

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Minutes of the Board of Regents Meetings
and Committee Meetings

July 7, 2010

	PAGE
I. Committee Meetings	
A. Audit Committee - July 7, 2010 -----	1
B. Finance & Operations Committee - July 7, 2010 -----	3
C. Faculty, Staff & Student Affairs Committee - July 7, 2010-----	7
D. Facilities Committee - July 7, 2010 -----	10
E. Educational Planning & Policy Committee – July 7, 2010-----	14
II. Board of Regents Meeting - July 7, 2010	
A. Recognitions -----	19
1. Chancellor, University of Minnesota Duluth	
2. Civil Service Committee Chair	
3. Council of Academic & Professional Administrators Chair	
B. Approval of Minutes -----	19
C. Report of the President -----	20
D. Report of the Chair-----	20
E. Receive and File Reports -----	20
1. Civil Service Committee Report	
2. Council of Academic & Professional Administrators Report	
F. Approval of Consent Report -----	20
1. Gifts	
G. Board of Regents Policy Report -----	21
H. University of Minnesota Foundation/Minnesota Medical Foundation: Priorities for Development -----	21
I. Report of the Educational Planning & Policy Committee	
1. Approval of Consent Report -----	22
3. Committee 2010-11 Workplan Discussion -----	22
4. Information Items -----	22
J. Report of the Facilities Committee	
1. Approval of Consent Report -----	22
2. Approval of Resolution to Nominate the Northrop Mall District for the <i>National Register of Historic Places</i> -----	22
3. Approval of Real Estate Transaction -----	23
A. Five-Year Lease for Soudan Underground Laboratory, Soudan Underground Mine State Park, St. Louis County, Minnesota	
4. Approval of Schematic Plans -----	23
1. Wind Turbine, UMore Park, Rosemount, Minnesota	
2. Akerman Hall Window & HVAC Installation, Phase II, Twin Cities Campus	
5. Approval of Capital Budget Amendment-----	23
1. Center for Magnetic Resonance Research – Equipment, Twin Cities Campus	
6. Committee 2010-11 Workplan Discussion -----	24
7. Information Items -----	24
K. Report of the Faculty, Staff & Student Affairs Committee	
1. Approval of Consent Report -----	24
2. Adopt Amendments to Board of Regents Policy: <i>Disability Services</i> -----	24
3. Adopt Amendments to Board of Regents Policy: <i>Employee Recruitment and Retention</i> -----	25
4. 2010-2011 Financial Aid Update -----	27
5. Committee 2010-11 Workplan Discussion -----	27
6. Information Items -----	27
L. Report of the Finance & Operations Committee	
1. Approval of Consent Report -----	27
2. Approval of Resolution Related to the Identify Theft Prevention Program -----	27

3.	Approval of Resolution Related to Issuance of Debt for State-Supported Biomedical Facilities -----	28
4.	Issues Related to: University Tax Compliance Activities & Programs -----	31
5.	Committee 2010-11 Workplan Discussion -----	31
6.	Information Items -----	31
M.	Report of the Audit Committee	
1.	Internal Audit Plan -----	31
2.	Committee 2010-11 Workplan Discussion -----	31
3.	Information Items -----	31
N.	Report of the Litigation Review Committee	
1.	No meeting this month -----	31
III.	Board of Regents Meeting - July 7, 2010	
A.	Resolution to Conduct Non-Public Meeting of the Board of Regents to Discuss Attorney-Client Privileged Matters -----	32

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

July 7, 2010

A meeting of the Audit Committee of the Board of Regents was held on Wednesday, July 7, 2010 at 8:15 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Senior Vice President and Provost E. Thomas Sullivan; Vice Presidents Kathryn Brown, Steve Cawley, and R. Timothy Mulcahy; Executive Director Ann Cieslak, and Associate Vice Presidents Gail Klatt, Stuart Mason and Michael Volna.

Student Representatives present: Martin Chorzempa and Matt Privratsky.

INTERNAL AUDIT PLAN

Associate Vice President Klatt presented the 2010-11 Internal Audit Plan (Plan), as detailed in the docket and on file in the Board Office. The Plan is intended to demonstrate the breadth and depth of audit activities addressing financial, operational, and compliance risks of the University; provide accountability for resources; and achieve progress in efforts to continually improve the internal audit program. Development of the Plan is based on information gathered through broad consultation across the University and a formal assessment of existing and emerging risks, both internal and external, and operational risk.

Klatt noted that the Plan provides reasonable audit coverage across all major components of the University, maintains the practice of auditing high-risk units on a three-year cycle, and addresses risks identified through the formal risk assessment. The Office of Internal Audit will have a staffing complement of 14.75 full-time equivalent (FTE) professionals in 2010-11 and intends to devote 57 percent its audit resources to scheduled audits focused on high-risk activities and areas of strategic focus. There are 26 scheduled audits planned for the year. Remaining resources will be devoted to administration (21 percent), special projects (10 percent), investigations (6 percent), and follow-up procedures on behalf of the Audit Committee (6 percent).

In response to a question from Regent Frobenius, Klatt explained that her office has authority to audit the Medical School and its various components, but not University of Minnesota Physicians (UMP) or Fairview Health Services (Fairview). Although those entities have a financial relationship with the University, they are independent and not subject to review by the Office of Internal Audit.

In response to a question from Regent Simmons, Klatt reported that several scheduled audits will focus on units experiencing a transition in senior leadership. These include the Office of the President, the Academic Health Center, and the University of Minnesota Duluth.

COMMITTEE 2010-11 WORKPLAN DISCUSSION

Regent Hunter referred committee members to the preliminary 2010-11 committee workplan, as detailed in the docket and on file in the Board Office. Topics relate to the committee's continuing theme of calibrating the University's risk tolerance in the 'new normal' financial environment.

In response to questions from Regent Beeson, Senior Vice President and Provost Sullivan explained that his office works closely with the Office of Internal Audit to understand qualitative information gathered by auditors. This will become even more important in the future as discussions focus on the trade-offs that must be made in an environment of limited resources.

INFORMATION ITEMS

Associate Vice President Klatt referred the committee to the information items contained in the docket materials, which included:

- Results of a federal Department of Education program review of the University's financial aid activities.

The meeting adjourned at 9:07 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance & Operations Committee

July 7, 2010

A meeting of the Finance and Operations Committee of the Board of Regents was held on Wednesday, July 7, 2010 at 9:30 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Senior Vice President Frank Cerra; Vice Presidents Richard Pfutzenreuter and Steven Rosenstone; Executive Director Ann Cieslak; and Associate Vice Presidents Stuart Mason and Michael Volna.

