

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Audit Committee
May 7, 2015**

A meeting of the Audit Committee of the Board of Regents was held on Thursday, May 7, 2015, at 7:30 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Thomas Anderson and Peggy Lucas. Laura Brod participated by phone.

Staff present: Senior Vice President and Provost Karen Hanson; Vice President Brian Herman; General Counsel William Donohue; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt and Michael Volna.

Student Representatives present: Aashka Joshi and Jesse Mara.

**EXTERNAL AUDITOR REVIEW & SUMMARY OF EXTERNAL
AUDITOR RELATIONSHIPS & SERVICES PROVIDED**

Regent Beeson invited Associate Vice President Volna to present the external auditor review and summary of external auditor relationships and services provided, as detailed in the docket.

Volna reported that contracted audit and non-audit fees of the University's external auditor, Deloitte & Touche LLP (Deloitte), were \$678,300 for FY 2014 engagements, with actual fees paid of \$658,221. All FY 2014 engagements with Deloitte have been completed. He indicated that Deloitte has been able to shorten both the amount of time and work needed to complete the engagements.

The University has had conversations with the Minneapolis-Saint Paul managing director of Deloitte to rotate the lead engagement partner. Deloitte agreed and has assigned a new lead engagement partner, Tom Roos. Roos previously worked with the University as a member of Deloitte's team in the 1990s.

Volna reviewed the total fees for audit and non-audit services with other public accounting firms. The University engaged six public accounting firms for a variety of audit and non-audit services totally \$1,556,003 for FY 2014. He reminded the committee that all services were reviewed by the Controller's Office and approved or reported to the committee.

Volna commented that the committee's discussion around consulting fees and the threshold for those fees is an item he keeps in mind. For non-audit engagements moving forward, a current total of audit and non-engagements will be included in the approval materials to ensure the committee understands how much non-audit work is being given to those companies.

In response to a question from Regent Anderson, Volna explained that the contract with Deloitte does have an option for an extension if the University feels that their performance remains at a high level.

EXTERNAL AUDIT PLAN

Regent Beeson invited Associate Vice President Volna and Deloitte's Tom Roos, Lead Engagement Partner, and Judi Dockendorf, Senior Manager, to review the external audit plan for FY 2015, as detailed in the docket.

Roos introduced himself and noted that he was looking forward to working with the University once again. He detailed the overall plan created by Deloitte. He described how Deloitte reassessed risk areas from the 2014 audit, and considered the University's FY 2015 enterprise goals and the current state of the industry and the economy. As a result of this process, Deloitte identified the University's investments and management override of control as areas of focus for the 2015 audit.

Dockendorf indicated that the audit would include conversations across a broad segment of the University for the A-133 audit, specifically regarding management override of controls. She outlined the other agreed-upon financial statement audits and compliance reports that Deloitte would issue. She identified recent GASB project updates that would affect the University's financial statements and the audit work performed by Deloitte, noting that new investment reporting requirements would impact the University.

In response to a question from Regent Beeson, Roos agreed that time with the lead partner is important and should be an expectation of the client. He added that his is a hands-on style and, given his experience with the University and existing relationships, he felt confident he would be able to provide the type of close working relationship expected by the University.

INSTITUTIONAL COMPLIANCE OFFICER SEMI-ANNUAL REPORT

Regent Beeson invited Lynn Zentner, Director, Office of Institutional Compliance (OIC), to present the institutional compliance officer semi-annual report, as detailed in the docket.

Zentner provided an overview of OIC's activities. She addressed considerations associated with the recent external reviews of the University's Human Research Protections Program and 2004 Café Study. She noted that this is an opportunity to reevaluate ethics as a core component of the University, explained that Board of Regents Policy: *Code of Conduct* highlights ethics, and emphasized that the University can do more to ensure that all employees understand the code. Zentner offered that more training on the ethical components of the code and an awareness campaign would be helpful. She posed to the committee the question of how the University should think of ethics and where ethics lives within the University.

Zentner outlined matters associated with equal opportunity and affirmative action, including an alleged Title IX violation by the University. The allegation was filed in December and while there is not yet a clear definition of the allegation, it is believed to stem from not having a competition-capable track. Representatives from the U.S. Department of Education Office for Civil Rights will be at the University in May and June to investigate.

Zentner noted new state law requirements around the reporting of study abroad statistics, especially accidents and illnesses of students. She also reminded the committee of a HIPAA security risk assessment performed by Deloitte and reported to the committee in March. The security recommendations that were made are being implemented.

Zentner reported the UReport statistics for the period of May 1, 2014 through April 15, 2015. Since 2005, there have been over 1,300 reports. Of those, 76 percent were received via the internet, and 43 percent of anonymous reporters and 57 percent of non-anonymous reporters checked back to find out the status of follow-up on their concerns.

In response to a question from Regent Anderson, Zentner stated that reports submitted via UReport are confidential. However, given the large percent of anonymous reporting, there may be a perception or fear of retaliation against the reporting party within the University. She noted that more work might be needed to assure employees that the reporting is truly confidential.

Regent Brod commented that the breadth and depth of the report is significant. She noted that the report has given the committee quite a bit to think about as it moves forward with oversight of the implementation plan for human subjects research. The committee will need to have conversations that focus on not only adhering to law and policies, but also the perception of ethics and what it means to the University from a risk and brand perspective.

INSTITUTIONAL REVIEW BOARD PRIMER

Regent Beeson invited Vice President Herman and Debra Dykhuis, Executive Director, Human Research Protection Program, to give a primer on the Institutional Review Board (IRB), as detailed in the docket.

Herman stated that the current IRB process is robust but presents a challenge in maintaining balance between subject protection and reporting requirements. He noted that this is a shared responsibility of everyone involved in human subjects research. An ongoing relationship between the IRB and the investigator/researcher is built, with continuing review by the IRB up to the data analysis stage. The IRB also has the power to perform additional review, suspend a study, or terminate approval. Herman added that there are four IRBs, each with broad expertise, technical experts on the types of research under review, non-scientific members, and non-affiliated community representatives.

Dykhuis outlined the federal regulations and policy governing human subjects research and the IRB. She explained “The Common Rule,” which applies to all research involving human subjects and has been adopted by 17 federal agencies. Dykhuis noted that the federal Food and Drug Administration (FDA) has additional requirements; the federal government expects the University to follow both where applicable. She added that other policy and law oversees human research as well, including HIPAA standards, state law, institutional policies and codes, and professional associations and licensure requirements.

Dykhuis walked through the Belmont Report. From 1974, the report summarizes three basic ethical principles relevant to research involving human subjects; respect for persons, beneficence, and justice. She explained how these influence the role of the IRB.

Dykhuis outlined IRB responsibilities and risks, and reviewed the criteria for IRB approval. She highlighted the respect for persons, explaining how the IRB ensures informed consent. Persons with diminished autonomy are entitled to protection and should not be coerced to participate in research. She explained that there is a wide variety of vulnerable populations that the IRB considers when evaluating research proposals.

Dykhuis reviewed the components of post-approval for human subjects review and identified the types of changes that would require reporting by an investigator. An IRB Report Form details an event that took place and how it deviated from what was approved by the IRB. IRB members use this form with investigators to understand what happened and which corrective actions are available.

Herman offered comparisons of the University’s IRB to peer institutions across the country. He explained the challenge of convincing faculty to serve on these boards – currently, the University compensates only chairs and vice chairs of the boards. Herman noted that a possible recommendation from the implementation team would be to compensate all members

of an IRB and provide funding to clinical units to cover the cost of faculty members who are serving on an IRB.

Herman conveyed the high workload of the University's IRB. In 2014, the IRB reviewed a total of 9,959 protocols, or research studies, submitted for approval; there were 11,707 active protocols being performed at the University. He noted that the volume is higher than many of the University's peers, but the budget for the IRB is lower than peers with the same volume. Herman asserted that additional resources are needed. He offered that IRB membership and compensation, IRB workload and staffing levels, and data practices requests made by the University's own faculty present significant challenges. However, he emphasized the good work that the IRB has done and continues to do.

In response to a question from Regent Beeson, Dykhuis explained that biomedical boards are different from social and behavioral research IRB boards. Social and behavioral research boards have the same roster, but the biomedical board is managed differently. Herman added that the appropriate board reviews the research that falls under its respective area. An executive committee of the chairs meets monthly and reviews any issues that have come to its attention.

In response to a question from Regent Beeson, Hanson stated that service by faculty on the IRB is considered a part of their service obligation. All faculty members have an expectation of service and engagement. Hanson added that this is a part of their salary expectations.

In response to a question from Regent Lucas, Dykhuis noted that the application to the IRB requires specific information on whom they plan to recruit and how. If individuals are from a vulnerable population, the IRB requires the investigator to add extra considerations for how those populations will be protected. Herman added that vulnerable populations include a wide variety of individuals that goes far beyond an individual with diminished cognitive ability.

In response to a comment by Klatt, Herman explained that the IRB is created under federal law and has a level of autonomy from the University. The FDA inspects the IRB annually. If the IRB disapproves a study, Herman noted that he does not have the authority to overrule it.

In response to a question from Regent Beeson, Herman pointed out that the University has been accredited by the Association for the Accreditation of Human Research Protection Programs (AAHRP) three times over the past 10 years. He stated that AAHRP is the gold standard for human subjects research and will be on campus in early June to review the University. The FDA also visits regularly and can look at specific research studies unannounced.

INFORMATION ITEMS

Regent Beeson invited Associate Vice President Volna to present the information items, as detailed in the docket.

Volna noted that there were two engagements with external audit firms that were being reported to the committee. Both engagements did not require prior approval by the committee, but are reported to the committee for their information. He added that both engagements were reviewed and approved by the Controller's Office.

The meeting adjourned at 9:05 a.m.

A handwritten signature in black ink that reads "Brian R. Steeves". The signature is written in a cursive style with a large initial 'B' and 'S'.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Special Committee on Academic Medicine
May 7, 2015**

A meeting of the Special Committee on Academic Medicine of the Board of Regents was held on Thursday, May 7, 2015 at 7:30 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Thomas Devine, Michael Hsu, Dean Johnson, and David McMillan.

Staff present: President Eric Kaler; Chancellor Fred Wood; Vice President Brooks Jackson; Executive Director Brian Steeves; and Associate Vice President Terry Bock.

MEDICAL SCHOOL STRATEGIC PLAN: PROGRESS REPORT

Vice President Jackson shared a progress report and related metrics on the Medical School's efforts to enhance scholarship, research, education, clinical care, financial sustainability, and diversity, as detailed in the docket.

Jackson emphasized the importance of the first goal – enhancing scholarship – to increasing the Medical School's national reputation. He reported that in 2014, 42 percent of Medical School faculty published a first/last author paper. The new expectation is that all faculty will publish at least one first/last author paper annually. A new portal will track scholarship, and incentives will be aligned around this new emphasis.

Jackson noted a 12 percent increase in new grant applications through March 31, 2015 over the previous year. He highlighted the importance of the Clinical and Translational Science Institute, which drives additional research opportunities and support and is one of about 60 such National Institute of Health (NIH) funded centers.

