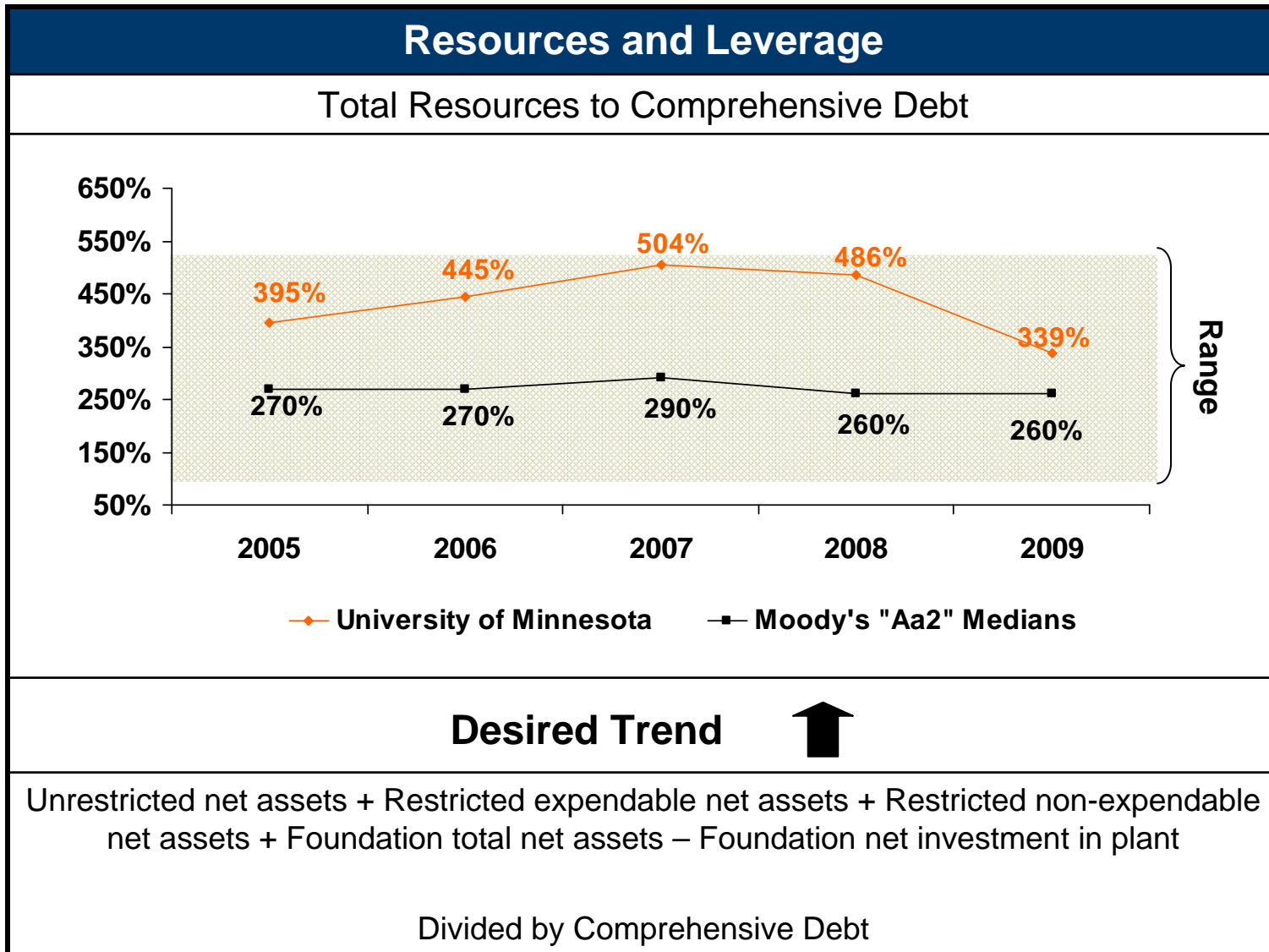
Moody's Investors Service Rating
Aaa
Aa1, <b>Aa2</b> , Aa3
A1, A2, A3
Baa1, Baa2, Baa3
Ba1, Ba2, Ba3
B1, B2, B3
Caa to C

Financial Security Evaluation
Exceptional
Excellent
Good
Adequate
Moderate
Weak
Default

Standard and Poor's Rating
AAA
AA+, <b>AA</b> , AA-
A+, A, A-
BBB+, BBB, BBB-
BB+, BB, BB-
B+, B, B-
CCC to D

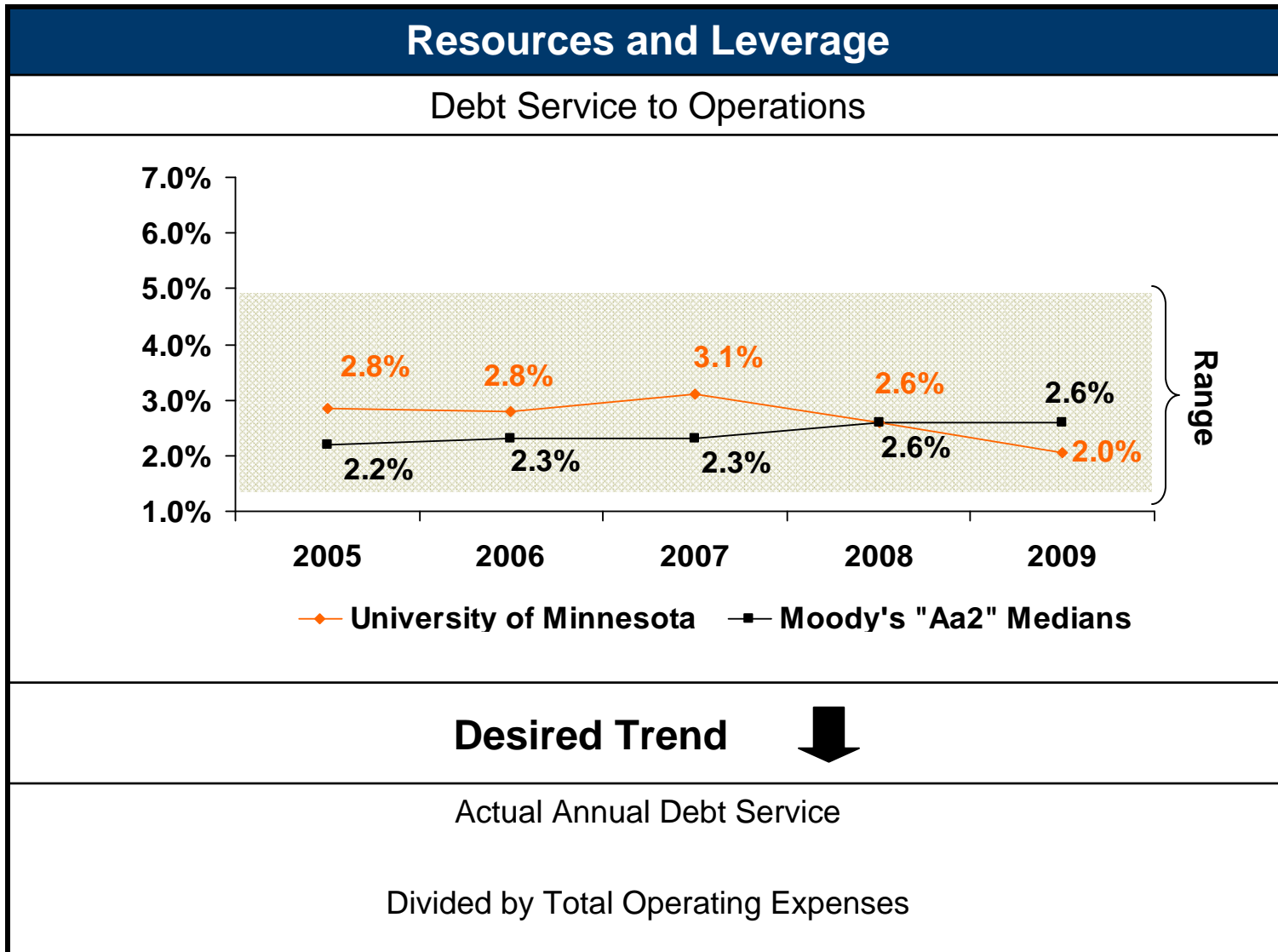
The University of Minnesota is currently rated Aa2 by Moody's, and AA by Standard and Poor's.

# University of Minnesota: Analysis of Key Credit Ratios



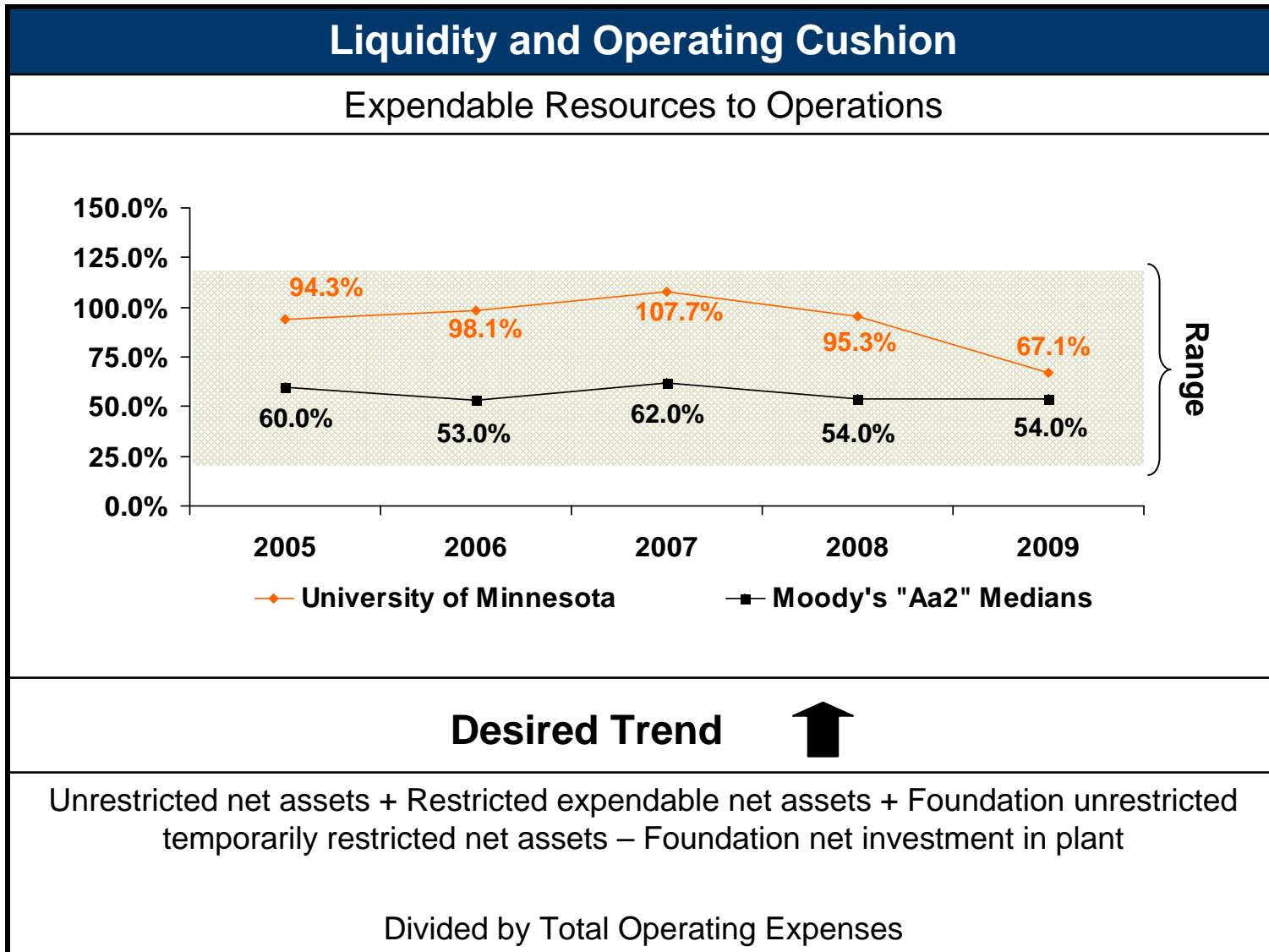
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# University of Minnesota: Analysis of Key Credit Ratios