Student Representatives present: Martin Chorzempa and Matt Privratsky.

**UNIVERSITY OF MINNESOTA IDENTITY THEFT PREVENTION
PROGRAM RESOLUTION**

Vice President Pfutzenreuter invited Associate Vice President Volna to present for review and action the University of Minnesota Identity Theft Prevention Program (Program) Resolution, as detailed in the docket materials. He noted that the Program is in response to new federal identity theft regulations and will be implemented on December 31, 2010. Volna stated that because the University participates in providing loans, securing credit reports, and other financial activities, an identity theft prevention program is required.

Volna observed that similar programs at other Big Ten and Minnesota State Colleges and Universities System higher education institutions were examined prior to developing the University's Program, which describes a framework for mitigating the risk of identity theft for students, faculty, staff, and other individuals.

A motion was made and seconded and the committee voted unanimously to recommend approval of the University of Minnesota Identity Theft Prevention Program Resolution.

**RESOLUTION RELATED TO: ISSUANCE OF DEBT FOR
STATE-SUPPORTED BIOMEDICAL FACILITIES**

Vice President Pfutzenreuter presented for review and action a Resolution related to the issuance of debt for state-supported Biomedical Facilities, as detailed in the docket materials. This Resolution authorizes the first portion of debt for the next project in the Biomedical Discovery District, the Cancer/Cardio Biomedical Facilities. He reminded the committee that in June 2010 it approved the issuance of \$53.2 million in debt for the Center for Magnetic Resonance Research (CMRR) project. Due to the state's delay in providing complete information to allow the CMRR debt issuance, the two issuances will be combined.

A motion was made and seconded and the committee voted unanimously to recommend approval of the Resolution Related to: Issuance of Debt for State-Supported Biomedical Facilities.

**ISSUES RELATED TO: UNIVERSITY TAX COMPLIANCE
ACTIVITIES & PROGRAMS**

Vice President Pfutzenreuter invited Kelly Farmer, Director, University Tax Office, to present issues related to University tax compliance activities and programs, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Farmer outlined the upcoming federal Internal Revenue Service (IRS) initiatives for higher education, including:

- College audits to be conducted via a questionnaire that will be sent to colleges and universities focusing on three primary areas: unrelated business income; endowments; and executive compensation;
- Up to 6,000 payroll audits from a pool that will include tax-exempt organizations; and
- Compliance checks and questionnaires for issuers of tax exempt bonds and "Build America Bonds."

In response to questions from the committee, Farmer stressed that the Tax Office is keenly aware of all tax changes and prepares accordingly. He clarified that some departments with chronic losses have no tax liability (e.g., athletics), but added that occasionally a single activity will need review to determine whether it has taxable income. Measures used to determine the taxability of a University activity include: 1) whether the activity is related to the University mission; 2) is regularly carried on; and 3) is a trade or business.

In response to a question from Regent Frobenius, Farmer stated that the IRS is reviewing excess benefits, but that IRS private inurement rules do not apply to governmental entities.

COMMITTEE 2010-11 WORKPLAN DISCUSSION

Regent Frobenius and Vice President Pfutzenreuter introduced the Workplan discussion, as detailed in the docket materials. Regent Frobenius asked for suggestions for the Workplan and indicated that comments and routine items will be refined and presented at the September 2010 meeting.

Regents presented a number of topics for discussion and expressed support for the Workplan. A draft Workplan will return to the committee at the September 2010 meeting.

CONSENT REPORT

Vice President Pfutzenreuter presented the Consent Report, as detailed in the docket materials. In response to a question from Regent Simmons, Ed Elinger, Director, Boynton Health Services, clarified that Boynton administers the Blue Cross Blue Shield program on all campuses, ensuring a unified plan for all University of Minnesota students.

Consent Items include the following:

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

- Adecco Staffing for an estimated \$2,000,000 for administration of a temporary clerical work force management program for the period July 1, 2010 through June 30, 2011 for the Office of Human Resources.
- Arthur J Gallagher Risk Management Services, Inc. for an estimated amount of \$351,000 for the period July 1, 2010 through June 30, 2012 to perform various insurance-related activities for the University.
- AudienceView Ticketing Corporation for \$2,050,000 for software, hosting and support of University ticketing system as needed for the period of August 31, 2010 through August 31, 2015 for all ticketing services for the University of Minnesota.
- Blue Cross and Blue Shield of Minnesota for an estimated \$15,233,263 for a partially self-funded Student Health Benefit Plan for Twin Cities, Duluth, Crookston, Morris, and Rochester students for Boynton Health Service.
- Midwestern Higher Education Compact for an estimated amount of \$2,711,000 for the period July 1, 2010 through June 30, 2011 to purchase property insurance for the University.
- Ortega y Gasset Foundation (Spain); University Paul-Valery (Montpellier, France); CAPA (Florence, Sydney & London); VENUSA & EntreAmericas Learn and Travel (Venezuela); Jose Suarez & Dolores Lopez (MSID Ecuador); Fundacion Ortega y Gasset, Argentina

(Buenos Aires, Argentina); Mohamud Jama (MSID Kenya); Ousmane Sene (MSID Senegal) and others to provide services to support overseas study abroad programs for FY 2010-11 for an estimated total of \$12,000,000.

- Vistec Lithography Company for \$1,950,290 for a Model 5000+ Electron Beam Lithography System to be used for an indefinite period beginning November 1, 2010 for the Nanofabrication Center.

Associate Vice President Volna discussed the Midwest Higher Education Compact (MHEC) agreement, noting that the University is a charter member of the MHEC. Because the MHEC contract had not been closely reviewed for several years, the Risk Management Office chose to look at other insurance currently available on the market. By revising the MHEC property program structure, over \$1.4 million in savings was identified while keeping the same coverage.

In response to a question from Regent Beeson, Vice President Rosenstone described the AudienceView ticketing agreement, noting that in 2006 AudienceView was selected through a competitive bidding process. He indicated that after discussing significant recent changes to the existing contract with the Office of the General Counsel, it was recommended that a new contract be written, rather than amending the existing contract.

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

INFORMATION ITEMS

There were no information items.

The meeting adjourned at 10:25 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff & Student Affairs Committee

July 7, 2010

A meeting of the Faculty, Staff & Student Affairs Committee of the Board of Regents was held on Thursday, July 7, 2010 at 9:30 a.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellor Stephen Lehmkuhle; Senior Vice President and Provost Thomas Sullivan; Senior Vice president Robert Jones; Vice President Steve Cawley; Executive Director Ann Cieslak; and Associate Vice President Kristin Lockhart.