Jackson shared several updates to the Medical School curriculum, including incorporating inter-professional education to prepare students for a team-based healthcare delivery system and placing a greater emphasis on student research and scholarship. He cited a recent NIH review of the M.D./Ph.D. program in which the program was rated "outstanding" and recommended additional federal funding to increase the size of the program. Jackson added that it is impossible to have a world-class Medical School without a world-class hospital. He cited goals set in the University of Minnesota Health Strategic Plan raising performance to the 90th percentile by 2017.

In response to a question from Regent McMillan, Jackson noted that changing expectations for faculty would require mentorship and training. He emphasized that research should align well with each person's role – for example, faculty who see a lot of patients would do clinical research for the most efficient use of time.

In response to comments by Regents, Jackson expressed appreciation for the strong support of his focus on scholarship. He also reiterated the importance of the governor's proposed investment to attract new faculty, particularly those that are already NIH-funded, and the need to develop concentrated groups of researchers within a discipline.

CLINICAL AND TRANSLATIONAL HEALTH RESEARCH AT THE UNIVERSITY

Vice President Jackson introduced Bill Blazar, Associate Vice President for Clinical and Translational Science and Director of the University's Clinical and Translational Science Institute, to provide an overview of clinical and translational health research at the University, as detailed in the docket.

Blazar outlined that the Clinical and Translational Science Institute (CTSI) is the academic home of the Clinical and Translational Science Award (CTSA). The University is working with 61 other CTSA-funded institutions to increase the efficiency and speed of clinical and translational research.

He explained that the CTSA was for \$51.5 million over five years, with March 1, 2015 marking the start of the fifth year. The University will re-apply for the award, but the revised funding formula by the NIH will reduce the annual award amount by \$3.5-4 million.

Blazar shared examples of the work done in the five offices of the CTSI: the Office of Discovery and Translation, Clinical Translational Research Services, Populations and Community Engagement, Biomedical Informatics, Research Education, and Training and Career Development. He reported on several key initiatives, including a clinical data repository that houses the electronic medical records of more than two million patients and can be accessed for health-related research, participant recruitment, or feasibility studies.

Blazar also highlighted the significant community and University impact of CTSI's community-engaged and population health research, including new laws and statewide policy changes, 19 peer-reviewed journal publications, and 98 presentations nationally and internationally.

In response to a question from Regent Devine, Blazar clarified that patients would still need to opt-in to being a research subject but that the clinical data repository gives researchers unprecedented access to information from high numbers of patients.

INSTITUTIONAL REVIEW BOARD PRIMER

Vice President Jackson invited Joanne Billings, Assistant Professor and Executive Institutional Review Board Chair, to provide an overview of the review and approval process for clinical research that involves human subjects, as detailed in the docket.

Billings reported that the University has four institutional review boards (IRB). The boards must have five members present at each meeting, including a subject matter expert, a non-scientific member, and a non-affiliated community representative. She reviewed the components of a study that must be addressed in an initial review by the board and the associated regulations that must be met.

Billings noted that the federal regulations outlined in 45 CFR 46 regarding the protection of human subjects does not provide protections for vulnerable adults aside from pregnant women and prisoners, as outlined in Subparts B and C. The investigator and IRB share the responsibility of identifying risks, making sure patients are adequately informed, and that informed consent is appropriately documented.

Billings shared the criteria for IRB approval, which is broken into three subsets: beneficence, justice, and respect for persons. Respect for person requires that individuals are adequately informed about the study, in plain language, and that their participation is entirely voluntary and not coerced. Beneficence requires that the investigator has given adequate forethought to the risk/benefit analysis. Justice requires equitable selection of participants. She also outlined the ongoing review process, noting that the level of risk inherent in a study determines the level

and frequency of ongoing review, with review occurring no less than one time per year. Certain types of changes to a study also require a subsequent review by the IRB.

Billings explained that service on the University's IRB is entirely volunteer except for the chair and vice chair, but identified salary support as important to attract the necessary experts to participate. She noted that salary support is likely to be a recommendation from the implementation team. Jackson stated that a budget recommendation would be drafted to support a robust IRB. He added that recruiting and retaining faculty to serve on the IRB is a challenge given the intense scrutiny.

In response to a question from Regent Johnson, Jackson explained that the Association for the Accreditation of Human Research Protection Programs offers little guidance on vulnerable patients. While continuous accreditation has been maintained and the University has been in compliance with all regulations, it is not operating at a level guided by best practices – a level that the University is now pursuing.

Regent McMillan expressed his appreciation to Billings for her willingness to lead the Executive Institutional Review Board during a time of great scrutiny.

The meeting adjourned at 9:04 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Academic & Student Affairs Committee
May 7, 2015**

A meeting of the Academic & Student Affairs Committee of the Board of Regents was held on Thursday, May 7, 2015 at 9:15 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Thomas Devine, Peggy Lucas, and Darrin Rosha.

Staff present: Chancellors Lendley Black and Jacqueline Johnson; Senior Vice President and Provost Karen Hanson; Vice President Kathryn Brown; Executive Director Brian Steeves; and Associate Vice President Gail Klatt.

Student Representatives present: Hannah Keil and Callie Livengood.

UNIVERSITY ACCOUNTABILITY & HIGHER EDUCATION RANKINGS

Provost Hanson invited Lincoln Kallsen, Director, Institutional Analysis, Office of Budget and Finance, to provide an overview of the University's accountability responsibilities and activities and the environment in which higher education rankings have evolved, as detailed in the docket.

Provost Hanson detailed various constituencies the University is accountable to, such as government, accrediting agencies, and the media. The University produces office and program reports, annual reports, and the *University Plan, Performance, and Accountability Report* for these various audiences. She stated that it is challenging to balance accountability with efficient use of resources.

Hanson explained that rankings are sometimes based on measures of accountability but it is important to understand the individual components used to develop the various rankings. Kallsen noted that the individual components used in rankings are almost always more valuable than the rankings themselves, though the rankings in and of themselves do matter to many people.

Kallsen also cautioned that the weighting and formulas used to create rankings change frequently, often year to year. He cited the *U.S. News and World Report* rankings as an example, with new top-ranked schools each year despite the unlikelihood that the education delivered by those schools has changed appreciably.

Kallsen suggested four questions to consider when thinking about rankings:

1. Does it attempt to measure something we value?
2. What metrics are used and how are they rated?
3. Has the methodology changed?
4. Is the process transparent?

In response to a question from Regent Devine, Hanson suggested one measure that has been tracked by the Board with good success is graduation rate, but noted that different measures will be more important to different audiences and context needs to be supplied about whatever measure is at stake. Kallsen added that as part of the President's work plan, the University is

creating a public website that will provide metrics along with additional context and data in an easy to understand format.

In response to a question from Regent Lucas, Kallsen explained that the University has always been recognized as a premier research and graduate institution, but graduation rates and incoming test scores for undergraduates negatively impacted the institution's ranking in the past. As improvements have been made in undergraduate education, rankings have improved.

In response to questions from student representatives and Regents, Hanson emphasized that federal regulations like the Clery Act require reporting on safety. Balancing accountability and transparency with the potential for negative effects on rankings is never a consideration. Kallsen reported that safety as compared to other institutions is measured, but cautioned that there are very few similar institutions with high student populations in a large urban area for those comparisons.

UMD COLLEGE OF EDUCATION AND HUMAN SERVICE PROFESSIONS DISCUSSION AND NEXT STEPS

Provost Hanson invited Chancellor Lendley Black and Andrea Schokker, Executive Vice Chancellor for Academic Affairs, to report on the status of teacher preparation programs at University of Minnesota Duluth (UMD) and their relationship with the Minnesota Board of Teaching (BOT), as detailed in the docket.

Black reported that UMD recently received media coverage around issues related to the suspension of teacher education programs in the College of Education and Human Services Professions. He clarified that the college contains several programs outside of education, and that only the education programs are affected by this suspension. He also explained that the suspension refers to moving the education program status from "full" to "conditional" approval while paperwork issues are resolved and program reviews completed. He expressed his commitment to resolving the issue as quickly as possible.

Schokker stated that a problem with the integrated elementary and special education program was identified in October 2014, and the college acted quickly to turn in all necessary paperwork in good faith so students would not be affected. Students were initially granted temporary licensure due to communication issues with BOT, but have since been granted full licensure. She added that UMD noticed that other education programs were not properly documented and initiated work with the Board of Teaching to bring all programs into compliance. This resulted in the widely reported suspension. Schokker emphasized that the quality of teaching is not in question; rather, the issue is that the curriculum is not properly documented with the BOT.

In response to a question from Regent Roshia, Schokker explained that inconsistencies between instructions from the Executive Director of the Board of Teaching, and the action of the Board of Teaching, led UMD to believe the problem would be resolved quickly and before any impact would be felt by students. Thus, UMD did not initiate proactive communication with students and the public at the time the problem was identified.

In response to a question from Regent Lucas, Schokker explained that the department's liaison with the BOT reported that everything was in order and necessary deadlines had been met. She noted historical communication difficulties with the BOT but also stated that an internal investigation is underway to determine exactly what went wrong.

In response to a question from Regent Devine, Schokker reported that nearly 300 students are enrolled in the college's education department, but emphasized that they will not be adversely affected by the conditional approval status.

FUTURE FRAMEWORK FOR SUPPORTING POSTBACCALAUREATE EDUCATION, AND GRADUATE EDUCATION UPDATE

Provost Hanson outlined a proposed Postbaccalaureate Education model that articulates the distinctions between graduate and professional education and invited Henning Schroeder, Vice Provost and Dean of Graduate Education, to provide an update on graduate education at the University, as detailed in the docket.

Hanson provided background information on the impetus for the proposal to realign postbaccalaureate academic programs with one of two communities: traditional graduate education where a major portion of the degree program involves research or creative activity, and professional degree programs whose graduates most often seek applied professional or practice-based employment. She explained that under the current system, graduate program definitions are unclear, often contentious, predicated on defunct terminology, or tied to PeopleSoft codes. She conveyed the importance of clearly delineating programs to bring focus to work in the graduate school, and noted that the new system is not expected to increase costs.

Schroeder reported that the research contributions of graduate students are often overlooked, and shared the stories of five early-career researchers at the University. He noted that about half of new doctorate recipients find initial employment in the business, government or non-profit sectors, and shared recent efforts by the graduate school – such as financial support for a research-based summer internship program – to prepare students for careers beyond academia.

In response to a comment by Regent Cohen, Schroeder indicated support for graduate education would be a big part of the next capital campaign.

In response to a question from Regent Devine, Schroeder shared that through outreach to the Office of Economic Development, chambers of commerce, and other business organizations, companies are beginning to understand that Ph.D. students are not only suited for careers in academia or pursuing theoretical research, but that they are skilled and trained to solve real-world problems. Provost Hanson emphasized the importance of educating the general public on the importance of graduate education.