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# University of Minnesota: Analysis of Key Credit Ratios

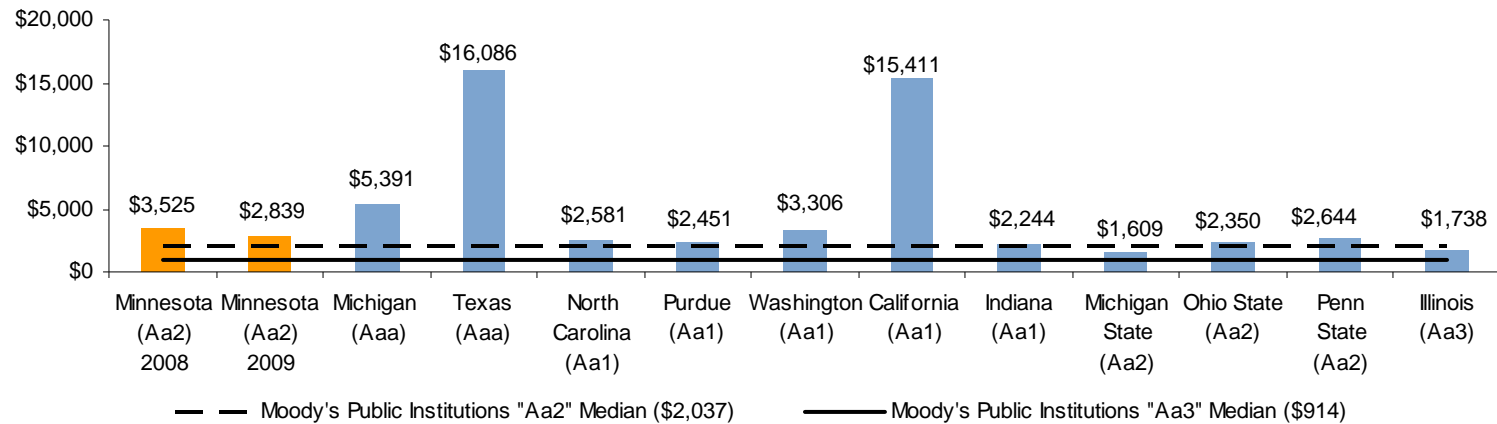


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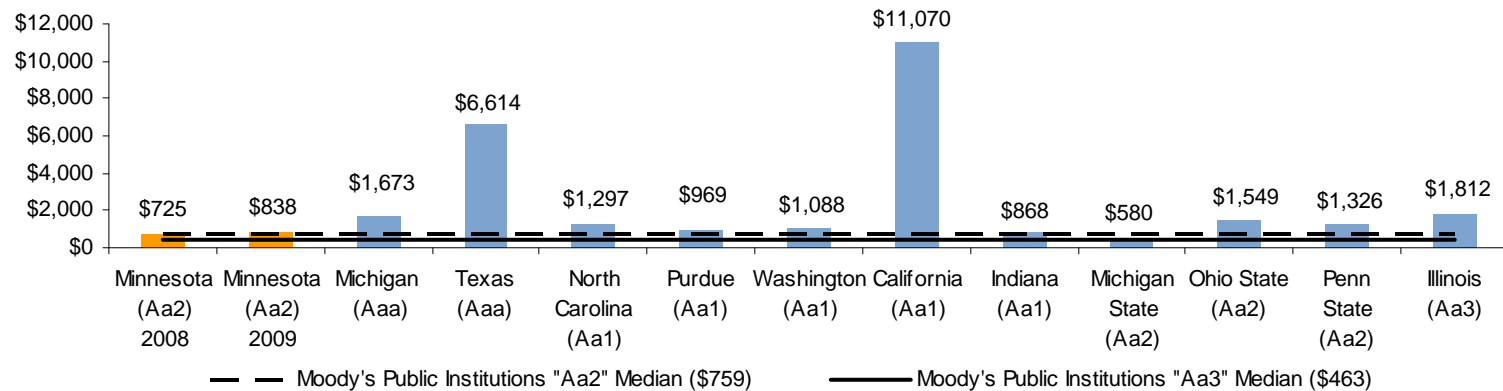


# University of Minnesota Peer Group Analysis

## Total Resources (\$Millions)



## Comprehensive Debt (\$Millions)

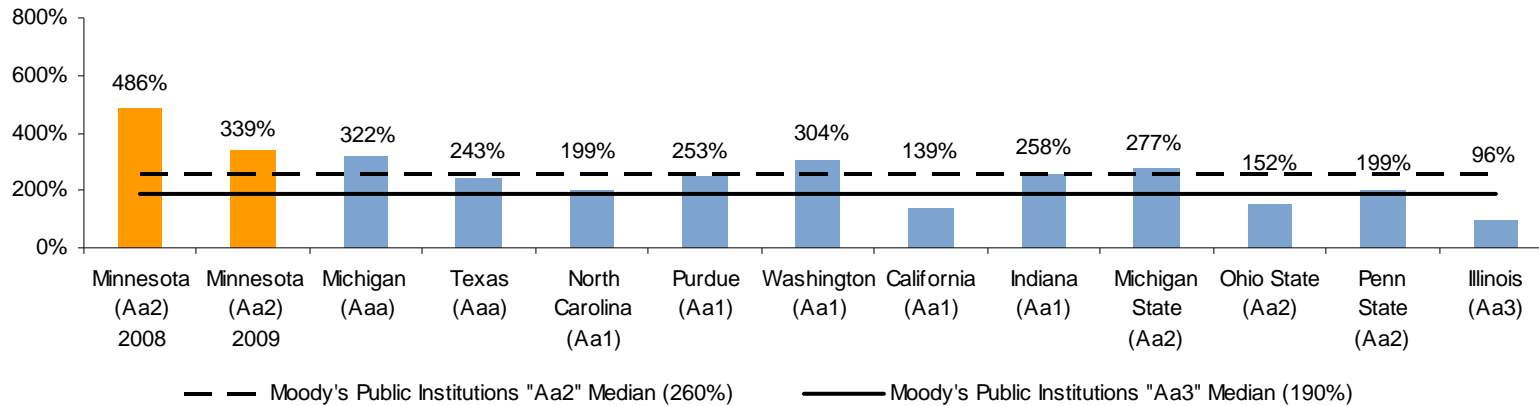


Note: Fiscal year 2008 data for University of Illinois and University of Washington; fiscal year end 2009 data for all other peers. Comprehensive debt for the University of Minnesota excludes State Supported Stadium Bonds.

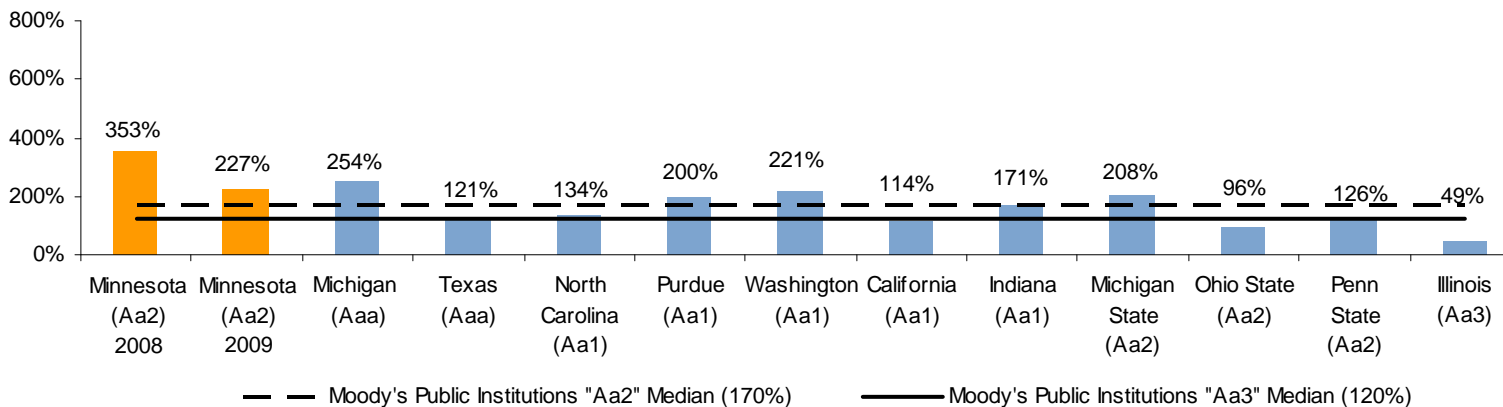
Source: Barclays Capital and Moody's Investors Service

# University of Minnesota Peer Group Analysis

## Total Resources to Comprehensive Debt (%)



## Expendable Resources to Comprehensive Debt (%)

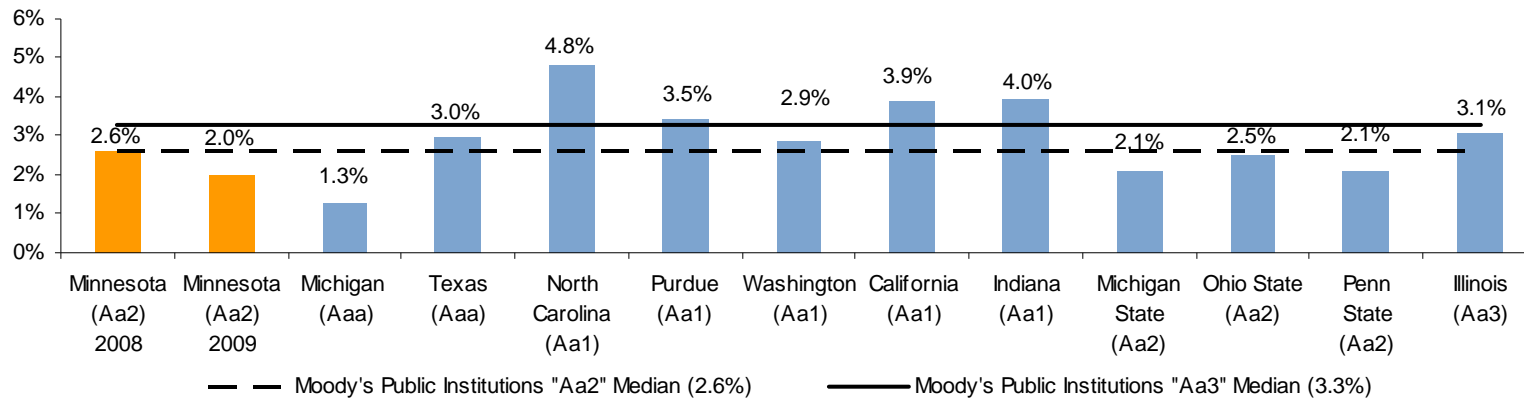


Note: Fiscal year 2008 data for University of Illinois and University of Washington; fiscal year end 2009 data for all other peers. Comprehensive debt for the University of Minnesota excludes State Supported Stadium Bonds.

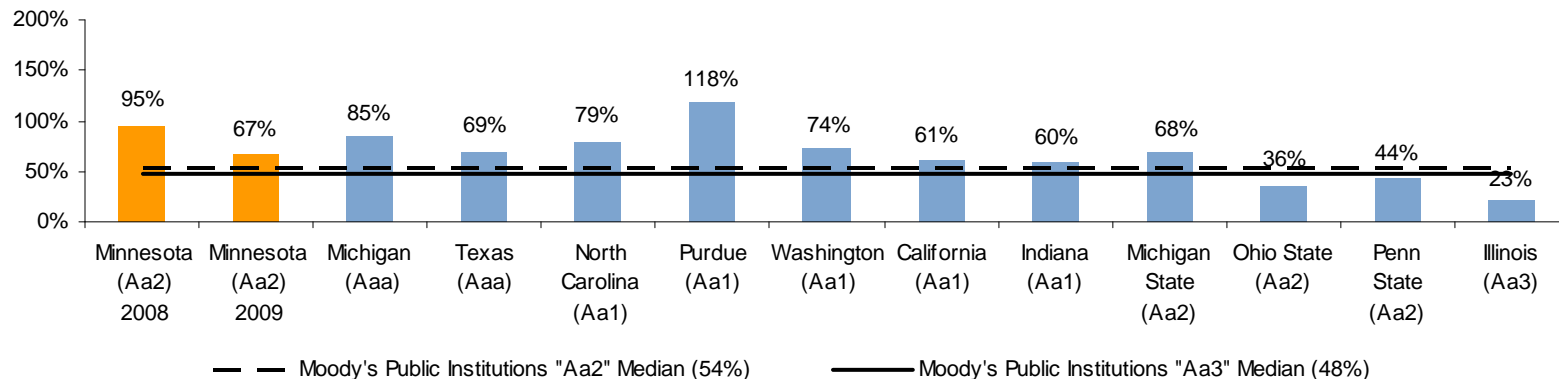
Source: Barclays Capital and Moody's Investors Service

# University of Minnesota Peer Group Analysis

## Debt Service as a % Operations



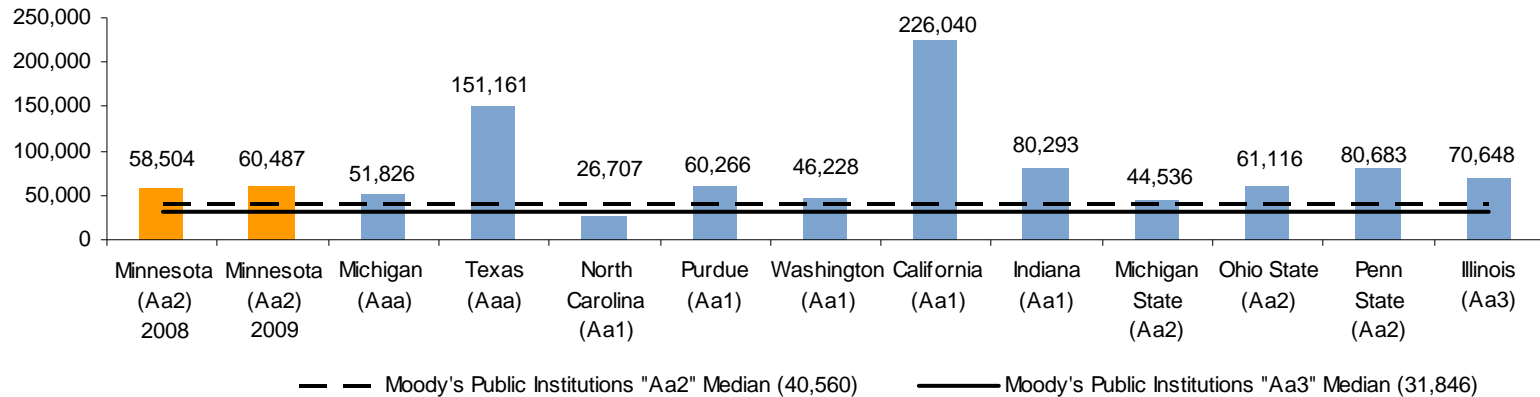
## Expendable Resources to Operations (%)



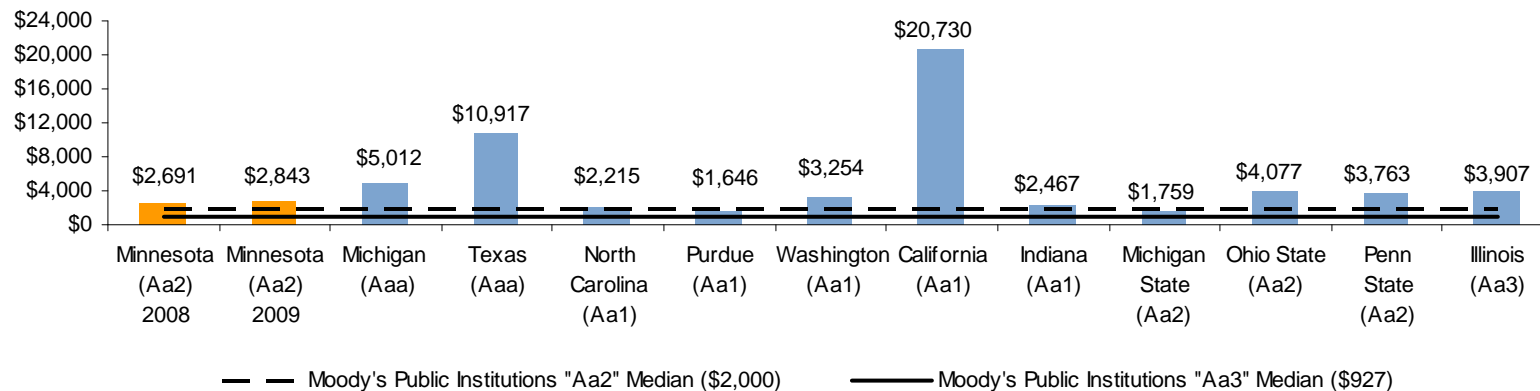
Note: Fiscal year 2008 data for University of Illinois and University of Washington; fiscal year 2009 data for all other peers.  
 Debt service as a percentage of operations ratio for the University of Minnesota is adjusted to exclude debt service related to the State Supported Stadium Bonds.  
 Source: Barclays Capital and Moody's Investors Service

# University of Minnesota Peer Group Analysis

## Enrollment



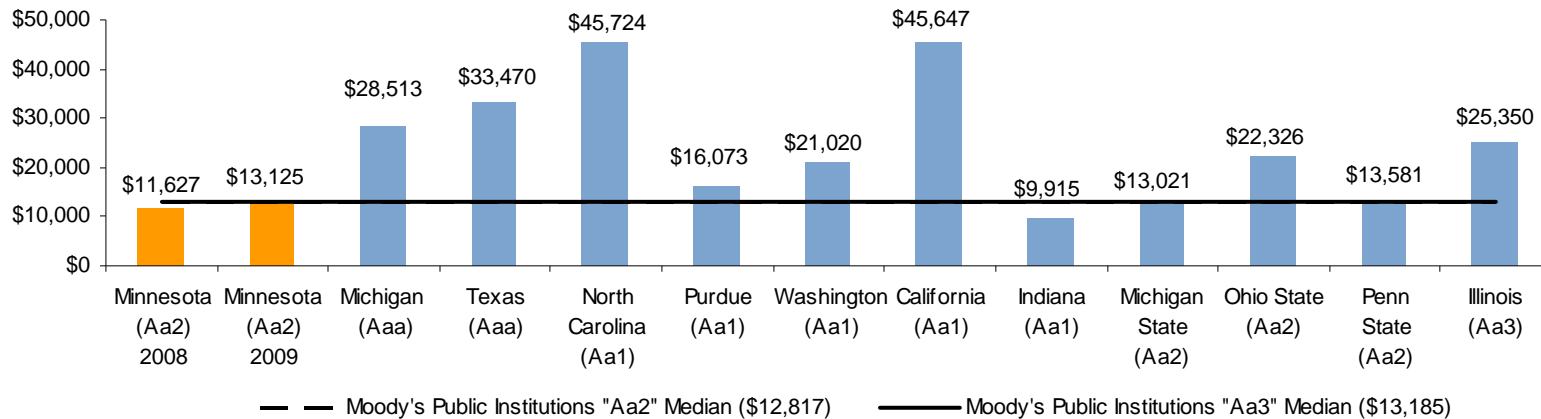
## Operating Budget (\$Millions)



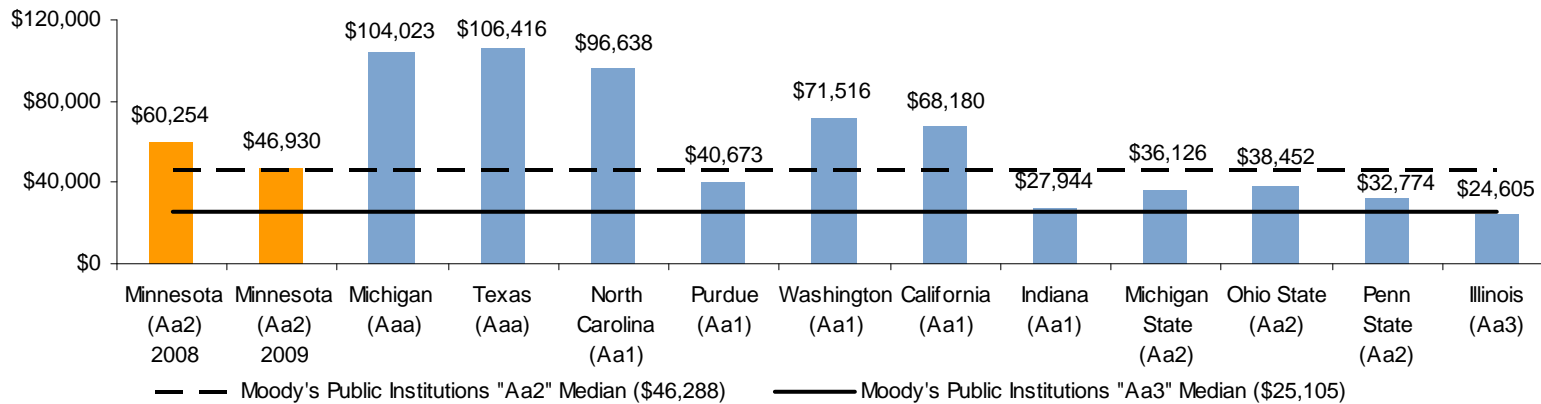
Note: Fiscal year 2008 data for University of Illinois and University of Washington; fiscal year 2009 data for all other peers. Enrollment statistics as of Fall 2008 for University of Texas, University of Washington, University of California and University of Illinois, and as of Fall 2009 for all other peers. Source: Barclays Capital and Moody's Investors Service

# University of Minnesota Peer Group Analysis

## Direct Debt per Student (\$)



## Total Resources per Student (\$)



Note: Fiscal year 2008 data for University of Illinois and University of Washington; fiscal year 2009 data for all other peers. Enrollment statistics as of Fall 2008 for University of Texas, University of Washington, University of California and University of Illinois, and as of Fall 2009 for all other peers. Source: Barclays Capital and Moody's Investors Service



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Board of Regents**

**March 12, 2010**

**Agenda Item:** Board Calendar Annual Review

review       review/action       action       discussion

**Presenter:** Regent Clyde Allen

**Purpose:**

policy       background/context       oversight       strategic positioning

To comply with Board of Regents Policy: *Board Operations and Agenda Guidelines* by presenting for annual review the revised Board of Regents Calendar (Calendar).

**Outline of Key Points/Policy Issues:**

The Calendar has been revised since it was last reviewed by the Board in April 2008. The current revisions were made to:

- bring the Calendar into compliance with amended or new Board policies;
- reflect existing practice; and
- correct inaccuracies.

**Background Information:**

Board of Regents Policy: *Board Operations and Agenda Guidelines* calls for an annual review of the Calendar.

## BOARD OF REGENTS CALENDAR

<b>ACTION ITEM</b>	<b>BOARD/ COMMITTEE</b>	<b>MANNER OF PRESENTATION</b>	<b>NOTES</b>
Annual Capital Budget	Board	Review/action (two months)	Two-month process; review in May and action the following meeting
Six-Year Capital Plan	Board	Review/action	Annual; two-month process; review in March and action the following meeting
Gifts	Board	BOR Consent Report (one month)	BOR Policy: <i>University Foundations</i>
Legislative Funding Request	Board	Review/action (two months)	Two-month process on a timeline consistent with deadlines for submission set by the state; requests are consistent with the University's fundamental planning documents
Operating Budget	Board	Review/action (two months)	Annual; two-month process in spring
Report of the All- University Honors Committee	Board	BOR Consent Report (one month)	
Summary of expenditures	Board	BOR Consent Report (one month)	Quarterly summary of expenditures for the Office of the President, the Office of the Board of Regents, and Eastcliff
University Plan, Performance & Accountability Report	Board	Review/action (two months)	Annual; September
Appointment or removal of Director of Audits	Audit		BOR Policy: <i>Reservation and Delegation of Authority</i>
Annual Audit Plans	Audit	Review/action (one month)	BOR Policy: <i>Audit Committee Charter</i>

**NOTE:** Presentation dates are subject to change

<b>ACTION ITEM</b>	<b>BOARD/ COMMITTEE</b>	<b>MANNER OF PRESENTATION</b>	<b>NOTES</b>
Audit Charter amendments	Audit	Review/action (one month)	BOR Policy: <i>Audit Committee Charter</i>
Engagement, related fees, and all audit and non-audit services of public accountant	Audit	Review/action (one month)	BOR Policy: <i>Audit Committee Charter</i>
Engagement of external audit firms	Audit	Review/action (one month)	BOR Policy: <i>Audit Committee Charter</i>
Material revisions to internal audit plans or budget	Audit	Review/action (one month)	BOR Policy: <i>Audit Committee Charter</i>
Approval of academic program changes; new programs; program name changes; or program discontinuations	Educational Planning & Policy	Consent Report	BOR Policy: <i>Board Operations and Agenda Guidelines</i>
Reciprocity Agreements	Educational Planning & Policy	Consent Report	BOR Policy: <i>Board Operations and Agenda Guidelines</i>
Tuition policy	Educational Planning & Policy	Review/Action (two months)	BOR Policy: <i>Board Operations and Agenda Guidelines</i>
Tuition and fees	Educational Planning & Policy		EPP authorized but often handled through BOR approval of Annual Operating Budget
Support for commercialization of technology to non-University entities	Educational Planning & Policy	Consent Report	BOR Policy: <i>Board Operations and Agenda Guidelines</i>
Campus master and district/precinct plans and amendments	Facilities	Review/action (two months)	BOR Policy: <i>Reservation and Delegation of Authority</i>
Capital budget amendments for approved projects	Facilities	Review/action (two months)	With a value greater than \$500,000
Capital budget amendments for new projects	Facilities	Review/action (two months)	With a value greater than \$500,000
Eminent Domain	Facilities	Review/action (two months)	BOR Policy: <i>Eminent Domain</i>

**NOTE:** Presentation dates are subject to change



ACTION ITEM	BOARD/ COMMITTEE	MANNER OF PRESENTATION	NOTES
Lease agreements for real property, easements, and other interests in real property	Facilities	Consent Report	With an initial term amount to be paid to or by the University between \$250,000 and \$500,000
Lease agreements for real property, easements, and other interests in real property	Facilities	Review/action (two months)	With an initial term amount to be paid to or by the University greater than \$500,000
Sale or purchase of real property	Facilities	Consent Report	Between 10 and 40 acres, or with a value between \$250,000 and \$500,000
Sale or purchase of real property	Facilities	Review/action (two months)	Larger than 40 acres, or with a value greater than \$500,000
Schematic plans	Facilities	Review/action (one month)	Prior to inclusion in the annual capital budget, interior renovations having a value greater than \$5,000,000; projects with a value greater than \$2,000,000 that have an exterior visual impact; and projects that vary from adopted campus master plans or that have a significant visual impact
Appointments to boards and advisory committees	Faculty, Staff & Student Affairs	Consent Report	BOR Policy: <i>Appointments to Organizations and Boards</i>

**NOTE:** Presentation dates are subject to change

<b>ACTION ITEM</b>	<b>BOARD/ COMMITTEE</b>	<b>MANNER OF PRESENTATION</b>	<b>NOTES</b>
Approval of initial appointments of those serving as senior vice president for academic affairs and provost, senior vice president for health sciences, senior vice president for system academic administration, chancellor, vice president, provost, general counsel, librarian, director of audits, dean, and athletic director, Twin Cities Campus	Faculty, Staff & Student Affairs	Consent Report	BOR Policy: <i>Reservation and Delegation of Authority</i>
Changes to Civil Service rules	Faculty, Staff & Student Affairs	Consent Report	BOR Policy: <i>Board Operations and Agenda Guidelines</i>
Changes to the University Senate Constitution	Faculty, Staff & Student Affairs	Consent Report	BOR Policy: <i>Board Operations and Agenda Guidelines</i>
Continuous Appointments	Faculty, Staff & Student Affairs	Review/Action (one month)	May; BOR Policy: <i>Board Operations and Agenda Guidelines</i>
Negotiated labor agreements	Faculty, Staff & Student Affairs	Review/action (one month)	Negotiating parameters are reviewed with the Board chair
Recommendations on Promotion and Tenure	Faculty, Staff & Student Affairs	Review/action (one month)	April; BOR Policy: <i>Faculty Tenure</i>
Changes to the approved central reserves budget greater than \$250,000	Finance & Operations	Consent Report	BOR Policy: <i>Central Reserves Fund</i>
Modification to the central reserves budget	Finance & Operations	Consent Report	BOR Policy: <i>Central Reserves Fund</i>
Expenditures from the general contingency fund greater than \$250,000	Finance & Operations	Consent Report	BOR Policy: <i>Central Reserves Fund</i>

**NOTE:** Presentation dates are subject to change

<b>ACTION ITEM</b>	<b>BOARD/ COMMITTEE</b>	<b>MANNER OF PRESENTATION</b>	<b>NOTES</b>
Contracts for goods and services greater than \$250,000 \$1,000,000	Finance & Operations	Consent Report	BOR Policy: <i>Purchasing Reservation &amp; Delegation of Authority</i>
Debt issuance	Finance & Operations	Review/action (one month)	BOR Policy: <i>Debt Transactions</i>
Hiring of investment managers <u>advisors</u>	Finance & Operations	Consent Report	BOR Policy: <i>Investment Transactions</i>
Annual Asset Management Report	Board	Receive and file	October; presentation of investment performance, measured against comparable industry standards
Annual Capital Financing & Debt Management Report	Board	Receive and file	October; report on amount and status of University debt; BOR Policy: <i>Debt Transactions</i>
Annual Financial Report	Board	Discussion	December; includes the University's audited financial statements, along with a narrative discussion of trends that measure progress in achieving University goals
Annual Review of Board of Regents Calendar	Board	Discussion	March
Annual Review of Board of Regents Policy: <i>Code of Ethics</i>	Board	Discussion	June; BOR Policy: <i>Code of Ethics</i>
Annual Review of President's Delegations	Board	Receive and file	May report of significant changes; BOR Policy: <i>Reservation and Delegation of Authority</i>

**NOTE:** Presentation dates are subject to change

<b>NON-ACTION ITEM</b>	<b>BOARD/ COMMITTEE</b>	<b>MANNER OF PRESENTATION</b>	<b>NOTES</b>
Civil Service Committee Report	Board	Receive and file	July
Conformance with Campus Master Plans Report	Board	Receive and file	Annual per Board resolution adopted September 6, 1996
Council of Academic Professionals and Administrators Report	Board	Receive and file	July
Eastcliff Report	Board	Receive and file	Annual; Fall
Faculty Consultative Committee Report	Board		Three times a year (February, June, September)
Grants and Contract Activity Review	Board	Receive and file	Quarterly
Report on Legal Matters	Board	Receive and file	September annual report to Board; February semi-annual report to Litigation Review Committee; BOR Policy: <i>Attorneys and Related Services</i>
Report on the Status of the University's Research	Board	Discussion	Annual; December
Student Representatives to the Board of Regents Report	Board	Discussion	BOR Policy: <i>Student Representatives to the Board</i> ; reports are usually given twice a year with the approval of the Executive Director
President's Minority Advisory Committee Report	Board	Receive and file	BOR Policy: <i>American Indian Advisory Boards</i>
University of Minnesota Alumni Association Report	Board	Discussion	Annual
Report of the University Foundations	Board	Discussion	Annual

**NOTE:** Presentation dates are subject to change

<b>NON-ACTION ITEM</b>	<b>BOARD/ COMMITTEE</b>	<b>MANNER OF PRESENTATION</b>	<b>NOTES</b>
Annual Compliance Audit of Federal Award Programs	Audit	Discussion	Required by Federal government; typically consists of a review of the A-133 audits, which measure compliance with federal laws and regulations applicable to federal financial assistance received by the University
Annual Financial Statement	Audit	Discussion	Review format of wording prior to issuance; Board of Regents Policy: <i>Audit Committee Charter</i>
Independent public accountant annual audit	Audit	Discussion	November
Internal Audit Update	Audit	Discussion	Periodic update includes responses to previous requests regarding audit issues, an update on the implementation of audit recommendations, and reports of other matters relevant to University audit functions
Management Letter	Audit	Discussion	February
Review of Public Accountant	Audit	Discussion	Annual; BOR Policy: <i>Audit Committee Charter</i>
Semi-annual Controller's Report	Audit	Discussion	Report on the University's financial management systems
Reports of strategic plans of academic units	Educational Planning & Policy	Discussion	Focuses on ties to <i>University Plan, Performance &amp; Accountability Report</i> , program directions, personnel policy issues, financial policy issues, areas of concern, and notable achievements
Program reviews	Educational Planning & Policy	Discussion	
Academic Program Additions & Discontinuations Report	Educational Planning & Policy	Discussion/ Information	Annual; September

**NOTE:** Presentation dates are subject to change

<b>NON-ACTION ITEM</b>	<b>BOARD/ COMMITTEE</b>	<b>MANNER OF PRESENTATION</b>	<b>NOTES</b>
Capital Planning and Project Management Report	Facilities	Discussion/ Information	Semi-annual; project status report and budget overview for projects in the capital budget
Design Guidelines	Facilities	Discussion	Design guidelines are presented for discussion when a project design represents an exception to adopted campus master/district/precinct plans
Final Review of Capital Projects	Facilities	Discussion	Approved Capital Projects with value greater than \$5,000,000 prior to the award of construction contracts; in months with no committee meeting, review by Board & committee chairs as long as within scope of plan and budget
Uses of Real Estate Acquisition Account	Facilities	Information	Uses of account for purposes other than the purchase of real estate must be reported to Board (Discussed in September 2003)
Administrative policies related to academic professional and administrative staff	Faculty, Staff & Student Affairs	Information	
Faculty and Staff Diversity Report	Faculty, Staff & Student Affairs	Discussion/ Information	Annual; Spring
Faculty Compensation Comparisons and Analysis	Faculty, Staff & Student Affairs	Discussion	March or April
Intercollegiate Athletics Report	Faculty, Staff & Student Affairs	Discussion/ Information; Agenda item on alternating years	May or June; may include reports on academic progress, coordinate campuses, or other intercollegiate athletics issues

**NOTE:** Presentation dates are subject to change

<b>NON-ACTION ITEM</b>	<b>BOARD/ COMMITTEE</b>	<b>MANNER OF PRESENTATION</b>	<b>NOTES</b>
Staff Compensation Comparisons and Analysis	Faculty, Staff & Student Affairs	Discussion	April or May
Student Diversity Report	Faculty, Staff & Student Affairs	Discussion/ Information	Annual
Asset Management Report	Finance & Operations	Discussion	Quarterly; investment performance measured against comparable industry standards
Budget Update: Overview of Current Fiscal Year	Finance & Operations	Discussion	Semi-annual; overview of current fiscal year's operating budget compared to actual spending activity for current period
Central Reserves Fund Report	Finance & Operations	Discussion	Annual; update on status of Central Reserves Fund; BOR Policy: <i>Central Reserves Fund</i>
Debt Management Advisory Committee Update	Finance & Operations	Information	2-4 times per year; update on Debt Management Advisory Committee activities
Capital Financing & Debt Management Report	Finance & Operations	Discussion	Annual; update on amount and status of University debt; BOR Policy: <i>Debt Transactions</i>
Economic Development Report	Finance & Operations	Information	Annual; BOR Policy: <i>Targeted Business, Urban Community Economic Development, and Small Business Programs</i>
Exceptions to BOR Policy: <i>Purchasing</i>	Finance & Operations	Information	BOR Policy: <i>Purchasing</i>
Expenditures from the general contingency fund less than \$250,000	Finance & Operations	Information	BOR Policy: <i>Central Reserves Fund</i>

**NOTE:** Presentation dates are subject to change

NON-ACTION ITEM	BOARD/ COMMITTEE	MANNER OF PRESENTATION	NOTES
Insurance and Risk Management Report	Finance & Operations	Information	Annual; current insurance costs and average claims in various categories; review of annual insurance costs and claims for the past five years; and discussion of steps being taken to reduce risk exposure
Investment Advisory Committee Update	Finance & Operations	Information	Quarterly; update on Investment Advisory Committee activities
Investment Consultants Report	Finance & Operations	Discussion	University's investment results and allocations, with comparisons to peer institutions
Investment Managers Report	Finance & Operations	Discussion	Investment managers review of recent performance, rationale for investment decisions, and financial market trends
Management Report	Finance & Operations	Discussion	Semi-annual; includes an all-funds balance sheet, information on accounts receivables, a statement of changes in fund balance, and budget status by campus, college, and vice presidential unit
Purchasing Report	Finance & Operations	Discussion	Quarterly; BOR Policy: <i>Purchasing</i> ; includes violations of BOR Policy: <i>Purchasing</i>
Financial Oversight: Key Indicators	Finance & Operations	Information	Quarterly

**NOTE:** Presentation dates are subject to change



<b>RECOGNITIONS</b>	<b>SCHEDULE</b>
Distinguished McKnight University Professor Award Recipients	May
Faculty Consultative Committee Chair	June; outgoing
John Tate Award for Excellence in Undergraduate Advising Recipients	May
McKnight Presidential Endowed Chair	Scheduled as needed
McKnight Presidential Leadership Chair	Scheduled as needed
McKnight Presidential Fellows	Scheduled as needed
McKnight Land-Grant Professors	March
Morse Alumni Award Recipients	May
Outstanding Contributors to Postbaccalaureate, Graduate and Professional Education Award Recipients	May
Outstanding Community Service Award Recipients	May
President's Award for Outstanding Service Recipients	May
Professional and Academic Staff Award Recipients	June
Regents Professors	Scheduled as needed
Student Representatives to the Board of Regents	Spring; for student representatives completing their terms
National/Big Ten Athletic Champions	Scheduled as needed
National scholarship recipients	Scheduled as needed; e.g. Marshall, Rhodes, Truman, etc.
<b>INTRODUCTIONS</b>	
Civil Service Committee leadership	July
Council of Academic Professionals and Administrators leadership	July
Newly appointed deans, vice presidents, and the University Librarian	Scheduled as needed after appointment

**NOTE:** Presentation dates are subject to change



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Board of Regents**

**March 12, 2010**

**Agenda Item:** Consent Report

review       review/action       action       discussion

**Presenters:** Regent Clyde Allen

**Purpose:**

policy       background/context       oversight       strategic positioning

To seek Board of Regents approval of items in the consent report, as required in Board of Regents Policy: *Reservation and Delegation of Authority*.

**Outline of Key Points/Policy Issues:**

Items for consideration:

- I. Gifts  
The President recommends approval of the Summary Report of Gifts to the University of Minnesota (attached.)
- II. Summary of Expenditures  
The President recommends approval of the Quarterly Summary of Expenditures reports (attached).

**Background Information:**

**President's Recommendation for Action:**

The President recommends approval of the Consent Report.

**MEETING OF THE BOARD OF REGENTS  
GIFTS TO BENEFIT THE UNIVERSITY OF MINNESOTA  
SUMMARY REPORT\***

**March 12, 2010 Regents Meeting**

	January		Year-to-Date	
	2010	2009	07/01/09 01/31/10	07/01/08 01/31/09
<b>U of M Gift Receiving</b>	\$ 924,363	\$ 182,074	\$ 1,956,826	\$ 1,246,537
<b>4-H Foundation</b>	26,167	47,701	264,233	214,567
<b>Arboretum Foundation</b>	126,441	136,730	1,612,590	2,353,162
<b>MN Medical Foundation</b>	10,152,301	1,282,487	30,561,478	63,430,199
<b>Univ of MN Foundation</b>	5,330,714	12,156,266	62,692,337	86,380,659
<b>Total Gift Activity</b>	<b><u>\$ 16,559,986</u></b>	<b><u>\$ 13,805,258</u></b>	<b><u>\$97,087,464</u></b>	<b><u>\$ 153,625,124</u></b>

\*Detail on gifts of \$5,000 and over is attached.

Pledges are recorded when they are received. To avoid double reporting, any receipts which are payments on pledges are excluded from the report amount.

## Gifts to benefit the University of Minnesota

### Gifts received in January 2010

<u>Donor</u>	<u>Rec'd by</u>	<u>Gift/Pledge</u>	<u>Purpose of gift</u>
<b><u>\$1 Million and Over</u></b>			
Anonymous	MMF	Gift	Family Medicine and Community Health
<b><u>\$500,000 - \$1,000,000</u></b>			
3M Company	UMF	Gift	Law School, School of Dentistry, Carlson School of Management
Dr. Amit K. and Julie Maitra	UMF	Pledge	Humphrey Institute of Public Affairs
<b><u>\$250,000 - \$500,000</u></b>			
Alliss Educational Foundation	UMF	Gift	Scholarships
Children's Cancer Research Fund	MMF	Gift	Masonic Cancer Center, Pediatrics
The McKnight Foundation	UMF	Gift	Neighborhood Planning and Revitalization, College of Design, Humphrey Institute of Public Affairs
<b><u>\$100,000 - \$250,000</u></b>			
Dr. Vera J. Likins Estate	UMF	Gift	Carlson School of Management, Humphrey Institute of Public Affairs
Minnesota Vikings Children's Fund	MMF	Gift	Pediatrics
Randy Shaver Cancer Research and Community Fund	MMF	Gift	Masonic Cancer Center, Medicine, OB/Gyn, Pediatrics
5th District Eagles Cancer Telethon of Southern Minnesota	MMF	Gift	Masonic Cancer Center
Norman Family Foundation	UMF	Gift	Institute of Technology
Nancy K. Ellsworth Estate	UMF	Gift	Carlson School of Management
Theodore G. Moen	MMF	Gift	Masonic Cancer Center
Bruce and Tracy Mooty	UMF	Gift	Law School
Drs. Mary C. Kemen and Brian C. Randall	UMF	Pledge	College of Biological Sciences
G. Mary Bradley	MMF	Gift	Laboratory Medicine and Pathology
Research to Prevent Blindness	MMF	Gift	Ophthalmology
<b><u>\$50,000 - \$100,000</u></b>			
Dr. Daniel S. Simon	UM	Gift	Weisman Art Museum
Mary A. Ost Estate	UMF	Gift	College of Education and Human Development
Muriel Whiteside	MMF	Gift	U of M Medical School - Duluth
Brent G. and Karen J. Blackey	UMF	Pledge	Carlson School of Management

**\$50,000 - \$100,000**

AO North America	MMF	Gift	Orthopaedic Surgery
Arkema Incorporated	UMF	Gift	Institute of Technology
Clark Wamberg, LLC	MMF	Pledge	Scholarships
Eva L. Phelps Estate	UMF	Gift	School of Nursing
James H. Michael	UMF	Gift	Law School
Noveko International Incorporated	UMF	Gift	College of Veterinary Medicine
P. and D. Kahn Philanthropic Fund- Jewish Community Fund	UMF	Gift	Institute of Technology
Paul R. and Michelle N. Koch	UMF	Pledge	Department of Intercollegiate Athletics
Total American Services Incorporated	UMF	Gift	Institute of Technology
Xcel Energy	UMF	Gift	Institute of Technology

**\$25,000 - \$50,000**

Hormel Foundation	UMF	Gift	Hormel Institute
Robert P. Bilotta	UM	Gift	Minnesota Landscape Arboretum
Center for Computer-Assisted Legal Instruction	UMF	Gift	Law School
Thomson Reuters	UMF	Pledge	Carlson School of Management
Katherine R. Lillehei Charitable Lead Annuity/Unitrust	UMF	Gift	School of Nursing
3M Foundation Incorporated	UMF/UM	Gift/Pledge	Various Colleges
Charles R. S. Shepard and Derry A. Moritz Fund	UMF	Gift	School of Nursing
Curtis L. Carlson Family Foundation	UMF	Gift	Humphrey Institute of Public Affairs
Dorothy B. Passer	UMF	Gift	University of Minnesota, Duluth
University of Minnesota Medical Ctr Fairview Medical Staff	MMF	Gift	Surgery
Marjorie P. Simenstad	MMF	Gift	Academic Health Center
Hammel Green and Abrahamson Incorporated	UMF	Gift	College of Design
Boston Scientific Corporation	UMF	Gift	Institute of Technology
DeCare International	UMF	Gift	Academic Health Center
Michael G. Neste	MMF	Gift	Scholarships
Russell J. Penrose	UMF	Gift	Institute of Technology
The Paula and William Bernstein Family Foundation	MMF	Gift	Scholarships, Surgery
Wolf Creek Charitable Foundation	UMF	Gift	Raptor Center

**\$10,000 - \$25,000**

Wells Fargo Foundation	UMF/MMF	Gift/Pledge	Various Colleges
Victor J. Rudek	MMF	Gift	Medicine
Government of Canada	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences

**\$10,000 - \$25,000**

Minnesota Seed Producers and Promotion Association	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences
General Mills Foundation	UMF/UM	Gift/Pledge	Various Colleges
Andres Family Foundation-Fidelity Charitable Gift Fund	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences
Howard V. O'Connell Jr.	UMF	Gift	College of Biological Sciences
James and Carol Cotes	MMF	Gift	Pediatrics
Will Rogers Institute	MMF	Gift	Medicine
Medtronic Incorporated	MMF	Gift	Medicine
St. Jude Medical Incorporated	MMF	Gift	Medicine, Surgery
The Minneapolis Foundation	MMF	Gift	Masonic Cancer Center, Unrestricted
WEM Foundation	UMF	Gift	College of Education and Human Development, Humphrey Institute of Public Affairs
Agrium Advanced Technologies (U S) Incorporated	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences
American Electric Power Service Corporation	UMF	Gift	Institute of Technology
Gevo Incorporated	UMF	Gift	Institute of Technology
Just One More Day ... for Love, Hope and a Cure	MMF	Gift	Masonic Cancer Center
Lanny and Charlotte Schmidt	UMF	Gift	Institute of Technology
Star Tribune	UMF	Gift	College of Liberal Arts
Thomas and Marilyn Breckenridge Family Foundation	UMF	Gift	Bell Museum of Natural History
Marguerite Henry Family Trust	UMF	Gift	College of Education and Human Development
Fred R. Friswold	MMF	Gift	Pediatrics
Virginia G. Puzak	UMF	Gift	Libraries
J. Stewart and Mary T McClendon	UMF	Gift	Law School
Caterpillar Incorporated	UMF	Gift	Institute of Technology
Minnesota Twins	MMF	Gift	Neurology
The Bergquist Company	UMF	Gift	Institute of Technology
Peter H. Ffolliott Revocable Trust	UM	Gift	College of Design
The Saint Paul Foundation	MMF	Gift	Masonic Cancer Center
Barr Engineering Company	UMF	Gift	Institute of Technology, University of Minnesota, Duluth
The Mosaic Company	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences
Mattson MacDonald Young	UM	Gift	Institute of Technology
BASF Corporation	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences

**\$10,000 - \$25,000**

UnitedHealthcare Services Incorporated	UMF	Gift	Carlson School of Management
Boehringer Ingelheim Vetmedica Incorporated	UMF	Gift	College of Veterinary Medicine
Bedford Industries	UMF	Gift	Institute of Technology
Caterpillar Foundation	UMF	Gift	Carlson School of Management, Institute of Technology
Bon-Ton Stores Incorporated	MMF	Gift	Masonic Cancer Center
Alfred W. Erickson Foundation	MMF	Gift	Masonic Cancer Center
AstraZeneca Pharmaceuticals LP	UMF	Gift	Carlson School of Management
Conway Charitable Lead Annuity Trust	UMF	Gift	Institute of Technology
Craig J. Broman	MMF	Pledge	Scholarships
Denis R. Clohisy	MMF	Pledge	Orthopaedic Surgery
Edward R. Santos	MMF	Pledge	Orthopaedic Surgery
Eric R. Nelson	MMF	Pledge	Orthopaedic Surgery
Evelyn W. Moyle Estate	UM	Gift	Minnesota Landscape Arboretum
Glenn E. Oren	MMF	Gift	Orthopaedic Surgery
Harvey V. Berneking Estate	UMF	Gift	College of Liberal Arts
James I. and Susan G. Swenson	UMF	Gift	Scholarships
James L. Talmage	MMF	Gift	Schulze Diabetes Institute
James M. Donohue	MMF	Pledge	Orthopaedic Surgery
Jean Roberts	MMF	Gift	Medicine
John A. Steubs	MMF	Pledge	Orthopaedic Surgery
John and Nancy Lindahl Family Fund-Minneapolis Foundation	UMF	Gift	Scholarships, College of Education and Human Development
John B. and Mary Jean Custer	UMF	Gift	College of Education and Human Development, Institute of Technology
Jonathan N. Sembrano	MMF	Pledge	Orthopaedic Surgery
Kraft Foods Global Incorporated	UMF	Gift	Carlson School of Management
Kurt W. Metzner	MMF	Gift	School of Public Health
Lions Club, District 5M8 Foundation Incorporated	MMF	Gift	Schulze Diabetes Institute
Marc F. Swiontkowski	MMF	Pledge	Orthopaedic Surgery
Marilyn J. Salovich	MMF	Gift	Medicine
Mark and Charlie's Gay Lesbian Fund-Moral Values	UMF	Gift	Law School
Martha E. Vetter	MMF	Gift	Schulze Diabetes Institute
Meyers Printing Company	UMF	Gift	Carlson School of Management
Narus Incorporated	UMF	Gift	Institute of Technology
Randall A. Lewis	MMF	Gift	Orthopaedic Surgery
Randall E. and Elisabeth A. Kahnke	UMF	Pledge	Law School
Randolph Jones Jr. and Bonnie Jones	UMF	Gift	Department of Intercollegiate Athletics
Richard M. Ihrig	UMF	Gift	Law School

**\$10,000 - \$25,000**

Sarah M. Miller	MMF	Pledge	Scholarships
SuperValu Incorporated	UMF	Gift	Carlson School of Management
Turkish Cultural Foundation	UMF	Gift	University of Minnesota, Duluth
Unilever US Incorporated	UMF	Gift	Carlson School of Management

**\$5,000 - \$10,000**

M. G. McGrath Architectural Sheet Metal	UM	Gift	Institute of Technology
Cardiovascular Systems Incorporated	UMF	Gift	Institute of Technology
PriceWaterhouseCoopers Foundation	UMF	Pledge	Carlson School of Management, University of Minnesota, Duluth
Kate Koogler Canine Cancer Fund Incorporated	MMF	Gift	Masonic Cancer Center
National Multiple Sclerosis Society, MN Chapter	MMF	Gift	Neurology
Dr. Lester C. and Joan M. Krogh	UMF	Gift	Institute of Technology
Patrick T. Prunty	UMF	Gift	Carlson School of Management
RespirTech	MMF	Gift	Pediatrics
Dr. Megan Gunnar Dahlberg	UMF	Gift	College of Education and Human Development
Gray Plant Mooty Foundation	MMF	Gift	Medical School Administration
The Sholl Group Incorporated	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences
M. A. Mortenson Company	UMF	Gift	Department of Intercollegiate Athletics
Dr. Steven G. Hentges	UMF	Gift	Institute of Technology
Alice B. O'Connor	UMF	Gift	University of Minnesota, Duluth
Wound Ostomy and Continence Nurses Society Foundation	UMF	Gift	School of Nursing
Pioneer Hi-Bred International Incorporated	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences
Minneapolis Heart Institute Foundation	MMF	Gift	Integrative Biology and Physiology
North Dakota Department of Agriculture	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences
Winfield Solutions LLC	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences
CHS Incorporated	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences
George Weston Bakeries Incorporated	MMF	Gift	Neurology
Patrick J. Bradley	MMF	Gift	Neurology
Pennsylvania Cystic Fibrosis Incorporated	MMF	Gift	Pediatrics
Alliance Pipeline LP	UM	Gift	4H Foundation



**\$5,000 - \$10,000**

Amy S. Mulvahill	MMF	Gift	Unrestricted
Anonymous	UMF	Gift	College of Education and Human Development
Bearfoot Capital LLC	MMF	Gift	Schulze Diabetes Institute
Bradley R. Wille	MMF	Pledge	Orthopaedic Surgery
BTC Management Incorporated	UMF	Gift	Law School
Catherine L. Anderson	MMF	Gift	Ophthalmology
Curtis L. Roy	UMF	Gift	Law School
David E. Rudolph	MMF	Gift	Masonic Cancer Center
David R. Edwards	MMF	Pledge	Orthopaedic Surgery
Dhamotharan Family Fund-American Endowment Foundation	UMF	Gift	Institute of Technology
Dr. David R. Knighton	UMF	Gift	Department of Intercollegiate Athletics
Dr. Mansur Ahmad	UMF	Pledge	School of Dentistry
Dr. Sven U. Gorr	UMF	Pledge	School of Dentistry
Drs. William D. and Marsha J. Beyer	UMF	Gift	University of Minnesota, Morris
Federated Mutual Insurance Company	MMF	Gift	Academic Health Center
Fidelity Charitable Gift Fund	MMF	Gift	Medicine
Frances B. Caulfield	MMF	Gift	Schulze Diabetes Institute
Frank Pace Jr. Foundation Incorporated	UMF	Gift	Humphrey Institute of Public Affairs
Franklin E. Star	MMF	Gift	Medicine
Genentech Incorporated	UMF	Gift	Institute of Technology
Hal M. Leland	MMF	Pledge	Scholarships
Harry L. and Janet M. Kitselman Foundation	MMF	Gift	OB/Gyn
Horst M. Rechelbacher	UMF	Gift	Raptor Center
Jacqueline G. McCauley	UMF	Gift	College of Liberal Arts
Jaime R. Forero	MMF	Pledge	Orthopaedic Surgery
James B. Stowe and Barbara Gunderson Stowe	UMF	Gift	University of Minnesota, Morris
Jan and Mary Wenger	UMF	Gift	School of Nursing
John G. Grabowski	MMF	Pledge	Scholarships
John G. Mulrooney	MMF	Gift	Scholarships
Kendrick B. Melrose Fund of the Minneapolis Foundation	UM	Gift	Minnesota Landscape Arboretum
Linda S. Stein	UMF	Pledge	On Campus Stadium
Marbrook Foundation	UMF	Gift	Center for Spirituality and Healing
Mary Dempsey	MMF	Gift	Biochemistry, Molecular Biology and Biophysics
Matthew R. Glisson	MMF	Pledge	Orthopaedic Surgery
Michael V. and Ann C. Ciresi Foundation	UMF	Gift	Weisman Art Museum
Minnesota Community Foundation	MMF	Gift	Neurology

**\$5,000 - \$10,000**

Olga B. Hart Education Foundation	UMF	Gift	Graduate School
Oswald Family Foundation	UMF	Gift	College of Education and Human Development
Patrick E. Clare	MMF	Pledge	Orthopaedic Surgery
Robert W. Shepley	MMF	Pledge	Orthopaedic Surgery
Rockwell Collins	UMF	Pledge	School of Nursing
Roger T. and Gail Odegaard	UMF	Gift	University of Minnesota, Crookston
Schall Family Fund-Minneapolis Foundation	UMF	Gift	College of Liberal Arts
Schoenwetter Fund-St. Paul Foundation	UMF	Gift	Carlson School of Management
Sidney Kaplan	MMF	Gift	Pediatrics
The Caravan Trust	UM	Gift	Minnesota Landscape Arboretum
The Fund for the Tiger	UMF	Gift	College of Food, Agricultural and Natural Resource Sciences
Thomas E. Nelson	MMF	Pledge	Orthopaedic Surgery
Thomas J. Cartier	MMF	Gift	Scholarships
Wealth Enhancement Group	MMF	Gift	Academic Health Center
Winston and Maxine Wallin Fund-St. Paul Foundation	UMF	Gift	Raptor Center

UNIVERSITY OF MINNESOTA  
 BOARD OF REGENTS  
 SUMMARY OF EXPENDITURES  
 GENERAL OPERATIONS AND MAINTENANCE FUND  
 SIX MONTHS ENDING DECEMBER 31, 2009

	CURRENT YEAR			PRIOR YEAR		
	CURRENT BUDGET 2009/10	REVENUES/ EXPENDITURES YTD 2009/10	PERCENT EXPENDED	CURRENT BUDGET 2008/09	REVENUES/ EXPENDITURES YTD 2008/09	PERCENT EXPENDED
<b>Beginning Balance (Prior Year Carryforward)</b>	\$85,996	\$85,996		\$71,226	\$71,226	
<b>Revenues</b>						
Total Current Year Allocation Net Transfers	\$845,060	\$845,060		\$895,860	\$895,860	
Total Resources	<u>\$931,056</u>	<u>\$931,056</u>		<u>\$967,086</u>	<u>\$967,086</u>	
51						
<b>Expenditures</b>						
Salaries	\$474,721	\$248,610	52.4%	\$514,021	\$279,950	54.5%
Fringe Benefits	\$150,227	\$78,970	52.6%	\$161,069	\$84,986	52.8%
Supplies, Expenses, Equipment	\$205,412	\$91,749	44.7%	\$205,226	\$98,784	48.1%
Total Expenditures	<u>\$830,360</u>	<u>\$419,329</u>	50.5%	<u>\$880,316</u>	<u>\$463,720</u>	52.7%
<b>Ending Balance</b>	<u><u>\$100,696</u></u>	<u><u>\$511,727</u></u>		<u><u>\$86,770</u></u>	<u><u>\$503,366</u></u>	

UNIVERSITY OF MINNESOTA  
PRESIDENT'S OFFICE  
SUMMARY OF EXPENDITURES  
GENERAL OPERATIONS AND MAINTENANCE FUND  
SIX MONTHS ENDING DECEMBER 31ST (2ND Quarter)  
(Unaudited)

	CURRENT YEAR			PRIOR YEAR		
	CURRENT BUDGET 2009/10	REVENUES/ EXPENDITURES YTD 2009/10	PERCENT EXPENDED	CURRENT BUDGET 2008/09	REVENUES/ EXPENDITURES YTD 2008/09	PERCENT EXPENDED
<b>Beginning Balance (Prior Year Carry forward)</b>	\$1,401,168	\$1,401,168		\$382,581	\$382,581	
<b>Revenues</b>						
Total Year Allocation	\$3,323,320	\$3,273,320		\$4,072,071	\$3,895,402	
Total Resources	<u>\$4,724,488</u>	<u>\$4,674,488</u>		<u>\$4,454,652</u>	<u>\$4,277,983</u>	
<b>Expenditures</b>						
President's Office Salaries	\$1,340,869	\$733,089	54.7%	\$1,523,242	\$803,252	52.7%
President's Office Fringe Benefits	\$594,156	\$240,983	40.6%	\$743,591	\$264,933	35.6%
Supplies, Expense, Equipment Ofc of the President-General Operations	\$199,261	\$74,880	37.6%	\$124,572	\$114,577	92.0%
Eastcliff Management Office Salaries	\$100,677	\$55,101	54.7%	\$100,012	\$56,628	56.6%
Eastcliff Management Office Fringe Benefits	\$37,251	\$16,226	43.6%	\$32,704	\$14,534	44.4%
Supplies, Expense, Equipment Eastcliff Management Ofc-General Operations	\$39,223	\$9,233	23.5%	\$39,500	\$32,219	81.6%
President's Travel&External Relations	\$7,116	\$8,235	115.7%	\$28,874	\$5,971	20.7%
Fund Transfers			0.0%		\$0	0.0%
President's Discretionary*	\$727,242	\$265,889	36.6%	\$970,754	\$149,206	15.4%
University Wide Memberships	\$334,212	\$293,448	87.8%	\$376,077	\$240,992	64.1%
Total Expenditures	<u>\$3,380,007</u>	<u>\$1,697,084</u>	<u>50.2%</u>	<u>\$3,939,326</u>	<u>\$1,682,312</u>	<u>42.7%</u>
<b>Ending Balance</b>	<u>\$1,344,481</u>	<u>\$2,977,404</u>		<u>\$515,326</u>	<u>\$2,595,671</u>	

\*FY09 President's Discretionary figure includes the FY09 Unallotment of \$69,700

**UNIVERSITY OF MINNESOTA  
EASTCLIFF OPERATIONS  
SUMMARY OF EXPENDITURES  
GENERAL OPERATIONS AND MAINTENANCE FUND  
SIX MONTHS ENDING DECEMBER 31, 2009  
(UNAUDITED)**

	CURRENT YEAR			PRIOR YEAR		
	CURRENT BUDGET 2009-10	REVENUES/ EXPENDITURES YTD 2009-10	PERCENT EXPENDED	PRIOR BUDGET 2008-09	REVENUES/ EXPENDITURES YTD 2008-09	PERCENT EXPENDED
<b>Beginning Balance (Prior Year Carryforward)*</b>	\$0	\$0		\$0	\$0	
<b>Revenues</b>						
Total Current Year Allocation**	\$227,319	\$227,319		\$258,030	\$258,030	
Transfer from the General Contingency						
<b>Total Resources</b>	<u>\$227,319</u>	<u>\$227,319</u>		<u>\$258,030</u>	<u>\$258,030</u>	
<b>Expenditures</b>						
<b>Household Maintenance</b>						
Salaries, Fringes	\$19,021	\$11,285	59.3%	\$20,291	\$10,931	53.9%
Supplies, Expense, Equipment	<u>\$208,298</u>	<u>\$92,263</u>	<u>44.3%</u>	<u>\$237,739</u>	<u>\$132,516</u>	<u>55.7%</u>
<b>Household Maintenance Total</b>	\$227,319	\$103,548	45.6%	\$258,030	\$143,447	55.6%
<b>Transfer to/(from) the Project Reserve</b>					\$0	
<b>Ending Balance</b>	<u><u>\$0</u></u>	<u><u>\$123,771</u></u>		<u><u>\$0</u></u>	<u><u>\$114,583</u></u>	

Notes:

\* "Prior Year Carryforward" was taken off of this report because it is used for Eastcliff capital and renewal projects rather than operating purposes.

Eastcliff project reporting to the board is part of the normal capital project reporting process.

\*\* Eastcliff's budget was cut by almost 12% for FY10.



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Board of Regents**

**March 12, 2010**

**Agenda Item:** Resolution Related to Audit Committee

review       review/action       action       discussion

**Presenters:** Regent Clyde Allen

**Purpose:**

policy       background/context       oversight       strategic positioning

To authorize the Audit Committee to hold a special meeting and act on behalf of the Board of Regents to hire an independent auditor.

**Outline of Key Points/Policy Issues:**

The University has solicited proposals for independent audit services and needs to hire a firm prior to the next Board of Regents meeting in May. In order to ensure timely execution of a contract, the Audit Committee is being authorized to hold a special meeting in April 2010 and act on behalf of the Board of Regents to hire an independent auditor.

**Background Information:**

The Audit Committee provides oversight for all major audit activities at the University.

**President's Recommendation for Action:**

The President recommends approval of the resolution authorizing the Audit Committee to hire an independent auditor.



## **REGENTS OF THE UNIVERSITY OF MINNESOTA**

### **RESOLUTION RELATED TO THE AUDIT COMMITTEE**

**WHEREAS**, the next regular Board of Regents meeting is May 14, 2010 and the University needs to hire an independent audit firm prior to that date,

**NOW THEREFORE, BE IT RESOLVED** that the Audit Committee of the Board of Regents is authorized to meet in a special meeting in April 2010 and take action to hire an independent auditor on behalf of the Board of Regents.



**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Board of Regents**

**March 12, 2010**

**Agenda Item:** Report of the Faculty Consultative Committee

review       review/action       action       discussion

**Presenters:** Professor Marti Gonzales

**Purpose:**

policy       background/context       oversight       strategic positioning

To provide the Board of Regents with an update on the goals and accomplishments of the Faculty Consultative Committee throughout the year.

**Outline of Key Points/Policy Issues:**

**Background Information:**

It is customary for the chair of the Faculty Consultative Committee to provide quarterly updates to the Board of Regents.



**REPORT OF THE FACULTY CONSULTATIVE COMMITTEE  
TO THE BOARD OF REGENTS  
March 12, 2010**

Regents Chair Allen, Vice Chair Cohen, Representatives to the Board, President Bruininks, it is once again an honor and a pleasure to provide you with the third in a series of reports from the Faculty Consultative Committee. As all of us learn more about the escalating fiscal challenges confronting the University in the immediate future and beyond, it becomes increasingly clear that all of us—the Board of Regents, senior administrators, faculty, staff, and students—confront some difficult decisions about the best course forward. Today I welcome the opportunity to provide a brief report on activities and concerns of representatives in faculty governance, as we continue to work cooperatively and candidly with our administrative leaders to ensure that the decisions that we make today serve us well, both in the upcoming months and in future years, as the face of higher education here and elsewhere in the country will surely continue to evolve.

Members of the Faculty Consultative Committee have met at least weekly with one another and with administrators since my last report in December. Further, committed members of other key faculty governance committees have also been hard at work, as they continue tackle such wide-ranging issues as the next steps in drafting administrative policy related to individual conflicts of interest; the need to address the intersection of national accreditation of Institutional Review Boards on the one hand, and University of Minnesota policy related to conflicts of interest, on the other; ways to use existing space in a more cost-effective manner and to design future space with institutional efficiency and energy savings in mind; “best practices” related both to internal and external communications during this period of fiscal uncertainty and consequent concerns about our collective future; impending leadership changes at the highest levels of university administration, and ways to involve faculty governance meaningfully in the upcoming presidential search; and finally, and perhaps most important, the pressing need for timely, difficult, and essential decisions related to the sacrifices that all university citizens may be asked to make in the months and years ahead, as we continue to contemplate the scope of our institutional mission. Thorough, timely, and candid consultation is important during the best of times, of course, and is absolutely critical during more uncertain and challenging times. I am gratified to report that such essential consultation continues, as both faculty governance leaders and senior administrators devote time, energy, commitment, and expertise to the candid exchange of information, concerns, and opinions.

With regard to my last point, we in faculty governance especially appreciate the thoughtfulness and candor reflected in regular discussions between senior administrators and members of the Senate Committee on Finance and Planning and of the Faculty Consultative Committee. Among the greatest challenges confronting administrators and faculty governance leaders is the need to move with speed and agility to address our most immediate and pressing fiscal challenges, without losing sight of the vital importance of long-range planning for the University’s future over the next biennium and the decades to come. Candid and fruitful exchanges related to that challenging balancing act will ensure that faculty leaders and administrators alike address the implications of both short- and long-term budgetary decisions for educational policy, tuition rates, escalating cost pools, employee compensation, and the day-to-day work of faculty and staff here at the University of Minnesota—in short, for our future health and vitality as one of the country’s premier Land Grant institutions.

I would be remiss were I not to communicate, if only briefly, the extent to which discussion of the options before us has driven home to faculty and staff alike the magnitude of the sacrifices that lie ahead. Consequently, faculty, administrators, students, and staff are eager to receive accurate and timely information that is relevant to their work. In short, university citizens both understand that significant decisions are best reached with thorough consultation, and also desire to learn what lies in store for them in practical terms, however demanding the changes in store. As always, we on the Faculty Consultative Committee remain committed to transparency with our faculty colleagues, and are eager to work with senior administrators to ensure that we do our part in keeping the faculty well informed and in soliciting and communicating their concerns. These times demand no less.

Of course, I would also be remiss were I not to note of the benefits of consultation as it relates to ongoing decision-making and institutional change. Members of the Faculty Consultative Committee have read with interest the two reports associated with ongoing reorganization in graduate education (i.e., the reports of the Academic Issues Work Group and the Student Administrative Processes Work Group). Recent public forums have been well attended, and attendees have provided a number of constructive reactions to these reports. We on the Faculty Consultative Committee very much look forward to ongoing consultation with Vice Provost and Dean of Graduate Education, Professor Henning Schroeder, and remain eager to be of whatever assistance we can as results of faculty comments are shared with us, and the practicalities of graduate education reorganization are implemented.

In summary, it is now more than ever before imperative that faculty and administrative leaders attend to the most pressing demands before us, even as we think well into the future about the scope of our mission, and decide how best to reconfigure the University for the decades ahead. Moreover, the willingness of all University citizens to endure the necessary sacrifices depends on regular, clear, and transparent communication. Members of faculty governance remain firmly committed to working closely, candidly, and well with our faculty colleagues and senior administrators in ensuring that we also keep an eye on what we need to do now to secure the best possible future. Despite recent fiscal adversity, I remain confident that we will move ahead—with shared commitment, skill, and mutual respect—on the responsibilities immediately before us and on the anticipated and unanticipated responsibilities yet to come.

Respectfully submitted,

Marti Hope Gonzales, 2009-2010 Chair  
Faculty Consultative Committee



## UNIVERSITY OF MINNESOTA BOARD OF REGENTS

**Board of Regents**

**March 12, 2010**

**Agenda Item:** Board of Regents Policy: Individual Business or Financial Conflicts of Interest

review       review/action       action       discussion

**Presenters:** Vice President/Chief of Staff Kathryn Brown  
General Counsel Mark Rotenberg

**Purpose:**

policy       background/context       oversight       strategic positioning

To seek approval of the proposed Board of Regents Policy: *Individual Business or Financial Conflicts of Interest*, which sets forth the guiding principles and ethical standards governing individual conflicts of interest at the University of Minnesota.

### **Outline of Key Points/Policy Issues:**

The president recommends that the proposed Board of Regents Policy: *Individual Conflicts of Interest* supersede the existing Board of Regents Policy: *Individual Business or Financial Conflicts of Interest*. A significant number of the policy changes are editorial and structural in nature, and intended to make the policy more clear and up-to-date. Other policy changes are substantive in nature, and the presentation will provide an overview of those changes, including the following:

1. The scope more specifically focuses on individuals whose relationships with business entities relate to their University expertise and responsibilities.
2. The guiding principles emphasize that the integrity of the University's research and discovery, teaching and learning, and outreach and public service activities is paramount.
3. The definition of covered individuals is expanded to include all faculty and staff as well as other individuals authorized to act on behalf of the University.
4. The definition of family member is expanded to include any other family member who the individual reasonably knows may benefit personally from actions taken by the covered individual on behalf of the University.
5. The definition of associated entity is removed and definitions of business entity, business interest, and financial interest are added.
6. A new oversight section is added to address more specific internal reporting, disclosure, and compliance requirements, including new reference to conflict of interest management plans.
7. The delegation of authority section has been expanded to identify specific provisions that will be addressed in administrative policies and procedures.

## **Background Information:**

Over the past several months, the University administration has been working to update the Administrative Policy: *Implementing the Individual Business or Financial Conflicts of Interest Board of Regents Policy*, and engaging deans, faculty, staff, and others in a broad consultation process to seek their input on a policy draft, including posting the draft policy online beyond the usual 30-day open comment period. While work on the administrative policy continues, the administration decided to simultaneously review the Board of Regents Policy: *Individual Business or Financial Conflicts of Interest* to ensure that the Board of Regents policy is up-to-date and that the new administrative policy, when adopted, is fully aligned with the updated Board of Regents guiding principles and ethical standards. The Board of Regents reviewed and discussed the proposed amendments on February 12, 2010.



UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS POLICY

Page 1 of 3

**Administrative**  
**INDIVIDUAL BUSINESS OR FINANCIAL  
CONFLICTS OF INTEREST**

**Adopted:** April 8, 1994

**Amended:** July 10, 1998; June 8, 2001; July 6, 2005

**Supersedes:** (see end of policy)

**DRAFT** for action March 12, 2010

**INDIVIDUAL CONFLICTS OF INTEREST**

**SECTION I. SCOPE.**

This policy governs individual conflicts of interest and applies to covered individuals whose relationships with business entities relate to their University of Minnesota (University) expertise and responsibilities.

**SECTION II. GUIDING PRINCIPLES.**

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

- (a) The integrity of the University's research and discovery, teaching and learning, and outreach and public service activities is paramount.
- (b) The University encourages its faculty and staff to engage in relationships with business entities to further the University's mission while acknowledging that inherent in these relationships is the potential for professional judgment to be influenced by the existence of such relationships and result in personal gain.
- (c) The University is committed to ensuring that relationships between its faculty and staff and business entities are transparent, grounded in objectivity, and do not improperly influence covered individuals' professional judgment, exercise of University responsibilities, or performance of University-related activities.

**SECTION III. DEFINITIONS.**

**Subd. 1. Covered Individuals.** *Covered individuals* shall mean: (a) faculty and staff; (b) individuals with responsibility for the design, performance, or reporting of University research; and (c) other individuals authorized to act on behalf of the University to fulfill its research and discovery, teaching and learning, and outreach and public service mission.

**Subd. 2. Individual Conflict of Interest.** *Individual conflict of interest* shall mean a relationship between a covered individual's private business or financial interests, or those of the covered individual's family members, and the covered individual's expertise and



UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS POLICY

Page 2 of 3

Administrative  
**INDIVIDUAL BUSINESS OR FINANCIAL  
CONFLICTS OF INTEREST**  
Adopted: April 8, 1994  
Amended: July 10, 1998; June 8, 2001; July 6,  
2005  
Supersedes: (see end of policy)  
**DRAFT** for action March 12, 2010

responsibilities such that an independent observer might reasonably question whether the individual’s objectivity in the performance of University responsibilities could be compromised by considerations of personal gain.

**Subd. 3. Business Entity.** *Business entity* shall mean any corporation, partnership, sole proprietorship, firm, franchise, association, organization, holding company, joint stock company, receivership, business or real estate trust, or any other nongovernmental legal entity organized for profit, nonprofit, or charitable purposes.

**Subd. 4. Business Interest.** *Business interest* shall mean holding any executive position in, or membership on a board of, a business entity whether or not such activities are compensated.

**Subd. 5. Financial Interest.** *Financial interest* shall mean anything of monetary value, including, but not limited to: (a) an interest in a business entity consisting of any stock, stock option, or similar equity interest in such business entity (excluding any interest arising solely because the investment is in a pension, mutual fund, or other institutional investment fund over which the employee does not exercise control) or (b) receipt of, or the right or expectation to receive, any income, such as a consulting fee, honoraria, salary, allowance, royalty, or any other form of compensation.

**Subd. 6. Family Member.** *Family member* shall mean the covered individual’s spouse or domestic partner, dependent children, and any other family member whom the covered individual reasonably knows may benefit personally from actions taken by the covered individual on behalf of the University.

**SECTION IV. OVERSIGHT.**

**Subd. 1. Internal Reporting.** As required by administrative policy, covered individuals: (a) shall report annually to the University any business or financial interests and relationships with business entities, and the income earned from those relationships, that relate to their University expertise and responsibilities; and (b) may be required to report to the University between annual reporting periods any substantial changes to their business or financial interests and relationships with business entities, and the income earned from those relationships, that relate to their University expertise and responsibilities.

**Subd. 2. Disclosure.** To ensure transparency, covered individuals shall disclose conflicts of interest as directed by University conflict of interest management plans.



UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS POLICY

Page 3 of 3

Administrative  
~~INDIVIDUAL BUSINESS OR FINANCIAL~~  
CONFLICTS OF INTEREST

Adopted: April 8, 1994

Amended: July 10, 1998; June 8, 2001; July 6, 2005

Supersedes: (see end of policy)

**DRAFT** for action March 12, 2010

**Subd. 3. Compliance.** Covered individuals may not engage in University-related activities in which there is a conflict of interest except in accordance with the terms of a University conflict of interest management plan. Covered individuals who do not comply with internal reporting requirements or conflict of interest management plans may be subject to disciplinary action, consistent with applicable University policies and procedures.

**SECTION V. DELEGATION OF AUTHORITY.**

The president or delegate shall maintain:

- (a) a process to identify and manage individual conflicts of interest of covered individuals; and
- (b) administrative policies and procedures to implement this policy, including provisions to:
  - (1) maintain a University review body or bodies to determine whether individual conflicts of interest exist;
  - (2) establish and monitor conflict of interest management plans to manage, reduce, or eliminate conflicts;
  - (3) ensure that the policies and procedures established for identifying and addressing individual conflicts of interest conform to federal regulations and state law related to conflict of interest;
  - (4) define and differentiate responsibilities for covered individuals to fulfill the principles set forth in this policy;
  - (5) identify and prohibit activities that cause or may cause reasonable doubt concerning the integrity of the University's relationships with business entities;
  - (6) promote the integrity of covered individuals' consulting relationships with business entities;
  - (7) govern the active involvement of covered individuals in business entity sponsored events and activities; and
  - (8) establish limits on the acceptance of services, products, benefits, and gifts provided by business entities to covered individuals and University units.

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



## UNIVERSITY OF MINNESOTA BOARD OF REGENTS

**Board of Regents**

**March 12, 2010**

**Agenda Item:** Financing the Future: Budget Framework/Principles

review       review/action       action       discussion

**Presenters:** President Robert H. Bruininks  
Vice President/CFO Richard Pfitzenreuter

**Purpose:**

policy       background/context       oversight       strategic positioning

To provide background information and context for the Fiscal Year 2010-11 annual operating budget.

### **Outline of Key Points/Policy Issues:**

The governor's budget recommendation, released February 15, 2010, included an expected \$36 million cut to the University of Minnesota's authorized 2011 state appropriation, erasing 10 years of incremental state funding increases and reducing the institution's state funding base to the lowest levels since 2001. Although the University will continue to ask legislators to reduce this latest cut, the University cannot plan for a better budget outcome. The University must make difficult decisions about its future now, even though the budget cannot be finalized until after the legislature acts this spring.

The proposed budget state budget reduction and the University's ongoing financial obligations create a total budget challenge of \$132.2 million for 2010-11:

- 75 percent (\$100 million) of this shortfall includes:
  - \$41 million to address the cost of the 27th pay period.
  - \$32 million to support a 2 percent compensation pool increase.
  - \$27 million to support financial aid and scholarship commitments, facilities costs, and other essential expenditures.
- The remaining 25 percent (\$32.2 million) consists of the governor's proposed budget cut

Following are the established principles that the University utilizes in forming strategies and making decisions related to short and long term budget planning.

1. Advance the University's quality and competitiveness through targeted and timely investment in mission-critical academic and capital priorities.
2. Compensate, support, and retain talented faculty and staff.
3. Continue to improve financial access and affordability for students.



4. Continue to solve the majority of the University's budget challenges and needs through cost reductions, productivity enhancements, reduced investment, and reinvestment of existing resources.
5. Take additional strategic actions to grow and stabilize revenues including state, sponsored, and private support, as well as revenue generated through educational programs.
6. Substantially reduce current and projected cost increases.
7. Apply one-time or temporary resources to reduce the immediate impact of substantial state budget reductions on students and employees, and bridge critical investments to ensure the University's strengths and mission are continued.

### **Background Information:**

The Board of Regent's approved the Fiscal Year 2009-10 operating budget on June 24, 2009. The President will submit the Fiscal Year 2010-11 operating budget in late spring of 2010.