Student Representatives present: Chelsey Doepner and Paul Strain.

BOARD OF REGENTS POLICY: *DISABILITY SERVICES*

Senior Vice President Jones introduced Associate Vice President Lockhart to present amendments to Board of Regents Policy: *Disability Services*. Lockhart briefly explained that the policy was being expanded to include sections for guiding principles and implementation. Regent Johnson observed that the policy had been reviewed at a previous meeting of the committee.

The committee voted unanimously to recommend adoption of amendments to Board of Regents Policy: *Disability Services*.

BOARD OF REGENTS POLICY: *EMPLOYEE RECRUITMENT AND RETENTION*

Senior Vice President Jones introduced Associate Vice President Lockhart to present amendments to Board of Regents Policy: *Employee Recruitment and Retention*. Lockhart noted that the policy had been reviewed by the committee at a previous meeting and explained that the amendments provide language clarification and ensure consistency with the University's equal opportunity statement.

The committee voted unanimously to recommend adoption of amendments to Board of Regents Policy: *Employee Recruitment and Retention*.

2010-11 FINANCIAL AID UPDATE

Senior Vice President Jones introduced Senior Vice President and Provost Thomas Sullivan and Robert McMaster, Vice Provost and Dean of Undergraduate

Education, to provide an overview of financial aid packages and programs for undergraduate students, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Sullivan emphasized the University's commitment to financial access for University students and commended University staff who work in this area. McMaster gave a detailed report on the University's current financial aid strategy, changes to Pell Grant and U Promise Scholarship programs, student employment issues, fiscal literacy education for students, and the importance of 4-year graduation. Highlights of the presentation included:

- The total cost of attendance on the Twin Cities campus, which includes tuition and fees, books and supplies, room and board, transportation, and miscellaneous expenses, is \$23,058 for academic year 2010-11.
- Undergraduate students are increasingly relying on student and parental loans.
- Although federal Pell Grant aid per eligible student has continually increased in the past forty years, it has gone from covering the entire average cost of attendance at a four-year public college in the late 1980s to now covering approximately 30 percent.
- 56 percent of the University's resident undergraduate students are from families below the median income level, which was \$81,000 in 2009.
- Although the cost of attendance on the Twin Cities campus has increased 44 percent between 2002 and 2009, the net price for students only increased 27 percent due to increased aid supported by grants and gifts.

McMaster explained upcoming changes to the U Promise Scholarship Program, which has provided full tuition funding to Pell-eligible students and partial aid to students from middle income families with an adjusted gross income up to \$100,000. He reported that the scholarships will now be based on expected family contribution rather than Pell-eligibility and will be guaranteed for four years for incoming freshmen and two years for transfer students. McMaster observed that these changes will allow students to better plan their financial aid packages for their entire University careers rather than having to monitor their annual enrollment in the scholarship program.

McMaster observed that students employed by the University, which was one-third of undergraduates in 2008-09, have better graduation rates on average than their peers. He emphasized the importance of timely graduation as related to student indebtedness. McMaster reported that 59.7 percent of 2009 graduates that finished in four years had student debt with an average amount of \$24,062. This compared to 68.3 percent and \$27,284 for students graduating in five years and 74.6 percent and \$27,468 for students graduating in six years.

In response to a question from Regent Johnson, Sullivan explained that although there are no plans to implement a guaranteed four-year tuition cost for undergraduate students, this model has worked well for the Medical School where the student loan indebtedness can be extremely high. In response to a question from Regent Ramirez, McMaster observed that the University's need-based scholarship programs supplement merit-based aid, which accounts for approximately two-thirds of all scholarship support.

In response to a question from Regent Larson, McMaster expressed optimism that the message regarding the importance of timely graduation is reaching students. He noted that the administration is working with faculty, advisors, department heads, and associate deans to make certain that degree requirements do not inhibit student academic progress. He added that some degree programs that have demonstrated poor four-year graduation rates are being compared with programs at peer institutions to study models for improved completion times.

COMMITTEE 2010-11 WORKPLAN DISCUSSION

Regent Johnson reported that the committee will finalize the 2010-11 workplan at the next meeting and asked the committee members to review the list of agenda items from the past two years, which was distributed at the meeting.

CONSENT REPORT

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

- Conferral of tenure for recently hired faculty; and
- Appointment of Minnesota Landscape Arboretum Foundation Board of Trustees.

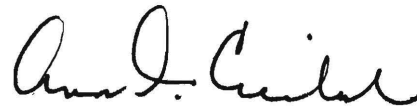
The committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

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

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

The meeting adjourned at 10:45 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

July 7, 2010

A meeting of the Facilities Committee of the Board of Regents was held on Wednesday, July 7, 2010 at 11:00 a.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: Senior Vice President Frank Cerra; Vice Presidents Timothy Mulcahy, Kathleen O'Brien, Richard Pfitzenreuter, and Steven Rosenstone; Executive Director Ann Cieslak; and Associate Vice Presidents Michael Berthelsen and Michael Perkins.

Student Representatives present: Chelsey Doepner and Thomas Haarstick.

RESOLUTION TO NOMINATE THE NORTHROP MALL DISTRICT FOR THE NATIONAL REGISTER OF HISTORIC PLACES

Vice President O'Brien invited Orlyn Miller, Director, Capital Planning & Project Management, to present for action a Resolution to Nominate the Northrop Mall District (District) for the National Register of Historic Places (Register), as detailed in the docket materials.

Miller noted a full explanation of the Resolution was presented at the June 2010 committee meeting. He described Northrop Mall as one of the premiere campus spaces in the country that is intact to its original design. Nomination for the Register supports the guiding principles of Board of Regents Policy: *Historic Preservation* and the Twin Cities Campus Master Plan. Miller noted that listing the District on the Register would have limited additional financial and operational impact since the University already treats eligible and listed properties the same. The official listing is largely symbolic and does not restrict the use of, or guarantee permanent protection to, the District.

A motion was made and seconded and the committee voted unanimously to recommend approval of the Resolution to Nominate the Northrop Mall District for the *National Register of Historic Places*.

REAL ESTATE TRANSACTION

A. Five-Year Lease for Soudan Underground Laboratory, Soudan Underground Mine State Park, St. Louis County, Minnesota

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

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

Five-Year Lease for Soudan Underground Laboratory,
Soudan Underground Mine State Park, St. Louis County,
Minnesota

Details of transaction: A five-year initial term with one five-year option to continue the lease. Rent is dependent on the size of the research projects and will range from \$4,415 to \$22,076 per year.