CONSENT REPORT

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

- **Request for Approval of New Academic Programs**
 - Carlson School of Management (Twin Cities campus)—Create a M.S. degree in Finance
 - Carlson School of Management (Twin Cities campus)—Create a M.S. degree in Supply Chain Management
 - College of Education and Human Development (Twin Cities campus)—Create M.Ed. degrees in Sport and Exercise Science, and Sport Management
 - Law School (Twin Cities campus)—Create a S.J.D. degree
 - Law School (Twin Cities campus)—Create a L.L.M. degree in Patent Law

- College of Continuing Education (Twin Cities campus)—Create undergraduate minor in Health Services Management
- College of Continuing Education (Twin Cities campus)—Create undergraduate certificate in Health Services Management
- College of Design (Twin Cities campus)—Create graduate minor in Ecological Restoration in Landscape Architecture
- **Request for Changes to Academic Programs**
 - College of Biological Sciences (Twin Cities campus)—Discontinue Health Sciences sub-plan in B.S. degree in Biology
 - College of Design (Twin Cities campus)—Change the name of the undergraduate minor in Design to Interdisciplinary Design
 - College of Design (Twin Cities campus)—Discontinue sub-plan in Accelerated Architecture within the B.S. degree in Architecture
 - College of Education and Human Development (Twin Cities campus)—Discontinue sub-plan in Counseling and Student Personnel Psychology in the Educational Psychology Ph.D.
 - College of Education and Human Development (Twin Cities campus)—Change the name of the post-baccalaureate certificate in Emerging Leaders in Independent Colleges to Emerging Leaders in Private Colleges
 - College of Education and Human Development (Twin Cities campus)—Change the name of the sub-plan in Second Languages and Cultures Education to Second Language Education in the M.Ed. in Curriculum and Instruction and the M.Ed. in Teaching
 - College of Education and Human Development (Twin Cities campus)—Discontinue sub-plans in Sport and Exercise Science and Sport Management within the M.Ed. degree in Applied Kinesiology
 - College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)—Change the name of the B.S. degree and accompanying minor in Fisheries and Wildlife to Fisheries, Wildlife, and Conservation Biology
 - College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)—Change the name of the undergraduate minor in Food Systems and the Environment to Food Systems
 - College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)—Change the name of the B.S. degree in Bioproducts Marketing and Management to Sustainable Products Business Management. Change sub-plan names from Marketing and Management to Sustainable Products Business Management, and from Residential Building Science and Technology to Building Science and Technology. Create sub-plans in Corporate Sustainability Systems, and Energy Systems
 - Medical School (Twin Cities campus)—Create sub-plan in Education in Pediatrics Across the Continuum in the M.D. degree
 - School of Public Health (Twin Cities campus)—Create sub-plan in Accelerated M.P.H. in the M.P.H. in Environmental Health

- **Request for Approval of Discontinued Academic Programs**

- School of Dentistry (Twin Cities campus)—Discontinue the B.S. in Dental Therapy

The meeting adjourned at 11:11 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Finance Committee
May 7, 2015**

A meeting of the Finance Committee of the Board of Regents was held on Thursday, May 7, 2015 at 9:15 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Thomas Anderson, Richard Beeson, Michael Hsu, and Dean Johnson.

Staff present: President Eric Kaler; Chancellor Fred Wood; Vice President Scott Studham; Executive Director Brian Steeves; and Associate Vice Presidents Michael Berthelsen, Stuart Mason, Julie Tonneson, and Michael Volna.

Student Representatives present: Damien Carriere and Tyler Ebert.

**FY 2016-17 BIENNIAL BUDGET REQUEST AND
2015 CAPITAL REQUEST UPDATE**

Regent McMillan invited Erin Dady, Special Assistant to the President, to give an update on the University's FY 2016-17 biennial budget request and 2015 capital request, as detailed in the docket.

Dady reviewed the budget request. She reminded the committee of the four projects and amounts requested. She updated the committee on the status of the request, noting what the governor, Minnesota House, and the Minnesota Senate had proposed up to that point. While the House did not fund any of the University's request, it did appropriate \$2.9 million for specific items related to the Crookston and Morris campuses. Dady expressed hope that the House would increase the appropriation amount during conference committee negotiations with the Senate. While House and Senate leadership had not yet set a target with the governor, she expected one to be set within a week.

Dady outlined the 2015 capital request. She noted that the governor increased the University's request for Higher Education Asset Preservation and Replacement (HEAPR) funds to \$70 million. Dady indicated that there is hope for a small bonding bill that could include HEAPR funding. It is also possible that additional bonding could be used to expand the capacity of the Mid-Central Research and Outreach Center to address the avian flu outbreak in Minnesota.

In response to a question from Regent Johnson, Dady agreed that the University and Minnesota State Colleges and Universities (MnSCU) have different missions. She voiced support for a cooperative rather than a competitive relationship.

In response to a question from Regent Johnson, Dady explained that the feedback she had received from members of the House on why they did not fund any of the University's request did not relate to any type of criticism or concern with the University. Most members agreed that more funds are needed for the University. President Kaler added that some members of the House felt that the higher education target set by leadership was too low. He noted that MnSCU is seen as needing more help, hence the higher allocation.

In response to a comment by Regent Beeson, Dady agreed that earmarking money for specific campuses is not a helpful practice. She added that she reiterated to legislators the established and preferred practice of allocating resources to University operations and maintenance (O&M) funding and not specific earmarks. Kaler expressed concern regarding this practice, but indicated his willingness to make exceptions for funds related to research such as avian flu. Kaler pointed out that this was an issue the Board could not anticipate when it approved the capital request, yet there is now a need for expanded facilities to serve the state. He assured the committee that the Board would have time to reflect on the additional funding if passed.

In response to a question from Regent McMillan, Dady explained that there was no support from either the House or the Senate regarding the University's request to include HEAPR-type funds in the University's base appropriation. She indicated that this might be a longer-term conversation and one that she will keep having with legislators.

GREEK LOAN PROGRAM

Regent McMillan invited Fred Friswold, member of the Minnesota Greek Alumni Council (MGAC), and Sarah Harris, Managing Director, University of Minnesota Foundation Real Estate Advisors (UMFREA), to present for review the Greek Loan Program (program), as detailed in the docket.

Regent Hsu recused himself from review of the Greek Loan Program due to a potential conflict of interest. He left the meeting.

Friswold gave background on creation of the program. He explained that it stemmed from the 2012 Greek Task Force created by the president and provost. The task force found that the University was at the bottom of the Big Ten in terms of students involved in Greek life and that the physical condition of chapter houses created a barrier for fraternities and sororities. The task force directives were to improve the physical condition of facilities, identify options for facility improvement, and understand facility needs. The need is roughly \$15 to \$20 million in renovations. He added that these renovations are aimed not at luxurious upgrades, but upgrades that are needed to meet code issues and functionality of living spaces.

Harris explained that the project is appealing to UMFREA since it is a strategic priority of the University. She indicated that UMFREA has an objectivity that is appealing to the Greek organizations since it is a separate entity from the University, which some Greek organizations view with mistrust. Harris noted that UMF's strategic fund supports this type of University priority, and UMFREA has the expertise to manage the program.

The fund would start with a \$3 million pilot fund. Of the \$3 million, the University would fund \$1.5 million and an additional \$1.5 million would come from a designated-use grant from UMF. Harris stated that the objective of the loans is the safety of chapter houses, not beautification. The program will provide low-cost loans with simplified terms to incent improvements and participation by Greek organizations. Harris detailed the borrower terms, noting that the need is greater than the fund. She emphasized that the program would only continue after assessment of success and that it would use profits to fund additional loans.

In response to questions from Regent Johnson, Friswold offered that about 24 fraternities and 10 sororities are active on the Twin Cities campus. These organizations are all governed by a national or international organization. Most of the local chapters have housing corporations that oversee the chapter house. Friswold noted that the loan would be against the house and land; if the chapter were to default, the University would be able to own the house. He observed that the program could be a catalyst for fundraising for additional improvements and possible matching loans from the national or international organizations.

In response to a question from Student Representative Ebert, Harris noted that work has been done over the past year to assess the condition of the chapter houses and understand what the possible need would be. The first year of the program will have incentives, such as writing down some of the loan fees, to encourage early adopters.

In response to a question from Regent Beeson, Harris commented that the loan process would be handled through a title company and use standard industry practice. UMFREA and the title company would inspect the work being done to ensure the Greek organization is following the terms and conditions of the loan. Beeson added that in this situation, the University is the lender of last resort. He offered that Greek organizations are not able to acquire traditional loans, creating a gap for funding. This program allows the University and UMF to fill that need. He thanked Friswold and MGAC for their work.

The Greek Loan Program will return for action at a future meeting.

Regent Hsu returned to the meeting.

PERMANENT UNIVERSITY FUND (PUF) LANDS PRIMER

Regent McMillan invited Associate Vice President Volna and Susan Carlson Weinberg, Director of Real Estate, to present a primer on Permanent University Fund (PUF) lands, as detailed in the docket.

McMillan opened the discussion with some perspective on what he has seen as a resident of Duluth and from his professional experience. He emphasized the important magnitude of the PUF lands – a \$530 million asset for the University – and their outsized impact on the University, with more than 20 percent of new freshmen receiving scholarships from the PUF lands fund. He added that University research has helped to develop the taconite industry and that further support for University research will be critical to continue to develop these resources.

Volna outlined a brief history of the PUF lands and noted key state statutes. He explained that the PUF lands are managed by the Minnesota Department of Natural Resources (DNR), which allocates the revenues generated by the different activities on those lands to the University. The Board invests those revenues in the University's Consolidated Endowment Fund.

Volna explained how the state forest trust land revenue and minerals management account are managed by the DNR and transferred to the University. He noted how current law distributes the mining funds into four main areas: endowed chair account, endowed fund for mineral research at the Natural Resources Research Institute (NRRI), the endowed Mesabi Range account, and the endowed scholarship fund. The 2014 impact of the endowed scholarship fund was an average scholarship of \$1,564; 1,522 resident undergraduate students or students eligible for Dream Act received scholarships, and \$2.4 million was distributed.

In response to a question from Student Representative Ebert, Weinberg noted the risk involved with returns from the PUF lands. Forest production is stable, but there is great risk with the steel industry. Currently, one of the US Steel plants will be idled in May. Weinberg added that previous downturns in steel production have affected the annual return, which in turn could affect scholarship distribution.

In response to a related question from Regent Anderson, Volna indicated that if steel proceeds decreased, there would be less new revenue added to the identified funds. However, the spending rate is set on the endowment for those funds, and the current level can be maintained regardless of PUF land performance year over year.

In response to a question from Regent Hsu, Volna stated that board policy governs investments and sets performance goals. Those goals seek to maximize the return on investments. Weinberg added that the University does seek to exchange PUF lands that are in protected areas, such as the Boundary Waters Canoe Area Wilderness, for other lands that could generate revenue. She noted that in that way, the University is seeking to maximize the revenue of the PUF lands while also considering research or outreach uses for specific lands. McMillan commented that while the timber industry is down, it is important for the University to maintain for research those lands that could increase timber sales. He noted that large piles of lean iron ore previously considered worthless could have value today through University research. In addition, copper nickel mining on PUF lands could overshadow iron ore in terms of revenue.

In response to a question from Student Representative Carrier, Weinberg asserted that the University is working with NRRI researchers to develop increased production of PUF lands, but to do so through environmentally responsible practices. President Kaler added that research around environmentally responsible practices is a core focus of MnDRIVE.

Regents Beeson and Johnson both questioned why the DNR has any role in the management of University lands when those lands were given to the University by the federal government.