Source of funds: U.S. Department of Energy Contract with Fermilab

The committee unanimously recommended approval of the Five-Year Lease for Soudan Underground Laboratory, Soudan Underground Mine State Park, St. Louis County, Minnesota.

SCHEMATIC PLANS

A. Wind Turbine, UMore Park, Rosemount, Minnesota

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

The schematic plans for a Wind Turbine, UMore Park, Rosemount, Minnesota, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President O'Brien noted that the schematic plans were being submitted for both review and action, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. She invited Associate Vice President Perkins and Professor Fotis Sotiropoulos to present additional details of the project. Perkins described the location for the proposed wind turbine within UMore Park.

Sotiropoulos reported that the University was awarded a highly competitive U.S. Department of Energy grant to establish a new academic/industrial wind energy research consortium. It is one of three sites across the nation selected to receive this federal funding for a research-based program. Sotiropoulos outlined how the collaborative program will allow the University to lead the nation in wind energy research, including to:

- Research and develop the next generation wind technologies;
- Collaborate with equipment manufacturers for further development of wind machines;
- Establish educational curricula for bachelor and master level students in wind technology;
- Collaborate with local technical colleges for operations and maintenance personnel training; and
- Enhance public engagement on the topics of energy and sustainability.

Sotiropoulos observed that the project is consistent with the UMore Park planned community and noted that an Environmental Assessment is proceeding.

In response to questions from the committee, Sotiropoulos clarified that the wind turbine is not intended for power, but will primarily be used for research on a full-scale model. University faculty and staff will be the sole researchers during the initial two years of the project, after which other industries will be allowed to perform research projects in conjunction with the University. Sotiropoulos anticipates the turbine will generate enough revenue to pay overhead for the research facility.

The committee voted unanimously to recommend approval of schematic plans for a Wind Turbine, UMore Park, Rosemount, Minnesota.

B. Akerman Hall HVAC Installation and Window Replacement, Twin Cities Campus

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

The schematic plans for Akerman Hall HVAC Installation and Window Replacement, Twin Cities campus, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President O'Brien noted that the schematic plans were being submitted for both review and action, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Associate Vice President Berthelsen outlined the project and the benefits to departments housed in Akerman Hall, including the replacement of individual room air conditioners with an efficient HVAC system and the installation of new windows to enhance efficiency and improve temperature control management and general comfort within the building. Higher Education Asset Preservation and Replacement funds from the state will be used for the project.

The committee voted unanimously to recommend approval of schematic plans for Akerman Hall HVAC Installation and Window Replacement, Twin Cities campus.

CAPITAL BUDGET AMENDMENTS

A. Center for Magnetic Resonance Research – Equipment, Twin Cities Campus

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

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

Center for Magnetic Resonance Research (CMRR) – Equipment,
Twin Cities Campus

Scope of Project: Increase the size of the 10.5T magnet bore, purchase spectrometer and imaging gradient set, and increase the magnet capacity

Cost Estimate: \$7,721,640.00

Capital Funding: University of Minnesota Funds - \$23,534;

National Institute of Health - \$7,798,106

Estimated Completion Date: Winter 2011

Senior Vice President Cerra explained that the University was awarded a \$7.8 million NIH grant, which is providing funds for CMRR equipment upgrades. The grant also allows for a decrease of \$100,000 in University debt for the CMRR expansion project.

In response to a question from Regent Allen, Cerra announced that with the new equipment the CMRR will be the premier facility world-wide for imaging and magnetic resonance research.

The committee voted unanimously to recommend approval of the capital budget amendment for the Center for Magnetic Resonance Research – Equipment, Twin Cities Campus.

COMMITTEE 2010-11 WORKPLAN DISCUSSION

Regent Hunter and Vice President O'Brien introduced the Workplan discussion, as detailed in the docket materials. Regent Hunter asked for suggestions for the Workplan and indicated that comments and routine items will be refined and presented at the September 2010 meeting.

Regents presented a number of topics for discussion and expressed support for the Workplan. A draft Workplan will return to the committee at the September 2010 meeting.

CONSENT REPORT

Vice President Pfitzenreuter presented a revised Consent Report, as detailed in the docket materials. Consent Items included:

- Agreement with the Venetian Casino Resort, for Medical School/Continuing Medical Education's 2011 World Symposium, Las Vegas, Nevada, February 13-20, 2011.

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

INFORMATION ITEMS

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

- Sale of Washburn Hall and surrounding 1.985 acres, Old Main Campus, Duluth campus.

The meeting adjourned at 11:58 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning & Policy Committee

July 7, 2010

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Wednesday, July 7, 2010 at 11:00 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellor Stephen Lehmkuhle; Senior Vice President & Provost Thomas Sullivan; Senior Vice President Robert Jones; Vice President Kathryn Brown; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt, Kristin Lockhart, Meredith McQuaid, and Sharon Reich Paulsen.

Student Representatives present: Matt Privratsky and Paul Strain.

FOCUS ON INTERNATIONAL EDUCATION

Senior Vice President & Provost Sullivan introduced Senior Vice President Jones and Meredith McQuaid, Associate Vice President & Dean for International Education to lead the discussion. Jones mentioned that over the last three years significant progress has been made in internationalizing the University. Among the accomplishments of the Office of International Programs (OIP) are an increase in the number of international initiatives and programs; renewed interest in international programs among colleges and campuses; and the development of OIP's new strategic plan.

McQuaid emphasized that the 2008 amendments to Board of Regents Policy: *International Education* have provided a solid foundation for the University's success in international arenas. By explicitly naming the four components of the University's international engagement (international experiences for students, the enrollment of international students on University campuses, faculty research and teaching, and collaboration with international institutions) and recognizing the University's responsibility to provide students with the understanding, skills, and knowledge needed to be creative and useful citizens, the Board's policy also is broader, bolder, and more specific than the policies of peer institutions.

McQuaid noted that today's graduates will be expected to construct international solutions to increasingly complex problems that do not respect national borders. As a result, students must develop a depth of understanding about other cultures, religions, and lifestyles that can only be obtained through international

experiences. The entire University has accepted this responsibility and has asked the OIP to develop the protocols, guidance, and programs to bring this about.

Over the last six months, OIP has been reviewing the University's mission and the needs of constituents in order to develop a five-year strategic plan that establishes priorities given the resources available. Through this process, it has been determined that OIP's role within the University is to be the driving force in globalizing teaching, learning, research, and engagement (materials in the docket and associated handouts distributed at the meeting and on file in the Board Office).

In seeking to fulfill its role, OIP will focus its efforts in the following areas: (1) student and scholar learning, engagement, and support; (2) faculty and staff research, teaching, engagement, and support; (3) external relationship development and support; and (4) becoming a locus for information, innovation, and collaboration.

In response to a question from Regent Beeson, McQuaid stressed that it is not part of OIP's strategic plan to open satellite campuses abroad because they are expensive. The strategy instead is to establish offices in countries where it is appropriate, efficient, and effective to do so. The Beijing Office, for example, opened in 2009 as the University's first international office, is intended to serve as a resource for the development of additional educational, cultural, and social collaborations between China and the University as well as with the State of Minnesota. For a relatively low investment, the University has established a foothold through which resources can be more cost-effectively deployed.

Jones added that the administration's primary goal has been to help campuses and colleges establish more strategic partnerships abroad. Second, efforts are under way to identify institutions abroad where there is the potential for partnerships through which the University can help foreign institutions build capacity to be more effective in their teaching, research, and outreach. The University also benefits from partnerships abroad as the experiences of faculty and students are incorporated into its teaching, learning, research, and outreach.

In response to a question from Regent Frobenius, McQuaid acknowledged that it is expensive to do business overseas and that the University's tuition, while relatively affordable for international students, is a substantial amount for most of the world's population. However, there is increasing recognition of the value of international, interdisciplinary research and funding is being made available for projects that will attract talented graduate students and internationalize the University's campuses.

In response to questions from Regent Cohen, McQuaid reported that the University's current goal, established in 2000, is for 50% of any graduating class to have an international experience. Approximately 30% of students graduating in Spring 2010 did have an international experience, placing the University third among all Ph.D.-granting institutions nationally. She also reported that study abroad has not been shown to delay graduation, with those studying abroad more likely to graduate in four years than those without an international experience.

In response to a question from Larson, McQuaid agreed that many Minnesotans are not aware of the University's history as an international institution. To counter that misperception, OIP has redoubled its development efforts and is working to enhance its

resources through the University of Minnesota Foundation and its connections to graduates through the University of Minnesota Alumni Association.

In response to a question from Student Representative Strain, McQuaid identified two growth areas for OIP: (1) faculty developing study abroad courses and (2) students interested in less traditional locales, such as Latin America and Eastern Europe.

COMMITTEE 2010-11 WORKPLAN DISCUSSION

Regent Simmons and Senior Vice President & Provost Sullivan led a discussion of the committee's workplan for 2010-11. The committee suggested a number of additional topics for discussion and expressed support for the workplan.

CONSENT REPORT

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

- **New Academic Programs**
 - College of Food, Agricultural and Natural Resource Sciences (Twin Cities Campus) – Create minor in Native American Environmental Knowledge
 - Humphrey Institute of Public Affairs (Twin Cities Campus) – Create certificate in Public Affairs Leadership
 - Graduate School – Create M.S. and Ph.D. degrees in Human Factors and Ergonomics
 - Graduate School – Create M.S. degree in Environmental Restoration Engineering and Science
 - Graduate School – Create certificate in Health Care Design and Innovation
 - Graduate School – Create M.S. and Ph.D. degrees in Earth Sciences
 - Labovitz School of Business and Economics (Duluth Campus) – Create minor in Financial Planning
 - College of Education and Human Service Professions (Duluth Campus) – Create B.A.Sc. degree in Integrated Elementary and Special Education

- Crookston Campus – Create certificate in Health Informatics Privacy and Security for Health Care Providers
- Crookston Campus – Create certificate in Health Informatics for Software Engineers and Information Technology Professionals
- **Changed Academic Programs**
 - Graduate School – Create joint program leading to Bachelor of Biomedical Engineering degree and M.S. degree in Biomedical Engineering
 - Graduate School – Create joint program leading to Doctor of Physical Therapy degree and Ph.D. degree in Rehabilitation Science
 - Graduate School – Change the M.A. degree in Kinesiology to M.S. degree
- **Discontinued Academic Programs**
 - Graduate School – Discontinue M.S. degree in Clinical Laboratory Science
 - Graduate School – Discontinue Ph.D. degree in Control Science and Dynamical Systems
 - Graduate School – Discontinue M.S. and Ph.D. degrees in Geology
 - Graduate School – Discontinue M.S. and Ph.D. degrees in Geophysics
 - College of Education and Human Service Professions (Duluth Campus) – Discontinue B.A.Sc. degree in Elementary and Middle School Education

In response to a question from Beeson, Sullivan noted that there is no set proportion of course offerings that are to be interdisciplinary. Curricular development occurs in departments and comes through the colleges to the Provost's Office, but the approval process does take into account how a course offering may be related to other curricula or faculty. He assured the committee that there is sufficient demand for interdisciplinary education and that incentives are in place to encourage interdisciplinary faculty hirings and curricular development.

INFORMATION ITEMS

Senior Vice President & Provost Sullivan directed the committee's attention to the Information Items, which included the following:

- 1) a report of *no findings* by the Federal Department of Education following a visit to the Twin Cities campus to review the University's management of federal financial aid and compliance with regulations associated with the receipt of federal money; and

- 2) select strategic planning progress indicators for the period 2004-05 and 2009-10.

The meeting adjourned at 12:20 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

July 7, 2010

A meeting of the Board of Regents of the University of Minnesota was held on Wednesday, July 7, 2010 at 1:15 p.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Robert Bruininks; Chancellors Stephen Lehmkuhle and Kathryn Martin; Senior Vice President and Provost Thomas Sullivan; Senior Vice President Robert Jones; Vice Presidents Kathryn Brown, Karen Himle, Timothy Mulcahy, Kathleen O'Brien, and Richard Pfitzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice President Sharon Reich Paulsen.

RECOGNITIONS

Chancellor, University of Minnesota Duluth

President Bruininks recognized Kathryn Martin, outgoing chancellor of the University of Minnesota Duluth, on the occasion of her retirement as chancellor after a 14-year tenure.

Chair, Civil Service Committee

President Bruininks recognized the work of outgoing Civil Service Committee chair Karen Lovro, who served for the 2009-10 fiscal year.

Chair, Academic Professionals and Administrators

President Bruininks recognized Sarah Waldemar, chair of the Council of Academic Professionals and Administrators for 2009-10.