CONSENT REPORT

Associate Vice President Volna presented the Consent Report, as detailed in the docket:

General Contingency:

- There are no items requiring approval this period.

Purchase of Goods and Services \$1,000,000 and Over:

- To Restoration Technologies, Inc. (RTI), for an additional \$1,207,193 for 2015 Structural Repairs of Twin Cities campus parking facilities of Oak Street Parking Ramp, Washington Avenue Parking Ramp, West Bank Office Building Parking Ramp, and Church Street Garage for the period of May 18, 2015 through October 30, 2015, with contract extensions thru October 30, 2016 for Parking and Transportation Services (PTS). PTS is self-funded through parking revenue. Included in FY 2016, funds exceeding \$1.16 million have been budgeted relating to structural repairs. Future projections are based at a rate of \$600,000 per year with an opportunity to budget for additional projects, as needs arise. Vendor was selected through a competitive process.
- To Schindler Elevator for \$4,804,002 for providing Vertical Transportation Maintenance Services as needed for the period of July 1, 2015 through June 30, 2018, for the Facilities Management Department. Maintenance and operations of elevators and escalators is budgeted by a variety of organizations on the Twin Cities campus through their facilities budget. Vendor was selected through a competitive process.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

Associate Vice President Volna and Associate Vice President Mason referred the committee to the Information Items contained in the docket:

- Quarterly Investment Advisory Committee Update
- Semi-Annual Management Report

Regent McMillan addressed the committee, noting that the committee faces unique circumstances in an odd-numbered year when the review and consideration of the operating and capital budgets take place in a condensed manner in June following action by the legislature in May. The committee will have both the capital and operating budgets for review in June, which will be a great deal of work. He asked the committee members to provide him with feedback regarding the budgets. He observed that while the process is not perfect, it is well managed.

The meeting adjourned at 11:15 a.m.

A handwritten signature in black ink that reads "Brian R. Steeves". The signature is written in a cursive, flowing style.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Facilities & Operations Committee
May 7, 2015**

A meeting of the Facilities & Operations Committee of the Board of Regents was held on Thursday, May 7, 2015 at 12:45 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Thomas Devine, presiding, Thomas Anderson, Linda Cohen, Dean Johnson, Peggy Lucas, and Abdul Omari.

Staff present: President Eric Kaler; Chancellors Stephen Lehmkuhle and Fred Wood; Vice President Pamela Wheelock; Executive Director Brian Steeves; and Associate Vice President Michael Berthelsen.

Student Representatives present: Hannah Keil and Callie Livengood.

SCHEMATIC DESIGN

A. Bee Research Laboratory – Twin Cities Campus

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

The schematic plans for the Bee Research Laboratory, Twin Cities Campus are approved and the appropriate administrative officers authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President Wheelock invited Suzanne Smith, Assistant Vice President for Capital Planning & Project Management, and Brian Buhr, Dean, College of Food, Agriculture, and Natural Resource Sciences (CFANS), to present the schematic plans, as detailed in the docket.

Smith explained that the project would include construction of a new facility on the east side of Gortner Avenue just south of Larpenteur Avenue in St. Paul. The project scope includes 10,500 gross square feet with laboratory space to support field research and biological science research, beekeeping and experimental equipment, maintenance and storage, and commercial-grade honey extraction. Additional outdoor space will include a beekeeping apiary, demonstrator pollinator gardens, and a 740 square foot cold storage building.

Buhr noted that the new facility will address safety and cleanliness issues present in the current facilities, and will provide the laboratory space necessary for research activities.

In response to a question from Regent Johnson, Wheelock explained that bee research would now be conducted at two new facilities, in St. Paul and at the Landscape Arboretum. Future expansion would depend upon program needs.

In response to a question from Regent Anderson, Buhr reported that the new facility better positions CFANS to secure grants and fundraising to support increased operating costs.

The committee voted unanimously to recommend approval of the schematic plans for the Bee Research Laboratory – Twin Cities Campus.

REAL ESTATE TRANSACTION

A. Purchase of 120 Acres of Land, Isanti County – Cedar Creek Ecosystem Science Reserve

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

On recommendation of the President and the Vice President for University Services, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transaction:

- The subject property is located adjacent to the easterly boundary of the Cedar Creek Ecosystem Science Reserve (CCESR) at approximately 249th Avenue NE and Durant Street NE in Athens Township, Isanti County. The property consists of 120 acres of vacant land.
- Basis for Request: The property will be purchased for expansion of the CCESR, providing additional opportunities for research, including potential “sandy soil” crop research, as well as for protection of the CCESR boundaries and for outreach.
- Detail of Transaction: The purchase price will be \$228,500, paid in cash at closing. The closing is scheduled to occur on or after May 11, 2015.

In response to a question from Regent Lucas, Vice President Wheelock invited David Tilman, Director of the Cedar Creek Ecosystem Science Reserve, to share background information on the reserve. Tilman noted that Cedar Creek is a global leader in classic ecological research and one of the most intensely studied ecological communities. He commented that this is the first opportunity in 40 years to protect the boundaries of the reserve, which is particularly important since the surrounding area is being fully developed for housing.

The committee voted unanimously to recommend approval of the real estate transaction for the purchase of 120 acres in Isanti County at the Cedar Creek Ecosystem Science Reserve.

GREEN LINE O&M ADDENDUM

Vice President Wheelock introduced Leslie Krueger, Chief of Staff, University Services; Ross Allanson, Director of Parking and Transportation Services; and Sandra Cullen, Assistant Director of Parking and Transportation Services to provide an overview of the first year of light rail transit operations and present for review and action a resolution related to the operating and maintenance addendum to the agreement for the Central Corridor light rail transit project through the Twin Cities campus, as detailed in the docket.

Allanson shared that ridership on the Green Line has exceeded overall expectations, with student UPass purchases up 6.3 percent, and faculty and staff MetroPass purchases up 12.3 percent. He reported that on average, 27 percent of Viking football game attendees and 11 percent of Gopher football game attendees utilized light rail. Cullen outlined several items that have been or are being implemented by the Met Council to improve the functionality of the Washington Avenue Mall for pedestrians and bicyclists, including reduced signal length, signal

priority for pedestrians after trains clear the intersection, and the installation of detection technology for bicycles waiting to cross Washington Avenue.

Krueger reported that during the first year of operation, quarterly testing showed that the Met Council was unable to meet the Electromagnetic Interference (EMI) performance standards agreed upon in the operations and maintenance addendum approved by the Board in May 2014. She indicated that the source of the performance problems is debris entering the EMI mitigation boxes; the Met Council is pursuing a permanent solution. Krueger explained that the administration is requesting authorization to delay, for a second year, the execution of a written agreement with the Met Council to permanently relax a limited number of Vibration and EMI performance standards until the council can implement an engineering solution to address the EMI mitigation system's performance issues.

In response to a question from Regent Lucas, Krueger described the location of light rail along Washington Avenue as a campus asset that has transformed the street from a busy vehicular throughway into a much more bike and pedestrian friendly environment connecting campus buildings north and south of Washington Avenue. Wheelock added that finding alternative routes for vehicle traffic through and around campus continues to be an issue.

In response to a question from Regent Johnson, Allanson noted the long tradition of tailgating and familiarity with campus as possible reasons that Gopher football fans used light rail less than Viking fans did.

In response to a question from Regent Anderson, Wheelock invited Dan Soler, Director, Transit Systems Design and Construction, Metro Transit to comment. Soler explained that there are two ways to ensure the mitigation boxes do not deteriorate over time: finding a solution to keep debris from entering the boxes, and finding a way to keep the rail electrically isolated using masking.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the resolution.

THE UNIVERSITY'S HOUSING STRATEGY

Vice President Wheelock and Robert McMaster, Vice Provost and Dean of Undergraduate Education, presented a report and recommendations on Twin Cities student housing strategy, as detailed in the docket.

McMaster reminded the committee of the positive impact on-campus housing has on student success, including higher GPAs, increased retention and graduation rates, stronger institutional affinity, and feelings of safety and security. He also noted that it is a significant factor in school selection.

Wheelock emphasized the belief that all student housing, regardless of University or private ownership, should be safe and well-managed, affordable, convenient, and supportive. She noted that the University's decision to allow the private market to dictate development of additional off-campus housing has removed the University from the housing experience for most non-freshman students.

McMaster outlined a new housing strategy framework that suggests continuing supportive services into the second and third year, gradually declining as students move through their University experience. Wheelock emphasized the high quality of the University's first-year experience and suggested that a formalized second-year experience, in partnership with non-

University housing providers, would combine the proven support services offered by the University with the type of housing students want and the market already provides.

Wheelock also proposed retaining residential housing on the site of the Superblock, and identified reinvestment in Superblock dormitories and dining facilities as a near-term priority along with piloting a second-year experience program.

In response to questions from Regent Johnson, Wheelock invited Laurie McLaughlin, director of housing and residential life, to offer comments. Wheelock and McLaughlin explained that over the past five to ten years, all first-year students who wanted housing were offered space. Based on the application date, students are notified if they may be assigned to expanded housing space.

In response to a comment by Regent Omari, McLaughlin explained that students already living on campus are given priority to re-apply for a second year of on-campus housing. She acknowledged that it might be beneficial to extend that opportunity first to students that did not live on campus during their first year to extend the benefits of on-campus housing to a larger population of students.

In response to a question from Student Representative Livengood, McLaughlin noted that management of private, off-campus apartments are pressuring students as early as September and October to sign contracts for apartments for the next school year. McLaughlin indicated that Housing and Residential Life might move the re-application process for on-campus housing to the fall so students have a chance to re-apply before they have made a commitment to off-campus housing.

In response to a question from Regent Anderson, McMaster suggested that all second-year students interested in on-campus housing could be accommodated in existing beds, though University housing would no longer be able to accommodate any upperclassmen or transfer students.

In response to questions and comments by Regents, President Kaler suggested that at any one time during renovations, alternate housing would be required for up to one quarter of students living in the Superblock.

The meeting adjourned at 2:45 p.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Faculty & Staff Affairs Committee
May 7, 2015**

A meeting of the Faculty & Staff Affairs Committee of the Board of Regents was held on Thursday, May 7, 2015 at 12:45 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Richard Beeson, Michael Hsu, and Darrin Rosha.

Staff present: Chancellors Lendley Black and Jacqueline Johnson; Senior Vice President and Provost Karen Hanson; Vice President Kathryn Brown; and Executive Director Brian Steeves.

Student Representatives present: Emily Caldis and Damien Carriere.

**ANNUAL PROMOTION/TENURE RECOMMENDATIONS
CONTINUOUS APPOINTMENTS: ANNUAL RECOMMENDATIONS**

Vice President Brown invited Senior Vice President and Provost Hanson and Vice Provost Allen Levine to present the annual promotion and tenure recommendations and the annual recommendations for continuous appointments, as detailed in the docket.

Hanson defined regular faculty and contract faculty, outlining the differences between the two, and walked through the basic principles of tenure and promotion and the review process. She noted that 146 regular faculty were recommended for tenure and/or promotion. This year's cohort had a success rate of 73 percent.

In response to a question from Regent Beeson, Hanson agreed that the initial hiring decision is a critical first step in ensuring high performance within the faculty. She noted that thinking has shifted away from hiring to fill an opening to hiring the best possible person who will succeed in a given field or discipline. A key evaluation at time of hire is a candidate's potential to achieve tenure within six years. Levine added that a candidate has already been through a rigorous graduate school experience and often two or three post-doctoral positions before they are seriously considered for a tenure track position.

In response to a question from Student Representative Carriere, Hanson agreed that retention of minority and female faculty members is a problem across higher education as a whole and at the University. She explained that Levine is overseeing how those faculty members are able to build their careers. She stated that her office works with search committees to ensure diverse applicant pools.

In response to a related question from Regent Rosha, Hanson noted that gains have been made in attracting and retaining diverse and female faculty members in fields historically dominated by men. However, some fields continue to struggle. Hanson stated that some fields have a higher percentage of females who enter than achieve tenure, causing concern that those pipelines are not successful. She mentioned the Women's Faculty Cabinet's work and that their recommendations are being pursued. Levine noted that during his time as dean of the College of Food, Agricultural and Natural Resource Sciences, women became roughly 65 percent of the faculty; similar trends are being seen across the University.

In response to a question from Regent Hsu, Hanson explained that the University does not yet have good data on why faculty members leave, but is working on a series of exit interviews for those who do. Brown added that five departure factors emerged from the Employee Engagement Survey, but none had to do with money. She noted that work would continue on leadership development for faculty members and for faculty who serve as department chairs. She suggested that increased leadership development, especially of department chairs, would help improve the quality of the employee environment and increase retention.

In response to a question from Regent Hsu, Hanson described how each unit thinks about replacing the large number of faculty members who are retiring soon. She indicated that for some units, a faculty member may have a special focus that is less popular today than it used to be. In that case, the unit has to consider whether to replace that specific expertise or look at a change in focus. Hanson added that units also consider where their field is going and try to hire someone who aligns with that direction.

In response to a question from Regent Rosha, Hanson pointed out that teaching is a key part of the tenure review process. Each candidate has all of the student evaluation data as part of their record. Many units also solicit a random sample of students to write letters evaluating the faculty member. Hanson additionally noted that textbooks, teaching materials, and other similar products written by the faculty member are included in their evaluation. Levine emphasized that a teaching statement is included in the faculty member's dossier and is heavily considered by the committee.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the annual promotion and tenure recommendations of regular faculty, the annual promotion and tenure recommendations of contract faculty, and the continuous appointment annual recommendations, as presented in the docket materials.

Hanson introduced five newly tenured and/or promoted faculty members and their areas of focus. Each professor briefly addressed the committee regarding their research interests and work with students:

1. Professor Jay Austin, Department of Physics, UMD, coastal physical oceanography and limnology.
2. Associate Professor Cawo Abdi, Department of Sociology, UMTC, educational attainment and school choices of new migrants.
3. Associate Professor Jason Hill, Department of Bioproducts and Biosystems Engineering, UMTC, bioenergy, food systems, energy systems, life cycle assessment and climate change.
4. Associate Professor Jasmine Foo, School of Mathematics, UMTC, mathematical models of cancer evolution.
5. Associate Professor Hong-Ngoc Ba (Ruby) Nguyen, Department of Epidemiology and Community Health, UMTC, maternal, child and family health.

A lively discussion ensued around the experiences of each faculty member leading up to their tenure and promotion.

ANNUAL REPORT ON COMPENSATION

Regent McMillan invited Vice President Brown and Patti Dion, Director of Employee Relations and Compensation, to present the annual report on compensation, as detailed in the docket.

Brown described the compensation policy, highlighting the goals of compensation planning. Brown explained how the University defines total compensation, outlining the six components. She reported that salary and fringe are the majority of total spending, accounting for 60 percent of non-sponsored funds. She detailed the trends affecting compensation costs, noting that the total number of employees, the cost of each element of compensation, and the market

in which the employee is paid all impact costs. Brown reported that overall administrative headcount was down 200 positions versus the high point in fall of 2010.

Dion reviewed benchmarking to comparable peer institutions by campus for the Twin Cities, Duluth, Morris, and Crookston campuses. She told the committee that base salary is the best peer comparison measure since other types of compensation can vary in definition and type. She noted that cost of living accounts for some difference in pay with peers. She reminded the committee that the Job Family Study is setting pay ranges and will help establish clearer compensation models for the University.

In response to a question from Regent Beeson, Brown explained that OHR is starting to look at benchmarks for total compensation against peers. She reiterated the difficulty of that type of analysis given the variation in what is considered in total compensation across institutions.

In response to a comment from Beeson, Dion agreed that paying above market for the best talent is an ongoing conversation. She noted that the value of components for total compensation sometimes play a larger role over base salary alone in attracting individuals.

In response to a question from Regent Rosha, Brown noted she was unsure how many of the 200 employees whose administrative positions were removed remain with the University. She offered that some of the positions were not actually administrative roles and may have been reclassified through the Job Family Study.

CONSENT REPORT

Vice President Brown presented for review and action the Consent Report, which included the following items:

- Appointment of Dr. Bart Finzel as Vice Chancellor for Academic Affairs and Dean at the University of Minnesota Morris, effective June 15, 2015.
- Conferral of tenure for six outside hires.
- Appointment of Susan Campbell and Tom Martin to the Minnesota Landscape Arboretum Board for three-year terms, commencing July 2015.

A motion was made and seconded and the committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

Vice President Brown referred the committee to the information items contained in the docket materials, which included personnel highlights, University highlights, and faculty and staff activities and awards.

The meeting adjourned at 2:45 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Work Session

May 7, 2015

A work session of the Board of Regents of the University of Minnesota was held on Thursday, May 7, 2015 at 3:00 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Thomas Anderson, Linda Cohen, Thomas Devine, Michael Hsu, Dean Johnson, Peggy Lucas, David McMillian, Abdul Omari, and Darrin Rosha. Patricia Simmons participated by phone.

Staff present: President Eric Kaler; Chancellors Lendley Black, Jacqueline Johnson, Stephen Lehmkuhle, and Fred Wood; Senior Vice President and Provost Karen Hanson; Vice Presidents Kathy Brown, Scott Studham, and Pamela Wheelock; General Counsel William Donohue; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt and Michael Volna.

Chair Beeson provided a brief overview of the progress card concept, explaining that the purpose of the tool is to create a framework that will drive performance and support Board oversight. He stated that for the Board to fulfill its role as steward of the University, it is important to set measurable, strategic goals and transparently demonstrate progress toward those goals. The progress card would be a frequent point of reference that would inform the work of the Board, helping to focus on factors that have the greatest impact on the success of the University.

Beeson invited President Kaler to comment on the tool. Kaler stated that this is an ideal time for such a tool, observing that things cannot change if they are not measured. He expressed hope that the group would identify aggressive, though not impossible, goals to guide future efforts.

Beeson invited Brian Steeves, Executive Director and Corporate Secretary, to provide background and context related to the progress card. Steeves stated that a progress card helps unify a governing board and president around a small number of measurable, strategic goals that align the direction of the institution. He explained that goals help drive performance, crystalize thinking, and shape the future of an institution. They are especially important for a public board, since they provide a measure of transparency and help demonstrate priorities.

Steeves presented examples of similar scorecards or progress cards used by peer institutions, particularly those within the Big Ten conference. He cautioned that these tools have not yet matured to a point where there are necessarily best practices. Steeves summarized the strengths in these examples, noting that the best tools have a limited number of specific goals, are clear and easy to understand, and have an established baseline for future comparison. Weaknesses include lacking year-to-year trend measurements, too many goals or goals that were difficult to understand, and goals that were not ambitious enough.

Beeson reminded the Board that the purpose of the progress card is to identify the Board's major goals, then let the administration determine how those goals will be met. He invited members of the Board to share their comments, observations, and ideas, acknowledging that there may be missing factors. A lengthy discussion ensued in which several categories of feedback emerged:

- The need to link the goals of the progress card to other efforts or measures currently in place at the University, such as the Twin Cities strategic plan and accountability report.
- The desire for specific measures, such as ACT or SAT scores, or graduation rates.
- A way to track engagement with the broader community, including donors, industry partners, alumni, and the legislature.
- Caution about what is measured and how:
 - Do not be too detailed; better to have bigger, broader goals
 - Fewer in number
 - Do not try to quantify everything
 - Do not set goals for things outside the institution's control
- Engagement of the system campuses
 - Specific goals for each of the system campuses
 - Broader, universal goals for the whole institution
- Need for some measure of diversity
 - Specific goal for that, or measured through reach goals?
 - Cautious of laws prohibiting quotas

Beeson invited Lincoln Kallsen, Director of Institutional Analysis, to provide some insight into the progress card. Kallsen encouraged the Board to consider the following factors as they determine the goals and variables of the progress card:

- Establish a common understanding of what the metrics actually represent and determine the purpose of looking at each measure. Consider the outcome each measure hopes to achieve.
- Consider how fast the metrics can reasonably change and evaluate the natural limit of each goal.
- Observe how the measures interact.

The meeting adjourned at 3:59 p.m.

BRIAN R. STEEVES



**Executive Director
and Corporate Secretary**

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Public Forum on Human Subjects Research

May 7, 2015

A public forum was held by the Board of Regents of the University of Minnesota on Thursday, May 7, 2015 at 4:30 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Thomas Anderson, Linda Cohen, Thomas Devine, Michael Hsu, Dean Johnson, Peggy Lucas, David McMillian, Abdul Omari, Darrin Rosha. Patricia Simmons participated by phone.

Staff present: President Eric Kaler; Chancellors Lendley Black, Jacqueline Johnson, Stephen Lehmkuhle, and Fred Wood; Senior Vice President and Provost Karen Hanson; Vice Presidents Katrice Albert, Kathryn Brown, Brian Herman, R. Scott Studham, and Pam Wheelock; General Counsel William Donohue; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt and Michael Volna.

Regent Beeson welcomed those in attendance and reiterated the Board's commitment to improving human subjects research at the University. He reviewed the forum procedures and stated that the Board of Regents would take action on the implementation plan at its June 12, 2015 meeting.

The following individuals addressed the Board:

David Thoen – Clinical Trial Participant

Thoen described the treatment he received for Type 1 Diabetes and related hypoglycemia at the Schulze Diabetes Institute. He explained that his enrollment in a clinical trial for islet cell transplant changed his life and the life of his family.

Dr. Joseph Neglia – Chair, Department of Pediatric Hematology/Oncology

Neglia read excerpts from an open letter from faculty members at the University of Minnesota Medical School. The letter provided support for continued clinical research trials and stated the need for careful risks within an environment of oversight and transparency. Neglia stated his confidence in University leadership in addressing the issues of human subjects research.

Nan Dixon – Clinical Lab Technician

Dixon explained that she is the mother of a child with a serious psychotic illness who was diagnosed and continues to be treated by the University's psychiatric team. She stated that she and her family have always felt involved in treatment decisions, and have been well informed at each step. She advocated for continued treatments involving human subjects.

John Wuygant – Professor, School of Physics and Astronomy

Wuygant described the treatment his wife received at the University for D Cell Lymphoma, explaining that the bone marrow transplants she received saved her life. He also stated that he has two children who have benefitted from the care of the psychiatric team and Dr. Charles Schultz. He highlighted the First Episode parent group, which he stated helps facilitate dialogue between parents of patients and clinicians.

William Messing – Professor, Department of Mathematics

Messing stated that he was impressed by the statement and questions of a young student at the Academic Health Center town hall forum on human subjects research, held earlier in the week. He argued that the actions of the administration toward certain faculty members suggest to him that academic freedom is not valued at the University.

Naomi Scheman – Professor, Department of Philosophy

Scheman, a member of the Implementation Team, expressed hope that the team will fulfill the role with which it was charged. She observed the marginalization and criticism of Carl Elliot and Leigh Turner, adding that without them, the University would not be addressing the current issues. She emphasized the importance of integrity, honesty, and ethics in all research. Scheman urged the Board to acknowledge the mistakes that were made in the past.

Carl Elliott – Professor, Center for Bioethics

Elliott stated that he has filed over a dozen complaints to various University offices about human subjects research, all of which have been dismissed. He described a similar situation experienced by Robert Huber, noting that it took the University 16 months to investigate Huber's claims, which were later dismissed. Elliott stated his belief that fear guides the decisions of University departments.

William Gleason – Retired Faculty, Medical School

Gleason stated his displeasure that there is no opportunity for an open dialogue with the Board. He emphasized his disappointment in the lack of action by the Board and the administration. He argued that an honest investigation cannot occur if a team is led by the same people who made the mistakes in the past.

Leigh Turner – Associate Professor, Center for Bioethics

Turner cited the results of a report by the Legislative Auditor regarding the Dan Markingson matter. He claimed that President Kaler made false statements in his reply to that report, and expressed his frustration that Kaler is not taking responsibility for the situation. Turner stated his belief that the Regents are also to blame for not holding Kaler accountable.

Kaz Neslon – Assistant Professor, Department of Psychiatry

Nelson expressed pride in the education she received from the University. She stated that she and her colleagues are engaged in a process of self-reflection, and they hope to learn from the lessons of the Dan Markingson case. She emphasized that the knowledge obtained through clinical research is crucial.

Richelle Moen – Assistant Professor, Department of Psychiatry

Moen explained that she works with patients and families of underserved populations. She stated her belief that sound scientific research increases knowledge of mental illness, and helps decrease the pain and suffering associated with it. She described the First Episode Psychosis program, which provides a continuum of care to patients and support to their families.

Niki Gjere – Ph.D. Candidate, School of Nursing

Gjere explained that she was a nurse when Dan Markingson was in the University's care, and that she directly objected to his commitment. She expressed the importance of listening to nurses when they speak out. She stated that the Regents have an important role and that she believes is imperative that they know all the facts.

Craig Weinert – Associate Professor, Department of Medicine

Weinert explained that the patients he treats in the pulmonary and critical care unit are gravely ill and he does not always have the time to engage in a drawn-out process of consent. He stated that he often has to make an immediate decision about life and death on behalf of his patients. He expressed his concerns that new measures put in place will prevent patients like his from receiving potentially lifesaving treatments.

Arne Carlson – Former Governor, State of Minnesota

Carlson stated his belief that a weak oversight system invites management mistakes, and described the Regents as being merely an extension of the Office of the President. He expressed his concern that the considerations of major pharmaceutical companies have become more important than a commitment to the mission and values of the University. He accused the Regents of abandoning their responsibility.

Mike Howard – Community Member

Howard noted that it has been 11 years since Dan Markingson died. He expressed his belief that the University considers itself above reproach and that it needs to change the way it handles procedures for dealing with complaints from individuals.

Colleen Traxler – Community Member

Traxler stated that she has two children who have benefited from the University's medical care. She explained that one son with marijuana-induced psychosis was treated by Dr. Charles Schultz and his team. She described how the care team helped her family understand her son's diagnosis and identify the steps they should take moving forward. She cited several groups for parents and families that help support each other through difficult times.

Kathy Swanson – Community Member

Swanson stated that she believes the message at the University is that no one should question the University or they will suffer retribution. She cited the passing of Dan's Law, noting that the state recognized problems and took steps correct those problems. She noted that it is wrong to create a plan of corrective action without talking to other victims.

Victoria Anderson (speaking for Teri Caraway) – Community Member

Caraway detailed her past struggles with alcohol and substance abuse. She accused the University of providing improper treatment while she was in its care, alleging that she was locked away and not allowed to speak to her family.

Patrice Nerad – Community Member

Nerad stated her belief that the University is operating at a low level of functionality. She suggested that the University does not learn from its mistakes and suffers from a severe lack of oversight. She suggested some form of external monitoring.

Nancy Raymond – Professor, Department of Psychiatry

Raymond described how her brother suffered from many negative side effects of early medications used to treat schizophrenia. She explained that newer forms of medication have helped her brother become a higher functioning member of the family. She stated that these newer, more effective treatments would not be possible without clinical trials.

The meeting adjourned at 5:39 p.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents
May 8, 2015**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, May 8, 2015 at 8:45 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Thomas Anderson, Laura Brod, Linda Cohen, Thomas Devine, Michael Hsu, Dean Johnson, Peggy Lucas, David McMillian, Abdul Omari, Darrin Rosha. Patricia Simmons participated by phone.

Staff present: President Eric Kaler; Chancellors Lendley Black, Jacqueline Johnson, Stephen Lehmkuhle, and Fred Wood; Senior Vice President and Provost Karen Hanson; Vice Presidents Katrice Albert, Kathy Brown, Brian Herman, Scott Studham, and Pamela Wheelock; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt and Michael Volna.

RECOGNITIONS

DISTINGUISHED McKNIGHT UNIVERSITY PROFESSORS

Recognition was given to the 2015 Distinguished McKnight University Professorship award recipients. This award honors and rewards the highest-achieving faculty at the University of Minnesota who recently attained full professor status. The recipients are:

- George E. Heimpel, Professor, Entomology
- Alexandra B. Klass, Professor, Law
- Jean O'Brien, Professor, History
- Frank J. Symons, Professor, Educational Psychology
- Jakub Tolar, Professor, Pediatrics

NATIONAL ACADEMY MEMBERS & OTHER MAJOR FACULTY AWARDS

The University actively promotes distinguished faculty for induction into national academies, typically the highest honor granted to faculty in their respective disciplines. The national academies recognized by the Board of Regents are the American Academy of Arts and Sciences, the Institute of Medicine, the National Academy of Engineering, the National Academy of Sciences, and the American Philosophical Society.

National Academies

- Michael Tsapatsis, Professor and Amundson Chair, Mechanical Engineering and Materials Science (National Academy of Engineering)
- Harry T. Orr, Director, Institute of Translational Neuroscience; Professor, Department of Laboratory Medicine and Pathology (Institute of Medicine)
- Dante Cicchetti, McKnight Presidential Chair; William Harris Professor of Child Psychology and Psychiatry (American Academy of Arts and Sciences)
- Allen F. Isaacman, Professor of History (American Academy of Arts and Sciences)

- Donald G. Truhlar, Regents Professor of Chemistry (American Academy of Arts and Sciences)

Other Major Faculty Awards

- Tim Kehoe, Professor, Economics (Guggenheim Foundation Fellowship)
- Matthew Canepa, Associate Professor, Art History (Guggenheim Foundation Fellowship)
- Elizabeth Wilson, Associate Professor, Humphrey School of Public Affairs (Andrew Carnegie Fellowship)

ACADEMY OF DISTINGUISHED TEACHERS

Horace T. Morse-University of Minnesota Alumni Association Awards for Outstanding Contributions to Undergraduate Education

This award recognizes faculty members and instructional academic professionals for excellence in contributing directly and indirectly to student learning through teaching, research, and creative activities; advising; academic program development; and educational leadership.

- Sarah Buchanan, Associate Professor of French, Division of the Humanities, University of Minnesota Morris
- Charles Randall Fletcher, Associate Professor, Psychology, College of Liberal Arts
- A. Peter Hilger, Co-Faculty Director and Instructor, Construction and Facility Management, College of Continuing Education
- Rashné Jehangir, Associate Professor, Postsecondary Teaching and Learning, College of Education and Human Development
- Frank M. Kelso, Teaching Professor, Mechanical Engineering, College of Science and Engineering
- Oliver Nicholson, Associate Professor, Classical and Near Eastern Studies, College of Liberal Arts
- Ted M. Pappenfus, Associate Professor of Chemistry, Division of Science and Mathematics, University of Minnesota Morris
- R. Lee Penn, Associate Professor, Chemistry, College of Science and Engineering

Awards for Outstanding Contributions to Postbaccalaureate, Graduate & Professional Education

This award recognizes faculty members for excellence in instruction; instructional program development; intellectual distinction; advising and mentoring; and involvement of students in research, scholarship, and professional development.

- Lydia Artymiw, Professor, Music, College of Liberal Arts
- Philippe Buhlmann, Professor, Chemistry, College of Science and Engineering
- John P. Campbell, Professor, Psychology, College of Liberal Arts
- Paul W. Glewwe, Professor, Applied Economics, College of Food, Agricultural and Natural Resource Sciences
- David L. Kohlstedt, Professor, Earth Sciences, College of Science and Engineering
- Shashi Shekhar, Professor, Computer Science and Engineering, College of Science and Engineering
- Diane J. Tedick, Associate Professor, Curriculum and Instruction, College of Education and Human Development
- Ezgi Tiryaki, Associate Professor, Neurology, Medical School

JOHN TATE AWARD FOR EXCELLENCE IN UNDERGRADUATE ADVISING

Recognition was given to the 2015 recipients of the John Tate Award for Excellence in Undergraduate Advising. The Tate Award serves to recognize and reward high-quality academic advising. It calls attention to the contribution academic advising provides in helping students formulate and achieve intellectual, career, and personal goals. The recipients are:

- Jess Larson, Professor, Studio Arts/Humanities, University of Minnesota Morris
- Chris Leighton, Distinguished McKnight University Professor, Chemical Engineering and Materials Science, College of Science and Engineering
- Becky Mooney, Senior Academic Adviser, Department of Psychology, College of Liberal Arts
- Les Opatz, Assistant Director of Advising, Student Services, College of Liberal Arts

JOSIE R. JOHNSON AWARD FOR HUMAN RIGHTS AND SOCIAL JUSTICE

Recognition was given to the 2015 recipients of the Josie R. Johnson Award for Human Rights and Social Justice. The award was established in honor of Dr. Josie R. Johnson in recognition of her lifelong contributions to human rights and social justice. The award honors University faculty, staff, and students who, through their principles and practices, exemplify a standard of excellence in creating respectful and inclusive living, learning, and working environments. The recipients are:

- Teddie Potter, Clinical Associate Professor, School of Nursing (Faculty/Staff Award)
- Uzoma Abakporo, Master of Public Health Administration & Policy, School of Public Health (Student Award)

OUTSTANDING COMMUNITY SERVICE AWARD

Recognition was given to four individuals from the University community for their significant contributions to improving the quality of life and the well-being of society. The 2015 recipients of the Outstanding Community Service Award are:

- David Benson, Bigelow, MN (Community Partner)
- Laurel Hirt, Coordinator, Community Service-Learning Center, College of Liberal Arts (Staff Award)
- Ashley Landers, Ph.D. Student, Family Social Science, College of Education and Human Development (Student Award)
- Cheryl Robertson, Associate Professor, School of Nursing (Faculty Award)

PRESIDENT'S COMMUNITY-ENGAGED SCHOLAR AWARD

The University of Minnesota President's Community-Engaged Scholar Award recognizes one faculty member or professional and administrative employee annually for exemplary engaged scholarship in his/her field of inquiry. Kathleen Call, Professor, School of Public Health was recognized as the 2015 recipient for a longstanding academic career that embodies the University's definition of public engagement.

NATIONAL SCHOLARSHIP RECIPIENTS

Recognition was given to the following recipients of national scholarships:

Beinecke Scholarship

Established in 1971, the Beinecke Scholarship Program provides scholarships for the graduate education of young men and women of exceptional promise. The program seeks to encourage and enable highly motivated students to pursue opportunities available to them and to be courageous in the selection of a graduate course of study in the arts, humanities and social sciences.

- Edward Chappell, undergraduate in English and history (honors program), College of Liberal Arts

Churchill Scholarship

The Winston Churchill Foundation of the United States was founded in 1959 to offer American students of exceptional ability and achievement in the sciences, engineering, and mathematics the opportunity to pursue graduate studies at Cambridge. Fourteen seniors from the top colleges and research universities in the United States are selected as Churchill Scholars each year.

- Maxwell Shinn, undergraduate in neuroscience and mathematics (honors program), College of Biological Sciences, College of Science & Engineering

Goldwater Scholarship

Congress established the Barry M. Goldwater Scholarship and Excellence in Education Program in 1986. The prestigious scholarship is awarded to students who intend to pursue research-oriented careers in mathematics, the natural sciences, and engineering.

- Nathan Klein, undergraduate in chemistry and mathematics, College of Science & Engineering
- John O'Leary, undergraduate in computer science, College of Science & Engineering
- Andrew Senger, undergraduate in mathematics, College of Science & Engineering
- Sammy Shaker, undergraduate in chemistry and mathematics, College of Science & Engineering

Udall Scholarship

Established by Congress in 1992, the Udall Foundation is dedicated to educating a new generation of Americans to preserve and protect their national heritage through scholarship, fellowship, and internship programs focused on environmental and Native American issues.

- Alexandra Johnson, undergraduate in American Indian studies (honors program), College of Liberal Arts
- Maria Lee, undergraduate in geography, minors in outdoor recreation and education, and park and protected area management (honors program), College of Liberal Arts, College of Food, Agriculture & Natural Resource Sciences

PRESIDENT'S AWARD FOR OUTSTANDING SERVICE

The President's Award for Outstanding Service was established in 1997 to recognize faculty and staff who have provided exceptional service to the University. The award is presented each year in the spring and honors active or retired faculty or staff who have gone well beyond their

regular duties and have demonstrated an extraordinary commitment to the University community. The 2015 recipients are:

- Mary Cannedy-Clarke, Associate Administrator, University of Minnesota Medical School Duluth
- Gary Christenson, Medical Director and Chief Medical Officer, Boynton Health Services, Office for Student Affairs
- Kim Dockter, Senior Director of External Relations, College of Science and Engineering
- Jennifer Franko, Executive Secretary, Department of Postsecondary Teaching and Learning, College of Education and Human Development
- Gregory Hestness, Assistant Vice President for Public Safety and Chief of the University of Minnesota Police Department, University Services
- Aileen Lively, Senior Lead Business Analyst, Academic Support Resources, Office of the Senior Vice President for Academic Affairs and Provost
- Willard Miller Jr., Professor Emeritus, School of Mathematics, College of Science and Engineering
- Ann Pflaum, University of Minnesota Historian, University Relations
- Robert Seybold, Senior Psychologist, University Counseling and Consulting Services, Office for Student Affairs
- Rafaél Tarrago, Librarian, Iberian, Ibero-American and Chicano/Latino Studies, History and Political Science, University Libraries
- Suzanne Thorpe, Associate Director for Faculty Research and Instructional Services and Professor of Legal Research Instruction, Law School

NCAA CHAMPIONS

Recognition was given to the following student-athletes and teams for capturing a 2015 NCAA championship:

- Kierra Smith, Women's Swimming and Diving, 200 Meter Breast Stroke, University of Minnesota-Twin Cities – Kelly Kremer, Head Coach
- Yu Zhou, Women's Swimming and Diving, 3 Meter Dive & NCAA Diver of the Year, University of Minnesota-Twin Cities – Wenbo Chen, Diving Coach
- Luca Wieland, Men's Indoor Track & Field, Heptathlon, University of Minnesota-Twin Cities – Steve Plasencia, Head Coach
- Women's Hockey, University of Minnesota-Twin Cities – Brad Frost, Head Coach

APPROVAL OF MINUTES

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

Board of Regents – March 27, 2015

REPORT OF THE PRESIDENT

President Kaler highlighted accomplishments of each system campus, noting his visits to each campus within the last year. He noted that the Enterprise Systems Upgrade Program has been fully implemented with no major incidents. He pointed out several positive trends in University applications, enrollment, and the incoming classes of new freshman. Kaler reported on the Six Presidents event, which brought him together with the past five presidents of the University.

Kaler also focused on some of the challenges facing the University and the community at large. He addressed the avian flu outbreak, noting that the College of Veterinary Medicine is providing support in efforts to contain the outbreak. He mentioned that the Implementation Team continues its work to create a plan that will address previous recommendations for improvements in human subjects research. He also emphasized the importance of working as a community to address the issues of sexual assault on campus.

REPORT OF THE CHAIR

Regent Beeson noted several events that have recently occurred on campus, including the dedication of Bruininks Hall and the Six Presidents event, and commented on the many upcoming commencements. He spoke briefly about the public forum on human subjects research held on Thursday and reiterated the Board's commitment to improvement. Beeson explained the process by which new Board leadership will be nominated and elected, and stated that a public forum will be held on June 12, 2015 to receive input on the FY 2016 budget.

RECEIVE AND FILE REPORTS

Chair Beeson noted the receipt and filing of the Annual Review of the President's Delegations.

CONSENT REPORT

Chair Beeson presented for action the Consent Report as described in the docket materials, including:

- Summary of Gifts through March 31, 2015.

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

SHARED GOVERNANCE: THE ROLE OF FACULTY ATHLETICS REPRESENTATIVES IN OVERSIGHT

Regent Beeson invited President Kaler to provide an introduction to the presentation. Kaler explained that the Faculty Athletics Representatives (FARs) are in place to provide oversight and promote the welfare of student-athletes. He introduced FARs Emily Hoover, Professor of Horticultural Science, and Perry Leo, Professor of Aerospace Engineering and Mechanics.

Leo explained some of the necessary qualities of an individual in the role of FAR. He highlighted the importance of strong communication skills, especially when working with many individuals and groups within the University, the Big Ten, and the NCAA. Hoover noted that a FAR must be highly visible but not intrusive. She explained that she and Leo are often tasked with making difficult and unpopular decisions, noting that people often approach decision making with the same passion they bring to their support of Gopher athletics. She added that FARs need to make calm, neutral decisions in emotionally charged situations.

Leo emphasized the importance of developing relationships with different levels of leadership, faculty, staff, coaches, and student-athletes, understanding their respective cultures and helping to foster communication between these groups. He observed that it is most difficult to get to know the student-athletes, since their schedules are so busy. Leo emphasized the

importance of reading the mood and morale of the student-athletes and communicating that to coaches, faculty, and leadership.

In response to questions from Regent Johnson, Leo asserted that one of the strengths of the Big Ten is the breadth of the sports at each institution. He pointed out that schools in other conferences have only a limited number of offerings, and noted that the quality of the Big Ten student-athletes is another distinguishing factor. Leo explained that FARs visit the athletics facilities at peer institutions, which could make them a helpful resource as discussions continue about athletics facilities at the University.

In response to a question from Regent Hsu, Leo stated that the mood and morale of the University's student-athletes is good. He suggested that the student-athletes are supported by great coaches and teammates.

In response to a question from Regent Beeson, Hoover observed that excellent academic resources are available to student-athletes. She noted that the McNamara Academic Center identifies issues or areas of challenge for student-athletes, and connects them with the help they need. Hoover emphasized that the advising and tutoring services offered by the Center are wonderful, and stated she did not think student-athletes are lacking for academic support or resources.

AVIAN FLU UPDATE

Regent Beeson invited Trevor Ames, Dean of the School of Veterinary Medicine, to provide an update on the avian flu outbreak and the University's role to address it.

Ames stressed that the outbreak has reached crisis levels. He detailed that it has affected 84 farms in the state and led to the loss of over 5.5 millions birds, which represents roughly 10-15 percent of the state's poultry industry. Ames stressed that throughout the outbreak and subsequent response, the University has been actively engaged with state and federal agencies.

Ames noted that the University took a leadership role in developing the business continuity plan the US Department of Agriculture (USDA) is using to manage the outbreak; this is the first time such a plan has been used. The University has received USDA funding for the past 10 years to develop the plan, which has helped limit the outbreak's negative economic impact on the state. Ames explained that the plan regulates activity across quarantined zones, where affected birds have been found, and stressed that while the plan limits economic losses it is time consuming and labor intensive. He noted that the technicians who conduct the necessary tests must be highly trained and specialized; only 11 technicians in the state are certified to do so.

Ames highlighted the efforts of USDA and other federal agencies in response to the outbreak. He applauded the efforts of state agencies such as the Departments of Agriculture and Health, the Board of Animal Health, and the various state poultry associations, noting that these agencies are staffed by many University of Minnesota graduates. Ames recounted his visit to a facility in Willmar, where USDA emergency operations center staff member stated that in his more than 20 years of experience, he had never seen a state respond so well to a crisis of this magnitude.

In response to a question from Regent Johnson, Ames explained that the economic impact to the state has been and will be huge. For producers, the impact will stem from how quickly they can get their farms running again. He noted that a turkey operation averages three cycles annually, but the outbreak may result in only one cycle for the quarantined farms. Ames stated that the new procedures implemented by the business continuity plan are changing the poultry industry for the better.

In response to a question from Regent Devine, Ames noted that the University hopes to mobilize additional rapid response teams to help affected areas. He explained that the governor has offered overtime funds to help with diagnostics and testing. He emphasized that the biggest challenge is finite personnel, referencing the mere 11 technicians statewide. Ames stressed that the time it would take to train additional staff takes away from time spent conducting tests.

In response to a comment by Regent Brod, Ames agreed that the outbreak is a perfect example of how a strong education not only benefits an individual student or the University, but the people of the state. He emphasized that adequate funding for research is vital.

In response to a question from Regent Lucas, Ames explained that much is learned from each outbreak, including recent ones in Hong Kong. An important factor in each outbreak is the migration pattern of wild birds, as they are often carriers of disease. He explained that the management systems in the U.S. are very different from those in other countries, as are human interactions with animals. Because of these differences, there is less opportunity for cross-species contamination.

UPDATE: ENTERPRISE SYSTEMS UPGRADE PROJECT

Chair Beeson invited Scott Studham, Vice President for Information Technology, to provide the Board with an update on the launch of the Enterprise Systems Upgrade Program.

Studham explained several major accomplishments associated with the launch of the system, including a successful cutover from the old system, processing of payroll for staff and faculty, and deployment of the new MyU portal. He noted that these successes occurred without any unplanned business interruptions. Studham acknowledged several known issues with the system, such as difficulties processing procurement card transactions, errors in time reporting, and complications with class scheduling. He assured the Board that IT staff is working on resolving these issues.

Studham indicated that despite a supplemental budget request, the project still came in under its original budget. He explained that once initial issues are resolved, the call centers will return to their normal staffing level. Operational support teams are scaling back their hours, although it will likely be a year before they are staffed at normal levels. Studham added that there are still several business cycles yet to be processed, such as salary increases and budget entry, and that teams are on hand to assist in these processes.

In response to a question from Regent McMillan, Studham explained that the new system is significantly less customized than the old. The University previously had the second most modified system in the world, and this new, less modified system will be easier to maintain, especially in the HR modules. Studham explained that the support units worked with the system campuses to ensure help around each campus's specific needs.

In response to a question from Regent Cohen, Studham invited Sue VanVoorhis, University Registrar, to provide insight. VanVoorhis explained that the previous module for class scheduling had been specially written for the University, with high levels of customization. She stated that because the module in the new system is more standardized, it is not as familiar and may take some getting used to. She stressed the importance of working in the new module and identifying trouble areas before considering any modifications.

In response to a question from Regent Hsu, Studham stated that the operational improvements have streamlined business processes and improved reporting and functionality. He noted that although there has been significant capital invested initially, the University should see a return

on the investment over the next few years. He compared the upgrade to fixing a broken furnace in one's house.

REPORT OF THE AUDIT COMMITTEE

Regent Brod, Chair of the committee, reported that the committee received an update on the external audit review and external audit plan; received the semi-annual report of the internal compliance officer; discussed an institutional review board primer; and reviewed information items as outlined in the docket materials.

REPORT OF THE FACILITIES & OPERATIONS COMMITTEE

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

1. Approval of the schematic design, as presented to the committee and described in the May 7, 2015 minutes:
 - A. Bee Research Laboratory – Twin Cities Campus
2. Approval of the following real estate transactions as presented to the committee and described in the May 7, 2015 minutes:
 - A. Purchase of 120 acres of land, Isanti County – Cedar Creek Reserve
3. Approval of a Resolution related to Operating and Maintenance Addendum for the Central Corridor Light Rail Transit Project Through the University of Minnesota, Twin Cities Campus, as follows

WHEREAS, on August 31, 2010, the University of Minnesota and the Metropolitan Council (“Met Council”) successfully concluded negotiations on an Agreement for the Central Corridor Light Rail Transit Project Through the University of Minnesota, Twin Cities Minneapolis Campus ("Agreement") that achieves the University's objectives for construction and operation of the Central Corridor Light Rail Transit ("CCLRT") Project line grade along Washington Avenue, and settled the University's lawsuit against the Met Council; and

WHEREAS, in the Agreement, the Met Council unambiguously committed to construct and operate the CCLRT line in compliance with vitally important, rigorous performance standards for vibration and electromagnetic interference (“EMI”). The Agreement was incorporated into the Met Council’s Final Environmental Impact Statement (“FEIS”) and the Federal Transit Administration’s Record of Decision (“ROD”); and

WHEREAS, the Board of Regents approved the Agreement in its meeting on September 8, 2010, and the Agreement was duly fully executed by all parties on September 30, 2010; and

WHEREAS, the Met Council, City of Minneapolis, Hennepin County, and University staff negotiated an Operating and Maintenance Addendum to the Agreement to resolve the parties’ rights and obligations with respect to the on-going maintenance and operation of the CCLRT after it commences revenue operation; and

WHEREAS, the Met Council and University staff have worked diligently and resolved other outstanding issues not included in this Addendum such as the University Fare Zone, reimbursement of University staff expenses, construction damage claims, and other construction punch list items; and

WHEREAS, the operation of the CCLRT during the vibration and EMI certification testing required by the Agreement exceeded the vibration and EMI performance standards set out in the Agreement under certain circumstances, thus requiring the Met Council to take corridor- and operational-based solutions to mitigate the EMI and vibration in those circumstances before it commenced revenue operation; and

WHEREAS, the University was willing to allow a one-time amendment to a limited number of the vibration and EMI performance standards in order to permit the Met Council to begin revenue operation on June 14, 2014, and in the Board of Regents meeting on May 9, 2014, resolved to permit that amendment; and

WHEREAS, the Board of Regents further resolved that the term of this one time amendment to the vibration and EMI performance standards would be one (1) year from the date revenue service commenced. Promptly upon the expiration of this amendment, the Met Council, at its sole cost and expense, is required implement corridor based solutions or make operational adjustments to ensure that CCLRT operations comply with the original Vibration and EMI Performance Standards, unless the parties have, prior to that expiration, agreed to renew this amendment by an express writing executed by both parties; and

WHEREAS, recent quarterly EMI compliance testing has shown exceedances of the EMI Performance Standards; and

WHEREAS, the Met Council has conducted diagnostic testing and believes to understand the source of such exceedances.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The University is willing to delay the requirement to implement “an express writing executed by both parties” for one year and therefore willing to delay the requirement that the Met Council, at its sole cost and expense, shall implement corridor based solutions or make operational adjustments to ensure that CCLRT operations comply with the original Vibration and EMI Performance Standards, in order to permit the Met Council to continue current revenue operations while it diligently pursues a permanent solution to the cause of the EMI exceedances (“Delay”), provided the Met Council complies with the following:

1) During the term of the Delay, the Met Council will conduct quarterly, rather than semi-annual, EMI Compliance testing, per the provisions of the Agreement. The Met Council also will conduct regular maintenance to temporarily mitigate the EMI exceedances. The Met Council will provide the results of the tests to the University promptly upon the results becoming available.

2) By September 1, 2015, the Met Council will provide the University with its detailed plan for implementing a permanent engineering solution and maintenance regimen to address the exceedances, and will thereafter make monthly reports to the University on its progress to implement such plan prior to the June 14, 2016, deadline.

If the University determines, in its sole, reasonable discretion that the Met Council’s plan is not adequate or the Met Council is not diligently pursuing its plan, the University may terminate this Delay by giving the Met Council thirty (30) days notice of

such termination. Promptly upon the termination or expiration of the Delay, the Met Council will comply with the original EMI and Vibration Performance Standards.

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

Devine reported that the committee also discussed the University's housing strategy.

REPORT OF THE FACULTY & STAFF AFFAIRS COMMITTEE

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

1. Approval of annual promotion/tenure recommendations as presented in the docket materials, with the beginning dates of their terms of appointments in 2015-16.
2. Approval of continuous appointment status along with promotion for staff in the academic professional series as presented in the docket materials, effective with the beginning of the 2015-16 appointment period.
3. Approval of the Consent Report for the Faculty & Staff Affairs Committee as presented to the committee and described in the May 7, 2015 minutes.

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

McMillan also reported that the committee received an annual report on compensation, and reviewed information items as outlined in the docket materials.

REPORT OF THE FINANCE COMMITTEE

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

1. Approval of the Consent Report for the Finance Committee as presented to the committee and described in the May 7, 2015 minutes.

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

McMillan reported that the committee also received an update on the FY 2016-17 biennial budget request and 2015 capital request; reviewed a proposed Greek loan program; received information on the Permanent University Fund; and reviewed information items as outlined in the docket materials.

REPORT OF THE ACADEMIC & STUDENT AFFAIRS COMMITTEE

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

1. Approval of the Consent Report for the Academic & Student Affairs Committee as presented to the committee and described in the May 7, 2015 minutes.

The Board of Regents voted unanimously to approve the recommendations of the Academic & Student Affairs Committee.

Cohen reported that the committee also received information on the University accountability and higher education rankings; received an update on the future framework for supporting postbaccalaureate education, and graduate education; and discussed next steps for the UMD College of Education and Human Services Professions.

REPORT OF THE LITIGATION COMMITTEE

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

REPORT OF THE SPECIAL COMMITTEE ON ACADEMIC MEDICINE

Regent Cohen, Chair of the committee, reported that the committee received information on the Medical School strategic plan; discussed clinical and translational health research at the University; and reviewed the institutional review board primer.

Regent Simmons, Chair of the committee, participated by phone and had several comments. She stated that the plan and goals set forth by Dean Brooks Jackson are very important to the University. She emphasized that faculty publications are critical for the esteem and reputation of the institution. Simmons explained that medical schools are critiqued on all aspects of the mission of the University.

The meeting adjourned at 11:37 a.m.

BRIAN R. STEEVES

A handwritten signature in black ink that reads "Brian R. Steeves". The signature is written in a cursive, flowing style.

**Executive Director
and Corporate Secretary**

Year 2014-15

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Nominating Committee

May 15, 2015

A meeting of the Nominating Committee of the Board of Regents was held on Friday, May 15, 2015 at 12:00 p.m. in Room 238 Morrill Hall, 200 Church Street SE.

Regents present: Thomas Devine, presiding; Laura Brod and Linda Cohen.

Staff present: Executive Director Brian Steeves

The committee discussed the process to be used for preparing a slate of nominees to serve as Board officers and considered desirable attributes of Board leadership.

The meeting adjourned at 12:58 p.m.

BRIAN R. STEEVES

A handwritten signature in black ink that reads "Brian R. Steeves". The signature is written in a cursive style with a large initial "B".

**Executive Director
and Corporate Secretary**

Year 2014-15

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Nominating Committee

May 21, 2015

A meeting of the Nominating Committee of the Board of Regents was held on Thursday, May 21, 2015 at 3:00 p.m. in the Office of the Board of Regents, 600 McNamara Alumni Center.

Regents present: Thomas Devine, presiding; Laura Brod. Linda Cohen participated by phone.

Staff present: Executive Director Brian Steeves

Regents were interviewed individually regarding their goals, qualifications, and experience. The committee then discussed a possible slate of officers.

The meeting adjourned at 4:34 p.m.

BRIAN R. STEEVES



**Executive Director
and Corporate Secretary**

Year 2014-15

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Nominating Committee

May 27, 2015

A meeting of the Nominating Committee of the Board of Regents was held on Wednesday, May 27, 2015 at 12:30 p.m. in the Office of the Board of Regents, 600 McNamara Alumni Center.

Regents present: Thomas Devine, presiding; and Linda Cohen. All Regents participated by phone.

Staff present: Executive Director Brian Steeves.

The committee discussed and voted unanimously to recommend the following individuals to serve as Board officers:

- Dean Johnson to serve as Chair of the Board of Regents, 2015-17;
- David McMillan to serve as Vice Chair of the Board of Regents, 2015-17;
- Brian Steeves to serve as Secretary of the Board of Regents, 2015-17; and
- Richard Pfutzenreuter to serve as Treasurer of the Board of Regents 2015-17.

This slate will be presented to the Board for consideration at its annual meeting on June 12, 2015.

The meeting adjourned at 12:46 p.m.

BRIAN R. STEEVES



**Executive Director
and Corporate Secretary**