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 – June 11, 2010
Audit Committee – June 10, 2010
Litigation Review Committee – June 10, 2010
Finance & Operations Committee – June 10, 2010
Faculty, Staff & Student Affairs Committee – June 10, 2010
Facilities Committee – June 10, 2010
Educational Planning & Policy Committee – June 10, 2010
Board of Regents – June 17, 2010
Board of Regents – June 24, 2010

REPORT OF THE PRESIDENT

President Bruininks discussed the FY2011 annual operating budget recently approved by the Board of Regents. He noted the balanced budget maintains academic values and integrity and demonstrates a commitment to quality and competitiveness of the institution. Bruininks observed that declining state support will continue to place challenges on the University during a time when demands for University services are increasing. Bruininks stressed the importance of investing in critical capital projects, facility renewal, and financial support for students during challenging economic times.

Bruininks announced the Research Infrastructure Investment Initiative, a new effort to increase support for the University's research mission and to meet the most pressing research infrastructure needs. He described how funding from commercialization of University technology and matching funds from college and campus reallocations will support a variety of initiatives.

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

REPORT OF THE CHAIR

Chair Allen reported the Board of Regents would travel to the Gainey Conference Center in Owatonna, MN for its annual retreat July 8-9, 2010. He noted that the next regular Board of Regents meeting will be held Wednesday, September 8, 2010 on the Twin Cities campus.

RECEIVE AND FILE REPORTS

Chair Allen noted the receipt and filing of the Civil Service Committee Report and the Council of Academic and Professional Administrators Report.

CONSENT REPORT

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

- Summary of Gifts through May 31, 2010.

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

BOARD OF REGENTS POLICY REPORT

Chair Allen provided a status report on the comprehensive review of all Board of Regents policies. To date, 56 percent of all Board policies have been reviewed in the second year of a four-year review.

UNIVERSITY OF MINNESOTA FOUNDATION/MINNESOTA MEDICAL FOUNDATION: PRIORITIES FOR DEVELOPMENT

Chair Allen invited University of Minnesota Foundation (UMF) President & CEO Steve Goldstein and Minnesota Medical Foundation (MMF) President & CEO Becky Malkerson to present Foundation priorities for increasing revenue from private support for advancing the excellence at the University of Minnesota. President Bruininks stressed that during this challenging economic climate it is critically important to maintain a strong commitment to improving the academic quality of the University through private support, and doing so sends a powerful message to the citizens of the state, University supporters, and community leaders.

Malkerson discussed private giving history and recent emerging trends, including the levels of giving both during and following fundraising campaigns. She observed that giving during post-campaign periods have been as successful as during the campaign period with the following benefits: more dollars raised over a shorter period of time, lower fundraising expenses, and gifts that are more aligned with strengths and priorities of the University. She described several significant differences of post-campaign efforts that serve as the basis for the new concept model for development.

Goldstein described the new concept model for private gift development that UMF and MMF will share. The model recognizes that the changing economic, political, and philanthropic environment requires adaptation of strategies to effectively and efficiently cultivate private giving for the University. Goldstein explained the key elements of the model, which is called the "Development Ecosystem." It includes: creating significant lead efforts or large scale initiatives that reflect institutional priorities; conducting multiple campaigns; maintaining a high level of coordinated oversight; and executing a communication effort and branding campaign to distinguish the institution and support fundraising efforts.

In response to a question from Regent Hunter, Goldstein observed that he has not sensed reluctance from donors to pledge gifts due to the impending leadership transition. Malkerson noted that University leadership is critical in cultivating large, transformational gifts. Bruininks stressed that people invest in the University and not a person, and during this year of transition is important to make sure there is not a decrease in commitments to the University.

A copy of the presentation is on file in the Board Office.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

- a) Approval of the Consent Report for the Educational Planning & Policy Committee as presented to the committee and described in the July 7, 2010 committee minutes.

The Board of Regents voted unanimously to approve the recommendations of the Educational Planning and Policy Committee.

Simmons reported that the committee also discussed the University's international education initiatives; the committee 2010-11 workplan; and a number of information items included in the docket materials.

REPORT OF THE FACILITIES COMMITTEE

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

- a) Approval of the Consent Report for the Facilities Committee as presented to the committee and described in the July 7, 2010 committee minutes.
- b) Approval of a Resolution to Nominate the Northrop Mall District Portion of the Minneapolis East Bank Campus to the *National Register of Historic Places*, as follows:

WHEREAS, the Northrop Mall District has been designated as a Regents Campus Historical District, is listed in public documents as National Register of Historic Places eligible by Minnesota State Historical Preservation Office, and the University of Minnesota seeks to preserve its heritage by its continuing commitment to preserve its historic buildings and landscapes; and

WHEREAS, preserving the Northrop Mall Historic District on the Minneapolis East Bank Campus is consistent with Guiding Principle # 5 in the Twin Cities Campus Master Plan 2009, which states "Steward historic buildings and landscapes"; is consistent with Guiding Principle #7 in the Twin Cities Campus Master Plan 2009, which states "Preserve and enhance natural systems and features", and is consistent with Guiding Principle #11 in the Twin Cities Campus Master Plan 2009, which states "Make the campus environmentally and operationally sustainable"; and

WHEREAS, the University's historic resources provide the residents of the State with a sense of history and identity and preservation of these historic buildings and landscapes contributes to the image of the campus as an enduring institution and its sense of place; and

WHEREAS, preserving the Northrop Mall Historic District on the Minneapolis East Bank Campus promotes a broad understanding, awareness, enjoyment and continued use of the University's historic resources as effective stewardship of the University; and

WHEREAS, conserving the Northrop Mall Historic District on the Minneapolis East Bank Campus supports development to preserve, enhance and respect the value of natural systems and features; and

WHEREAS, preserving the Northrop Mall Historic District on the Minneapolis East Bank Campus contributes to the University's commitment to sustainability, as the greenest building is often already built; and

WHEREAS, identification of this historic area of the Minneapolis campus will clarify and heighten the sense of history and continuity of today's and tomorrow's students by increasing awareness of the State's strong tradition of education, and provide a deeper appreciation of the places in which they study, live, work and play today.

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents recognize the historically significant nature of the Northrop Mall Historic District portion of the Minneapolis East Bank Campus; and

BE IT FURTHER RESOLVED that the Board of Regents approves the filing of the nomination of the Northrop Mall Historic District on the Minneapolis East Bank Campus to the National Register of Historic Places.

- c) Approval of the following real estate transaction as presented to the committee and described in the July 7, 2010 committee minutes:
 - 1) Five-year lease for the Soudan Underground Laboratory, Soudan Underground Mine State Park, St. Louis County, Minnesota.
- d) Approval of schematic plans for the following projects as presented to the committee and described in the July 7, 2010 committee minutes.
 - 1) Wind Turbine, UMore Park, Rosemount, Minnesota.
 - 2) Akerman Hall window and HVAC installation, phase II, Twin Cities campus.
 - 3) Approval of an amendment to the FY2011 Capital Budget by \$7,721,640 to provide additional funding for the Center for Magnetic Resonance Research Renovation and Expansion, Twin Cities campus.

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

Hunter reported that the committee also discussed the 2010-11 committee workplan and reviewed a number of information items contained in the docket materials.

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

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

- a) Approval of the Consent Report for the Faculty, Staff & Student Affairs Committee as presented to the committee and described in the July 7, 2010 committee minutes.
- b) Adoption of proposed amendments to Board of Regents Policy: *Disability Services*, as follows:

Disability Services

SECTION I. GUIDING PRINCIPLES.

The following principles shall guide the commitment of the University of Minnesota (University) to equitable access for students, faculty, staff, and guests with disabilities:

(a) The University values the richness and diversity that people with disabilities bring to the University community.

(b) The University believes access to educational, work, co-curricular, and other opportunities for people with disabilities enriches the academic and social environment for all members and guests of the University community.

(c) The University seeks to foster an inclusive community of faculty, staff, and students engaged in research, scholarship, artistic activity, teaching and learning, or community engagement.

(d) The University strives to: (1) develop curricula and educational materials; (2) design buildings and other physical spaces; and (3) select products and services that can be used by students, faculty, staff, and guests with different backgrounds, learning styles, abilities, and disabilities consistent with the concepts of universal design.

SECTION II. IMPLEMENTATION.

The University shall:

(a) provide equitable access to and opportunity in its programs, facilities, employment, and educational programs to people with documented disabilities;

(b) provide reasonable accommodations to persons with documented disabilities in accordance with applicable state and federal law; and

(c) promote and practice adopting accessible media, technology, instructional methods, building design for new and renovated facilities, and procurement practices that are inclusive to students, faculty, staff, and guests with disabilities.

c) Adoption of proposed amendments to Board of Regents Policy: *Employee Recruitment and Retention*, as follows:

Employee Recruitment and Retention

SECTION I. SCOPE.

This policy describes the commitment of the University of Minnesota (University) to attracting and retaining employees who are talented, innovative, and dedicated to excellence.

SECTION II. GUIDING PRINCIPLES.

The following principles shall guide the University's recruitment and retention of employees:

(a) The University commits to equal employment opportunity for all persons without regard to race, color, creed, religion, national origin, gender, age, marital status, disability, public assistance status, veteran status, sexual orientation, gender identity, or gender expression.

(b) The University seeks to recruit, hire, and retain a diverse workforce with employees whose knowledge, skills, abilities, and service orientation support the University's standards of excellence.

(c) The University strives to offer employees a compensation package that is competitive with peer institutions and other relevant labor markets.

(d) The University, in developing workplace policies, services, and programs, seeks to understand and take into account the factors that affect job satisfaction and productivity.

(e) The University fosters a positive workplace that is welcoming, inclusive, and respectful.

SECTION III. RECRUITMENT STRATEGIES.

Subd. 1. Identification of Talent. The University shall seek talented and diverse applicants through international, national, regional, local, University, or unit-wide marketing as appropriate to the position. The University shall follow a broad and flexible set of recruitment strategies as determined by (a) the nature of the position, (b) the unit in

which the position resides, (c) the job market, and (d) any applicable policy directives.

Subd. 2. Compliance. The University's recruitment and hiring practices shall comply with state and federal employment law and be consistent with applicable University administrative policies, rules, and collective bargaining agreements.

SECTION IV. RETENTION OF EMPLOYEES.

The University shall demonstrate its commitment to fostering and retaining its talented workforce by:

(a) Providing role-appropriate employee introduction and job-specific training for all new employees;

(b) Providing effective preparation and support to incoming leaders;

(c) Offering competitive compensation and benefits packages;

(d) Providing the resources, physical infrastructure, and development, education, and training opportunities to help ensure success;

(e) Providing a learning environment where employees are encouraged to grow and develop professionally with opportunities for career mobility and advancement;

(f) Affording leaders and managers the ability to retain employees through compensation and other means;

(g) Providing policies within a supportive workplace that help employees effectively integrate and manage their work and personal life responsibilities;

(h) Providing development, training, and coaching opportunities for managers and supervisors to strengthen their human resources management skills;

(i) Encouraging communication between supervisors and their employees;

(j) Identifying, recognizing, and rewarding employees for their work contributing to and supporting the mission of the University;

(k) Assessing job satisfaction, turnover rates, and reasons employees decide to leave University employment; and

(l) Implementing strategies to improve job satisfaction and maintain appropriate turnover rates.

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

Johnson reported that the committee also received a financial aid update for 2010-11; discussed the committee 2010-11 workplan; and discussed a number of information items contained in the docket materials.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

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

- a) Approval of the Consent Report for the Finance & Operations Committee as presented to the committee and described in the July 7, 2010 committee minutes.
- b) Approval of a Resolution Related to Identity Theft Prevention Program, as follows.

WHEREAS, the Federal Trade Commission issued a regulation known as the "Red Flags Rule," 16 C.F.R. Part 681, requiring financial institutions and creditors that hold certain covered accounts to develop and maintain a written identity theft prevention program that detects and responds to red flags for identity theft; and

WHEREAS, the federal regulation requires approval of the initial written program by either the institution's governing board or an appropriate committee of the board; and

WHEREAS, the University of Minnesota maintains certain accounts that are appropriate subjects of an identity theft prevention program; and

WHEREAS, the Board of Regents has determined that the identity theft prevention program accompanying this resolution and entitled, "University of Minnesota Identity Theft Prevention Program," is in the best interest of the University of Minnesota and its students, employees, and other community members.

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents of the University of Minnesota:

1. Approves the "University of Minnesota Identity Theft Prevention Program", and
2. Directs that the President or delegate exercise responsibility for overseeing, communicating, administering, and maintaining the identity theft prevention program; for training staff as necessary to effectively implement the program; and for exercising appropriate and effective oversight of any service provider

arrangements performing any services for the University relative to covered accounts.

- c) Approval of a Resolution Related to Issuance of Debt for State-Supported Biomedical Facilities, as follows.

WHEREAS, on March 10, 2006, the Board of Regents (Board) of Regents of the University of Minnesota (University) approved a resolution which requested that the Minnesota Legislature provide funding to assist in the construction or renovation of capital facilities and related equipment supporting biomedical sciences research (Facilities);

WHEREAS, the 2008 Minnesota State Legislature enacted Sections 137.61 to 137.65 of the Minnesota Statutes (Biomedical Science Research Funding Legislation), which provides that, on the condition that certain required certifications are made by the Board and the Commissioner of Finance, the State will transfer to the University up to 75 percent of the project costs for each of four projects approved by the Board, provided that the principal amount of bonds issued by the University to pay the state's share of the costs must not exceed \$219,000,000 (State Funding);

WHEREAS, Section 137.63, Subd. 2 of the Biomedical Science Research Funding Legislation requires that (i) the University, either acting on its own or in collaboration with another private or public entity, must pay at least 25 per cent of the project costs for each of the projects funded by the Biomedical Science Research Funding Legislation and (ii) the Board must not use tuition revenue to do so;

WHEREAS, Section 137.64, Subd. 1 of the Biomedical Science Research Funding Legislation provides that for each project approved by the Board, (i) the Commissioner of Management and Budget of the State of Minnesota (Commissioner) must certify that the Board has, by Board resolution, approved the maximum project cost and complied with the requirements of Section 137.63, Subd. 2; and (ii) the Board must certify to the Commissioner the amount of the annual payments of principal and interest required to service the bonds issued to fund such project and the actual amount of the State's annual payment to the University under Section 137.64, Subd. 2 of the Biomedical Science Research Funding Legislation; and

WHEREAS, in November, 2008, pursuant to the Biomedical Science Research Funding Legislation, the Board authorized the issuance of Bonds in one or more series in the total principal amount of up to \$292,000,000 (November 2008 Authorization), provided that authorization for each series is subject to the conditions that it has been or will be certified by the Board in compliance with Secs. 137.63, Subd. 2 and 137.64, Subd. 1 of the Biomedical Science Research Funding Legislation;

WHEREAS, in November, 2009, pursuant to the November 2008 Authorization, the Board authorized the issuance of Bonds in one or more series up to an aggregate principal amount of \$53,200,000;

WHEREAS, it is now proposed that the University proceed, pursuant to the November 2008 Authorization, with an additional issuance and sale of Bonds up to an aggregate principal amount of \$100,000,000 (a total of \$153,200,000 to date).

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of the University of Minnesota as follows:

1. As additional Bonds to be issued pursuant to the November 2008 Authorization, the Treasurer is authorized to approve the terms of one or more series of bonds up to a maximum project cost and an aggregate principal amount of \$100,000,000, including but not limited to the principal amount thereof, the maturity date or dates thereof, the interest rate or rates thereon, and the provisions, if any, with respect to the redemption of such Bonds prior to the stated maturity thereof, provided that if the interest rate on any series of Bonds shall be a fixed rate as provided in the Indenture of Trust or Order pursuant to which it is issued, the interest rate on any Bonds of such series may not exceed 8.00% per annum, and in no event shall any Bond mature later than 25 years following its date of issuance. The University, either acting on its own or in collaboration with another private or public entity, shall pay at least 25 per cent of the maximum project cost. The University shall not use tuition revenue to pay such costs.

2. The Treasurer is authorized to negotiate with one or more banks, investment banking firms or financial institutions to be engaged by the University as the underwriter for the Bonds, the terms and conditions upon which the Bonds shall be sold and issued, and to approve the terms of such sale and issuance, including if the Bonds shall be issued as general obligations of the University.

3. In connection with the issuance of any series of Bonds, the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order of the University or any supplement or amendment thereto under which the Bonds are to be issued in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the Bonds in accordance with such Indenture of Trust or Order of the University or any supplement or amendment thereto. The signatures of the Secretary and/or Treasurer on the Bonds may be by facsimile.

4. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and General Counsel.

5. In addition, the Treasurer is further authorized to negotiate with one or more commercial banks, insurers or other credit support providers the terms and conditions of any credit support for any

series of Bonds, and the President and Treasurer are authorized to execute and deliver any agreements of the University with the provider of any such credit support facility. Such agreements shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel.

6. The Treasurer is authorized to approve the Preliminary Official Statement and the final Official Statement or any supplements or amendments thereto to be prepared and distributed by the University to any purchaser or potential purchaser of a series of Bonds, and the President is authorized to execute and deliver the final Official Statement or any supplements or amendments thereto.

7. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate in connection with the issuance and sale of the Bonds. The Treasurer is authorized and directed to take all action that may be necessary or appropriate to inform the Commissioner of the directives stated in the first paragraph of this resolution and thereby enable the Commissioner to make the certification required by Section 137.64, Subd. 1, for this project.

8. As soon as practicable after the Bonds to be issued under this resolution have been sold and the underwriter for such Bonds has reported to the University the necessary information, the Treasurer is authorized and directed to certify to the Commissioner, on behalf of the Board, the amount of the annual payments of principal and interest required to service such Bonds and the actual amount of the State's annual payment to the University under Section 137.64, Subd. 2 with respect to such Bonds.

9. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the Bonds certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the University as to the truth of all statements contained therein.

10. The execution of any document by the appropriate officers of the University herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, final Official Statement, purchase agreement with the initial purchaser or purchasers of any series of Bonds or any other document to be executed by the President or Treasurer in connection with the Bonds may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer.

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

Frobenius reported that the committee also discussed issues related to University tax compliance activities and programs; discussed the 2010-11 committee workplan; and reviewed a number of information items contained in the docket materials.

REPORT OF THE AUDIT COMMITTEE

Regent Hunter, Chair of the committee, reported that the committee discussed the internal audit plan for 2010-11; discussed the committee 2010-11 workplan; and reviewed a number of information items included in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

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

The meeting adjourned at 2:20 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

July 7, 2010

A nonpublic meeting of the Board of Regents of the University of Minnesota was held on Wednesday, July 7, 2010 at 2:23 p.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Robert Bruininks; Senior Vice President and Provost Thomas Sullivan; Vice Presidents Kathryn Brown, Karen Himle, Timothy Mulcahy, and Kathleen O'Brien; General Counsel Mark Rotenberg; and Executive Director Ann Cieslak.

Others present: Bill Donohue, Kenneth Larson, Brian Steeves, and Leslie Krueger.

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

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

NOW, THEREFORE, BE IT RESOLVED, that in accordance with Minn. Stat. § 13D.01, Subd. 3 and 13D.05 Subd. 3(b), a non-public meeting of the Board of Regents be held on Wednesday, July 7, 2010 at approximately 2:15 p.m. in the Boardroom, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters, specifically,

- I. *Regents of the University of Minnesota v. Metropolitan Council* (CCLRT case).

The Board of Regents voted unanimously to approve the resolution.

The public meeting adjourned at 2:25 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary