

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

MINUTES

BOARD OF REGENTS MEETINGS

AND

COMMITTEE MEETINGS

**September 1, 2010
September 8, 2010
September 27, 2010**

Office of the Board of Regents

600 McNamara Alumni Center

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Minutes of the Board of Regents Meetings
and Committee Meetings**

**September 1, 2010
September 8, 2010
September 27, 2010**

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Litigation Review Committee

September 1, 2010

A meeting of the Litigation Review Committee of the Board of Regents was held on Wednesday, September 1, 2010 at 11:05 a.m. in the William R. Peterson Conference Room, 600 McNamara Alumni Center.

Regent present: Patricia Simmons. Anthony Baraga, Clyde Allen, and Venora Hung participate by phone.

Staff present: President Robert Bruininks; General Counsel Mark Rotenberg; and Executive Director Ann Cieslak.

Others present: William Donohue, Keith Dunder, Tracy Smith, and Brian Steeves.

**RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE LITIGATION REVIEW COMMITTEE**

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

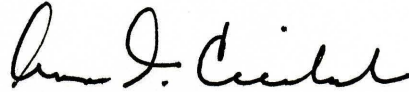
WHEREAS, based on advice of the General Counsel, the Board of Regents Litigation Review Committee has balanced the purposes served by the Open Meeting Law and by the attorney-client privilege, and determined that there is a need for absolute confidentiality to discuss litigation strategy in particular matters 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 Litigation Review Committee be held on Wednesday, September 1, 2010 at 11:00 a.m. in the William R. Peterson Conference Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters including the following:

- I. *Karin Nelson v. Regents of the University of Minnesota et al;*
- II. *Regents of the University of Minnesota v. United State of*
- III. *Regents of the University of Minnesota v. AGA; and*
- IV. *MR Instruments v. Regents of the University of Minnesota*

The committee voted unanimously to approve the resolution. The public portion of the meeting adjourned at 11:07 a.m.

The non-public portion of the meeting adjourned at 12:08 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

September 8, 2010

A meeting of the Facilities Committee of the Board of Regents was held on Wednesday, September 8, 2010 at 9:30 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: Chancellors Charles Casey, Stephen Lehmkuhle, and Lendley Black; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Kathleen O'Brien and Richard Pfitzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Michael Berthelsen and Michael Perkins.

Student Representatives present: Chelsey Doepner and Lauren Snively.

SCHEMATIC PLANS

A. Recreation Center Expansion Project, Twin Cities Campus

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

The schematic plans for the Recreation Center Expansion, 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 introduced Associate Vice President Perkins, Gerald Rinehart, Vice Provost for Student Affairs, and Jim Turman, Assistant Vice Provost and Director of Recreational Sports, to provide background information on the project, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. Rinehart reported that the Recreation Center does not currently provide enough space for student fitness, club sport use, and other recreation programming. He explained that since the facility was built in 1993, there has been a dramatic increase in the percentage of students living on or near campus, which in turn has increased pressure on the Recreation Center.

Turman reported that students who participate in recreational sports on average have higher grade point averages, retention and graduation rates, and sense of affiliation with the University. He added that an increased number of incoming

students point to recreational facilities as a major reason for choosing a particular college or university.

Perkins summarized the building plan and explained that the new part of the recreation center will include a two-court gymnasium, fitness and weights areas, multi-purpose recreation rooms, a climbing wall, and locker rooms. Turman commented that the debt service on the facility construction will be completely funded through the recreational sports student fee, which was approved by the Board of Regents in 2008.

In response to a question from Regent Johnson, Turman explained that the existing Recreation Center, Cooke Hall, University Fieldhouse, and Aquatic Center will all be connected to the new facility and will continue to operate during construction and for the foreseeable future. In response to a question from Regent Baraga, Turman observed that this project will alleviate the major concerns about overcrowding in the current recreation facility, but added that planning work is continuing on recreation field renovations on the Twin Cities East Bank campus and a potential West Bank campus recreation center.

The committee voted unanimously to recommend approval of schematic plans for the Recreation Center Expansion, Twin Cities campus.

CAPITAL BUDGET AMENDMENT

A. Oak Street Parking Ramp Bike Center, 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 FY2011 Capital Budget is amended to increase the budget for the following project:

Oak Street Parking Ramp, Bike Center, Twin Cities campus.

Scope of Project: Renovation of the decommissioned transit waiting area in the Oak Street Ramp into an 1,800 square foot Bike Center housing a bike repair facility, retail space, lockers, and bathroom space that includes showers. Also included will be 2,800 square feet of secured bike storage.

Cost Estimate: \$777,000.

Capital Funding: Minnesota Department of Transportation/
Federal Department of Transportation - \$559,000; Parking and
Transportation Services - \$218,000.

Estimated Completion Date: Winter 2011.

Vice President O'Brien reminded the committee that the amendment had been reviewed in May 2010 and referred back to the administration for further study. She introduced Associate Vice President Perkins and Bob Baker, Director of Parking and Transportation Services, to provide background information on the project, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Perkins explained that the facility will be staffed during normal daytime hours, and members will have 24-hour access through a key card system. He reported that in addition to the construction of the Bike Center, this portion of the Oak Street Ramp will receive updated heating, ventilation, and cooling systems and will receive asbestos abatement. Baker reported that the Twin Cities campus includes the three highest bike counts in the city of Minneapolis. He emphasized that the Bike Center is in alignment with the principles of the Twin Cities Campus Master Plan and will provide students, staff, and visitors a valuable resource when commuting by bicycle.

In response to a question from Regent Johnson, O'Brien explained that the facility will be properly secured when not staffed and that the Oak Street Ramp is monitored as part of the University's overall video security system. In response to a question from Student Representative Doepner, Baker reported that although the Hub Co-op, which will staff and operate the facility, will not initially be charged rent, the terms of the agreement are subject to change in future years.

The committee voted by a majority of 5 to 1 to recommend approval of the capital budget amendment for the Oak Street Parking Ramp Bike Center, Twin Cities campus. Regent Baraga voted no.

FACILITIES CONDITION ASSESSMENT UPDATE

Vice President O'Brien introduced Associate Vice President Berthelsen and Sean Schuller, Assistant Director, Facilities Management, to present the annual Facilities Condition Assessment report. The report is a comprehensive evaluation of the institution's campus facilities and infrastructure portfolio, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Berthelsen explained that the Department of Facilities Management annually utilizes the report to chronicle building conditions, establish priorities for facilities renewal, and measure the University's overall facilities condition against established metrics and peers. He discussed a variety of strategies that result from the report, including space optimization, building demolition, targeted system improvements, energy conservation projects, and complete facility replacement.

Schuller highlighted specific details on the condition of University facilities, including the Facility Condition Needs Index (FCNI), which is derived by comparing the short-term cost of maintaining facilities to the replacement cost. He provided a breakdown of the FCNI ratings for the Twin Cities campus and reported that 25 percent of buildings are categorized as excellent, 7 percent as good, 19 percent as fair, 45 percent as poor, and 4 percent as critical. Schuller also provided statistics on the age of University buildings and observed that approximately 1.2 million gross square feet will shift to the over 25 years old category in the next five years.

Berthelsen provided information on total project spending in comparison to peer institutions and explained that the University would need to devote an additional \$29 million annually to facilities to be at the peer average. In response to a question from Regent Allen, Berthelsen explained that the University is a member of the Association of Higher Education Facilities Officers (APPA), but that the reports generated by the organization are not as useful because the data is not standardized.

ISSUES RELATED TO: CITY OF ROCHESTER DOWNTOWN MASTER PLAN

Vice President O'Brien introduced Chancellor Lehmkuhle to provide information on the City of Rochester Downtown Master Plan (RDMP) and the related impact on the University of Minnesota Rochester (UMR). Lehmkuhle explained that after UMR completed its own master plan in 2009, the City of Rochester decided to create the RDMP to guide growth and capitalize on the opportunities created by UMR and the Mayo Clinic.

Lehmkuhle reported that the RDMP was guided by a desire to create strong connections between downtown businesses, the Mayo Clinic, and UMR; create pedestrian friendly streets and reduce dependency on automobile traffic; and build on historical buildings and landmarks. He explained that the RDMP envisions the following four distinct districts: Medical/Clinical District; Arts/Cultural District; Educational/Research District; and Main-Street/Mixed Use Area.

Lehmkuhle provided visual representation of possible development of the various districts and how the UMR Master Plan fits into the RDMP. He emphasized that the plan is intended to guide development over the long term and that no projects are projected to be developed in the immediate future.

In response to a question from Regent Baraga, Lehmkuhle reported that the City of Rochester has implemented many flood control projects in recent years and is committed to making the Zumbro River a vital part of the downtown environment.

COMMITTEE 2010-11 WORKPLAN

Regent Hunter and Vice President O'Brien reviewed the 2010-11 workplan, as detailed in the docket materials. The committee expressed support for the workplan.

CONSENT REPORT

There was no Consent Report for this month.

INFORMATION ITEMS

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

- Emergency approval of a lease for hotel guest rooms for UMD student housing at the Edgewater Express, Duluth, August 31 through December 23, 2010, Duluth campus; and

- Mayo Garage Renovation – Nuclear Magnetic Resonance Facility Relocation, Minneapolis, Twin Cities campus.

The meeting adjourned at 11:40 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning & Policy Committee

September 8, 2010

A meeting of the Educational Planning & Policy Committee of the Board of Regents was held on Wednesday, September 8, 2010 at 9:30 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 Jacqueline Johnson; Senior Vice President & Provost E. Thomas Sullivan; Senior Vice President Robert Jones; Vice President Steve Cawley; Executive Director Ann Cieslak, and Associate Vice President Sharon Reich Paulsen.

Student Representatives present: Matt Privratsky and Paul Strain.

REPORT ON UNDERGRADUATE AND GRADUATE ACADEMIC PROGRAM CHANGES

Senior Vice President & Provost Sullivan introduced Henning Schroeder, Vice Provost & Dean of Graduate Education, and Joseph Shultz, Assistant to the Provost, to present the Report on Undergraduate and Graduate Academic Program Changes, as detailed in the docket and on file in the Board Office. Schultz suggested that the primary policy question to be considered in reviewing the report is whether the new, changed, and discontinued academic programs move the University closer to achieving its strategic goals.

Shultz described the administrative process through which academic changes are evaluated prior to their consideration by the Board, noting that since the start of strategic positioning in 2004 greater emphasis has been placed on alignment with mission. He provided a summary of the changes over the past year, indicating that attempts are being made to leverage resources where possible to create academic opportunities without adding significant costs.

Schroeder highlighted the new paperless graduate application process by which prospective students apply online and faculty review the applications electronically as well. This process is being used across the University and has been tailored to meet the needs of individual programs.

Schroeder reported on the creation of a Graduate Education Council with representatives from each of the colleges, that will allow programs to adapt more quickly. As an example, he described the new program in Human Factors & Ergonomics, which is delivered by faculty from five different colleges and capitalizes on the University's interdisciplinary breadth.

In response to a question from Regent Beeson, Schroeder explained that interdisciplinary programs can be difficult to develop because they require multiple agreements between colleges covering issues such as tuition flow. The administration is currently establishing an advisory council on this subject and will be consulting with other universities regarding best practices.

In response to a question from Regent Larson, Sullivan stated that Robert McMaster, Vice Provost, is currently studying whether there are degree requirements within certain undergraduate programs that might be limiting the ability of students to graduate within four years.

In response to questions from Regents Beeson and Frobenius, Sullivan reported that there are many parallel efforts happening within the University to align programs with the goal of becoming a top public research university. He cited as examples the University's Science, Technology, Engineering and Mathematics (STEM) initiative and the consolidation of three colleges to form the new College of Design.

**ACADEMIC ISSUES RELATED TO:
UNIVERSITY PLAN, PERFORMANCE & ACCOUNTABILITY REPORT**

Senior Vice President & Provost Sullivan led the discussion of the *University Plan, Performance & Accountability Report* (UPPAR), as detailed in the docket and on file in the Board Office. He stated that the 2010 report has been reoriented around the five University-wide goals presented to Regents in November 2009. Those goals are detailed under the headings Extraordinary Education, Breakthrough Research, Dynamic Outreach and Service, World-Class Faculty and Staff, and Outstanding Organization.

Sullivan outlined the peer comparison group used within UPPAR, which is comprised of 10 public research universities of similar size and scope. He went on to highlight some of the areas where the University has excelled relative to its peers, including freshman applications at the Twin Cities Campus that have more than doubled in the past 10 years; this year's freshman class had an average ACT score of 27, the highest it has ever been; research expenditures that increased more rapidly than the University's peers; and four-year graduation rates have improved.

In response to questions from Regents Beeson and Larson, Sullivan explained that comparison data on outcomes is more readily available than comparison data on inputs such as human resources, facilities, information technology, and regulatory compliance. Approaching other institutions about sharing information and best practices in these areas might be fruitful.

In response to a question from Regent Ramirez, Sullivan noted that the *Washington Monthly* rankings are relatively new and must be evaluated to ensure they accurately measure the University's progress toward its goals.

In response to a question from Student Representative Privratsky, Sullivan acknowledged that graduate level degree completion rates are a concern that is being discussed. This trend is not unique to Minnesota, as the average time needed to complete a Ph.D. is increasing nationally as well.

In response to question from Student Representative Strain, Sullivan agreed that additional strategies such as differential tuition should be considered for undergraduates who take longer than four years to complete their degree.

COMMITTEE 2010-11 WORK PLAN

Regent Simmons and Senior Vice President & Provost Sullivan led a discussion of the committee's work plan for 2010-11. Simmons described the work plan as a strategic framework for the committee's efforts over the next year. She also emphasized the need for flexibility so that additional topics can be incorporated as needed. The committee expressed support for the work plan.

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 Design (Twin Cities Campus) – Create minor in Fashion Studies
 - College of Continuing Education (Twin Cities Campus) – Create undergraduate certificate in Accounting
- **Changed Academic Programs**
 - College of Design (Twin Cities Campus) – Create Sustainability subplan within B.S. degree in Housing Studies
 - College of Continuing Education (Twin Cities Campus) – Move granting status for Teaching English as a Second Language certificate to College of Liberal Arts
 - College of Liberal Arts (Duluth Campus) – Discontinue Social Science and Humanities and Ojibwe Language subplans within B.A. degree and minor in American Indian Studies
 - Crookston Campus – Change name of B.S. degree in Hotel, Restaurant, and Institutional Management to Hotel, Restaurant, and Tourism Management
- **Discontinued Academic Programs**
 - School of Fine Arts (Duluth Campus) – Discontinue minor in Architecture and Design Studies

INFORMATION ITEMS

Senior Vice President & Provost Sullivan referred the committee to the information items contained in the docket materials, which included:

- Enrollment data for Fall 2009 will be finalized and distributed at the October meeting.
- Two work groups related to graduate education were announced and received their charges on September 17, 2009.

- A summary of the 1Health Program being undertaken by the Center for Interprofessional Education within the Academic Health Center.

The meeting adjourned at 11:25 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Work Session

September 8, 2010

A work session of the Board of Regents was held on Wednesday, September 8, 2010 at 1:30 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; Vice President Karen Himle; and Executive Director Ann Cieslak.

Regent Allen introduced Vice President Himle, to present information on a 2009 state public opinion survey about perceptions of the University, as detailed in the docket and materials distributed at the meeting and on file in the Board Office. Himle emphasized that while the mission of the University is much the same as it was in 1851 when the institution was founded, communicating that mission is critical in an era of dwindling public resources and cutbacks in government funding. She observed the public must understand and trust the University in order to support the funding of the University.

Himle introduced Stacey Kanihan of Padilla, Spear, Beardsley to provide specific information on the survey. Kanihan explained that the objectives of the survey were to measure attitudes and opinions regarding the University among the general public and opinion leaders in Minnesota, examine the relationships between the University and stakeholder groups, and compare the 2009 findings with previous years. Kanihan noted that the opinion leader list came from targeted lists of voters, college graduates, those with incomes of \$40,000 and greater, and those who read local and state news. She highlighted the following:

- Nearly two-thirds of the general public and three-quarters of opinion leaders hold the University in high esteem.
- The top reasons for positive responses to the University are educational excellence and top-notch research.
- The majority of respondents believe the University should not receive less funding from the state than it currently receives.
- The “Driven to Discover” campaign increased positive perception of the University during the timeframe of the campaign.
- Negative perceptions of the University were primarily related to the cost of tuition and the management of the University’s financial resources.

Kanihan reported on areas where public confidence had decreased in recent years. In particular, she observed that 46 percent of the public described the University as a good manager of financial resources in 2005 and only 42 percent in 2009. In

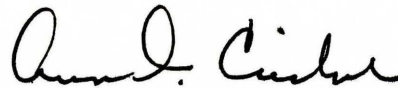
addition, 55 percent of the public rated the University a good value for the tuition cost in 2005 and 51 percent in 2009.

Regarding connections to the University, 64 percent of the general public feels somewhat or strongly *not* connected, while only 40 percent of opinion leaders expressed this viewpoint. Kanihan noted that 28 percent of respondents cite attendance at a sporting event and 23 cite holding a University degree as their main points of connection. She reported that many respondents pointed to increased communication as a way to enhance connection between the public and the University.

In response to a question from Regent Hunter, Himle agreed that a question regarding how the respondents would prioritize public funding for the University would be a good addition. In response to a question from Regent Ramirez, Kanihan explained that respondents were not prompted to think about any particular campus of the University and that the results are viewed as an analysis of the University system.

In response to a question from Regent Larson, Himle explained that the University involvement in such groups as the Itasca Project has dramatically increased cooperation with the Minnesota business community. President Bruininks added that University offices such as the Extension Service and the Office of Business Relations have also contributed to this effort.

The work session adjourned at 2:30 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

September 8, 2010

A meeting of the Board of Regents of the University of Minnesota was held on Wednesday, September 8, 2010 at 2:27 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 Lendley Black, Charles Casey, Jacqueline Johnson, and Stephen Lehmkuhle; Senior Vice President and Provost Thomas Sullivan; Vice Presidents Kathryn Brown, Steve Cawley, Karen Himle, Kathleen O'Brien, and Richard Pfitzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice Presidents Sharon Reich Paulsen, Donna Peterson, and Michael Volna.

INTRODUCTION

Chancellor, University of Minnesota Duluth

President Bruininks introduced Chancellor Lendley C. Black, new Chancellor of the University of Minnesota Duluth. Chancellor Black assumed his duties on August 1, 2010.

RECOGNITIONS

Regents Professors

Recognition was given to newly-appointed Regents Professors William G. Iacono, Psychiatry; Professor Horace H. Loh, Pharmacology; and Professor Karen Seashore Louis, Organizational Leadership, Policy and Development. Regents Professorships are the highest honor that the University of Minnesota bestows on its faculty. The individual holds the title as long as the individual retains a full-time, tenured appointment as a faculty member of the University.

Board Staff

Recognition was given to Diane Kittelson, Board of Regents staff, upon her retirement from the Board of Regents Office on September 30, 2010.

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 – July 7, 2010
Board of Regents – July 7, 2010
Audit Committee – July 7, 2010
Finance & Operations Committee – July 7, 2010
Faculty, Staff & Student Affairs Committee – July 7, 2010
Facilities Committee – July 7, 2010
Educational Planning & Policy Committee – July 7, 2010

REPORT OF THE PRESIDENT

President Bruininks reported on the opening of the Science Teaching and Student Services building on the east end of the Washington Avenue Bridge. The new facility, which connects the campus to the river, will serve as the center for student services and offer technology-rich classrooms.

Bruininks invited the University community to attend the upcoming Great Conversation he will host on Thursday, September 30, entitled “Renewing the Promise: Shaping the Next Century for the Great American University.” He and his guests will discuss what is necessary to sustain the quality of higher education in the United States.

President Bruininks reported on the successful conclusion of challenging negotiations to protect the University’s research and academic mission while building the Central Corridor Light Rail Transit line, pending Board of Regents approval today.

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

REPORT OF THE CHAIR

Chair Allen invited Regent Cohen to report on her meeting in July 2010 with Dr. Susan Hagstrum, spouse of President Bruininks. Cohen highlighted the activities of Dr. Hagstrum in support of the University of Minnesota, and offered her gratitude on behalf of the Board of Regents, for Dr. Hagstrum’s valued contributions to the University community.

Chair Allen announced the appointment of a committee to support and facilitate the transition of presidential leadership. The committee is comprised of Vice President Brown and Executive Director Cieslak, co-chairs, Vice Presidents Himle and Pfutzenreuter, chair of the Twin Cities Deans, Brian Atwood, Faculty Consultative Committee representative Professor Michael Oakes, and University of Minnesota Foundation CEO Steve Goldstein.

Chair Allen announced that Regents Beeson and Frobenius would visit the Morris campus on September 24, 2010 as part of that campus’s 2010 Founders

Weekend events. He noted that again this year, and in light of budget concerns, the Board of Regents would not travel to a coordinate campus for Board meetings. Chair Allen also reported that President Bruininks and a University delegation including Regents Simmons and Bohnsack would travel to Morocco in Northern Africa later this month. The purpose of the trip is to explore linkages in research and programs, building on an already strong relationship with the country.

Chair Allen reported that the next Board of Regents meetings would be held October 7-8, 2010 on the Twin Cities campus.

RECEIVE AND FILE REPORTS

Chair Allen noted the receipt and filing of the Quarterly Report of Grant and Contract Activity.

CONSENT REPORT

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

- Summary of Gifts through July 31, 2010;
- Summary of Expenditures; and
- Finance & Operations Consent Report, including:
 - Approval of the General Contingency Fund

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

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

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor Kathryn VandenBosch, chair of the Faculty Consultative Committee (FCC), reported on the activities of the committee since its last report to the Board of Regents. Issues the FCC is working on include: the revisions of the administrative Conflict of Interest policy; reorganization of the administration of graduate education; faculty ideas for enhancing internal communication on policy issues; and space utilization and the prospect of a summer semester.

A copy of the Report of the Faculty Consultative Committee is on file in the Board Office.

STRATEGIC POSITIONING UPDATE

UNIVERSITY PLAN, PERFORMANCE & ACCOUNTABILITY REPORT

President Bruininks indicated that the strategic positioning update and the *University Plan, Performance & Accountability Report* presentation would be combined in the interest of time and to illustrate the importance of strengthening the alignment between the measurement metrics system of the University, its aspirational goals, and strategy for the long-term future (materials in the docket and on file in the Board Office). He indicated that the presentation would focus on broad areas of emphasis under three major academic strategies: mission responsibilities; academic priorities; and academic support systems. He introduced Senior Vice President and Provost Sullivan to discuss several areas of focus.

Sullivan highlighted several measures of progress related to graduate and undergraduate programs, noting that applications to the University have increased significantly, and this year's incoming class has the strongest academic profile ever admitted. He described several programs and areas that have been restructured or consolidated in order to improve academic quality and reduce costs.

Regarding the University's research portfolio, Sullivan reported that research awards to the University for 2010 have exceeded \$823 million, which is a substantial increase from the previous reporting period. One-time federal stimulus funds are included in the total, but without those additional funds the total increase would still be greater than 10 percent.

Sullivan stated that increasing financial aid and ensuring affordability for students continues to be a top priority for the institution. The *Promise of Tomorrow* Scholarship Drive has raised over \$300 million in student support, and University support for financial aid, grants, and other assistance for students totals \$115 million annually.

Bruininks discussed several areas of the core infrastructure of the University, noting progress in the areas of human resources, facilities, and technology support, which have resulted in increased productivity, cost reductions, and better resource management.

The *University Plan, Performance & Accountability Report* will return for action at the October 2010 Board of Regents meeting.

REPORT OF THE AUDIT COMMITTEE

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

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 September 8, 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 received a report on undergraduate and graduate academic program changes; discussed academic issues related to the *University Plan, Performance & Accountability Report* and the committee 2010-11 workplan; and reviewed 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 schematic plans for the following project as presented to the committee and described in the September 8, 2010 committee minutes.
 - 1) Recreational Center Expansion Project, Twin Cities campus.

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

Hunter reported that the committee recommended approval by a vote of 5-1 of an amendment to the FY2010 capital budget by:

- 1) \$777,000 to fund design and construction of the Oak Street Ramp – Bike Center. Twin Cities campus.

The Board of Regents voted 11-1 to approve the recommendation of the Facilities Committee. Regent Baraga voted against the motion.

Hunter reported that the committee also received a facilities condition assessment update; discussed issues related to the City of Rochester Downtown Master Plan; discussed the committee 2010-11 workplan; and reviewed a number of information items contained in the docket materials.

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

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

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

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

REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent Baraga, Chair of the committee, reported that the committee met in closed session on September 1, 2010.

Due to the potential for a conflict of interest, Regent Beeson rescused himself for the remaining agenda items and left the meeting.

RESOLUTION TO CONDUCT NON-PUBLIC MEETING OF THE BOARD OF REGENTS TO DISCUSS ATTORNEY-CLIENT PRIVILEGED MATTERS

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

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 portion of the Board of Regents meeting on Wednesday, September 8, 2010, shall be conducted as a non-public meeting in the Boardroom, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters related to:

Regents of the University of Minnesota v. Metropolitan Council

The public meeting was recessed at 3:55 p.m.

The closed meeting was not tape recorded and no actions were taken. The closed meeting was adjourned at 4:25 p.m.

The public meeting was reconvened at 4:25 p.m.

RESOLUTION ON AN AGREEMENT BETWEEN THE UNIVERSITY OF MINNESOTA AND THE METROPOLITAN COUNCIL, HENNEPIN COUNTY, AND THE CITY OF MINNEAPOLIS RELATED TO CENTRAL CORRIDOR LIGHT RAIL TRANSIT (CCLRT) (PUBLIC SESSION)

A motion was made and seconded to approve the revised Resolution Agreement Between the University of Minnesota and the Metropolitan Council, Hennepin County,

and the City of Minneapolis Related to the Central Corridor Light Rail Transit, as follows:

WHEREAS, the University wishes to demonstrate its commitment to enhanced public transit and an effective Central Corridor Light Rail Transit (“CCLRT”) Project; and

WHEREAS, the University recognizes the value of the CCLRT Project to the metropolitan area and the University community; and

WHEREAS, the University has a paramount fiduciary obligation to protect its research mission and the environment of the Twin Cities campus; and

WHEREAS, on June 13, 2008 the Board of Regents voted to pursue the Washington Avenue at-grade with a transit/pedestrian mall alternative for the CCLRT line through the University campus, contingent upon the execution of all necessary agreements needed to achieve the University’s objectives; and

WHEREAS, on July 8, 2008 the Board of Regents approved a Memorandum of Agreement (MOU) with the Metropolitan Council, the City of Minneapolis, the Hennepin County Regional Railroad Authority, and Hennepin County, that defined specific CCLRT Project mitigation measures and funding commitments, betterments advocacy and funding, and environmental and historic preservation issues; and

WHEREAS, on September 23, 2009 the University brought suit against the Metropolitan Council to protect the Twin Cities-Minneapolis campus from the adverse effects of the CCLRT Project; and

WHEREAS, the University and the Metropolitan Council have engaged for many months in negotiations over an agreement to mitigate the adverse effects of the CCLRT Project construction and operations on the University and its research facilities and activities; and

WHEREAS, on April 21, 2010 the University entered into an interim agreement granting the Metropolitan Council a Temporary Easement for Construction of Advanced Traffic Improvements related to the CCLRT Project, to be effective from April 21, 2010 to November 15, 2010, while continuing negotiations with the Metropolitan Council on a complete agreement; and

WHEREAS, the Board of Regents has determined that the Agreement for the Central Corridor Light Rail Transit Project through the University of Minnesota, Twin Cities-Minneapolis Campus (“Agreement”) and accompanying Exhibits meet all of the University’s guiding principles and objectives related to the construction and operation of the CCLRT line through the University campus;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents authorizes the President or delegate to execute the Agreement referenced above; and

BE IT FURTHER RESOLVED, that simultaneously upon execution of the Agreement the Board of Regents authorizes the President or delegate to execute the Temporary Construction Easement and Easement Agreement (Permanent Agreement) upon University land attached as Exhibits D and F, respectively, to the Agreement; and

BE IT FURTHER RESOLVED, that the Board of Regents authorizes the General Counsel or his delegate to enter into an appropriate stipulation seeking dismissal of the lawsuit captioned *Regents of the University of Minnesota v. Metropolitan Council*, pursuant to Section 11.14 of the Agreement.

Chair Allen introduced Vice President O'Brien and General Counsel Rotenberg to lead the discussion. He reported that Regent Johnson joined the meeting by phone.

Rotenberg reported that the negotiating team for the University reached a tentative agreement, subject to Board of Regents approval, that will resolve the litigation brought by the University of Minnesota against the Metropolitan Council to protect the University's interest related to the CCLRT project. He referred Boardmembers to the terms in the agreement outlined in the docket and associated materials on file in the Board Office, which achieve the University's objectives. The resolution presented for approval today would: 1) approve the negotiated agreement; 2) authorize the administration to enter into two easements (a temporary construction easement and a permanent easement), which provide the Metropolitan Council with the opportunity to construct the line on University property and to then operate the line; and 3) authorizes the Office of the General Counsel to dismiss with prejudice the lawsuit that was brought in September 2009 by the University against the Metropolitan Council.

O'Brien recalled that the Board's guiding principles and objectives were the basis of the negotiations for the CCLRT to operate on Washington Avenue. The challenge was how to achieve an agreement that met the University's needs but was durable and enforceable. She outlined the objectives achieved through specific elements of the agreement:

- To optimize the transportation system in the metropolitan area and improve the accessibility of the University campus;
- To protect the University's research enterprise;
- To ensure a durable agreement with mitigations and performance standards for the construction and the long-term operation of the CCLRT that provides a predictable research environment within which researchers can conduct their work, allowing the University to fulfill its research mission;
- To enhance campus functionality, safety, and aesthetics;
- To strengthen the University community and neighborhoods; and
- To provide for enforceable obligations.

O'Brien reported that the agreement defines mitigation and science-based performance standards that will serve to protect the University's research corridor presently and into the future. She described other standards that address noise, dust,

and vibration during construction of the CCLRT and protocol testing before the train begins revenue service. She noted that the agreement also includes a process for timely dispute resolution should potential conflicts arise. O'Brien stated that the University continues to finalize the research corridor mitigation plan and to identify specific solutions that may be needed. She added that, to date, some laboratories have been identified as not requiring additional mitigation while a few may need site-based mitigation to shield against electro-magnetic interference or vibration.

Rotenberg noted that one of the essential challenges faced by this institution in the proposed agreement is its durability and long-term character. He indicated that the agreement needs to ensure performance by the Metropolitan Council over decades, making it an unusual agreement, and one that required crafting solutions to ensure compliance.

O'Brien described financial protections the agreement includes to protect the University. She indicated that the Metropolitan Council's responsibilities are clearly defined, and includes expenses related to laboratory relocation. She also presented the project timeline, which calls for trains to begin revenue service the summer of 2014.

In response to a question from Regent Cohen, O'Brien indicated that research equipment purchased in the future might require additional types of mitigation standards. She added that research equipment is becoming more sophisticated and more protected during the manufacturing process and that many other research universities have the same issue to address.

The Board of Regents voted unanimously to approve the resolution.

The meeting adjourned at 4:57 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

September 27, 2010

A special meeting of the Board of Regents of the University of Minnesota was held on Monday, September 27, 2010 at 2:27 p.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Robert Bruininks; Senior Vice President Frank Cerra; Vice Presidents Kathryn Brown, Steve Cawley, Timothy Mulcahy, Kathleen O'Brien, and Richard Pfitzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice Presidents Sharon Reich Paulsen and Donna Peterson.

Regent Cohen called the meeting to order noting that Chair Allen requested she chair the meeting since she could be present physically. She asked the secretary to call the roll.

RESOLUTION RELATED TO ISSUANCE OF DEBT

A motion was made and seconded to approve the following Resolution Related to Issuance of Debt:

WHEREAS, the University is party to an Academic Affiliation Agreement with Fairview Health Services, a Minnesota nonprofit corporation (Fairview), pursuant to which the academic mission of the University and its Academic Health Center (AHC) is supported through collaboration in the provision of healthcare services to citizens of the State of Minnesota and others;

WHEREAS, University of Minnesota Physicians, the designated practice organization of the faculty of the University of Minnesota Medical School Twin Cities (UMP), is party to an affiliation agreement and various other agreements with Fairview pursuant to which the practice of medicine is conducted at Fairview facilities in a manner supportive of the academic mission of the AHC;

WHEREAS, in order to enhance the provision of greater access to health care within the State; ensure continued financial viability of the State's sole medical and dental school; and further the core mission of the AHC by enhancing research and educational opportunities for faculty, students, and residents; eliminating duplicative technology,

equipment, and supplies; and better accommodating patients, it has been proposed that a new academic ambulatory care center (AACC) be constructed on the University campus that would enable direct and convenient patient access by physically consolidating outdated outpatient clinics currently existing in multiple locations, and also provide space for the conduct of related research, administrative, and teaching activities;

WHEREAS, the Infrastructure to Expand Access to Care (IEAC) Program, authorized by the Patient Protection and Affordable Care Act of 2010 (PPACA), provides funding for debt service on, or direct construction or renovation of, a health care facility that provides research, inpatient tertiary care, or outpatient clinical services through a competitive funding opportunity in the form of a grant of up to approximately \$100 million (Grant Funding) available to institutions of higher education with an academic health center and the State's sole public academic medical and dental school, provided that such Grant Funding may total no more than 40 percent of the total eligible cost of the project;

WHEREAS, the University is an institution of higher education with an academic health center and is the sole public academic medical and dental school of the State of Minnesota, and is therefore eligible to participate in such competitive funding opportunity to obtain the Grant Funding;

WHEREAS, it has been proposed that to provide a dedicated funding mechanism for the AACC, the University proceed with a plan of financing which involves, among other things, the issuance and sale of special purpose revenue bonds (such indebtedness, whether issued in the form of bonds, notes or such other form of indebtedness as may be designated by the University, the Bonds), the proceeds of which will be used to provide all funds necessary, in addition to the Grant Funding, to complete the construction and equipment of the AACC and finance the costs of issuance of the Bonds;

WHEREAS, the Bonds will be issued pursuant to an Indenture of Trust between the University and a bank or trust company acting as trustee or pursuant to an Order of the University;

WHEREAS, the Indenture of Trust or Order pursuant to which Bonds will be issued will contain the terms of such Bonds and agreements and covenants of the University with respect to the payment of the principal of, premium, if any, and interest on such bonds;

WHEREAS, the principal amount of the Bonds authorized will be the amount of the Bonds outstanding at any time, and not an aggregate principal amount;

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

1. To provide a dedicated funding mechanism to finance the construction of the AACC, the acquisition and installation of equipment for the AACC, and costs of issuance of the Bonds, the Board hereby authorizes the sale and issuance of Bonds in one or more series in the principal amount of up to \$150,000,000. The Bonds shall be issued in one or more series and shall mature not later than the date that is 30 years after the date of issuance of each series. The Bonds shall be special purpose debt of the University. Interest on the Bonds may or may not be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended.

2. The Treasurer is authorized to negotiate with one or more banks, investment banking firms, or other 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. The Treasurer is further authorized to negotiate with one or more commercial banks the terms and condition of any credit support or liquidity facility for any series of Bonds and approve the terms of such credit support or liquidity 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.

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 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 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 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. 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 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.

6. 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.

7. 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.

8. The execution of any document by the appropriate University officers 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 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.

Regent Cohen introduced Senior Vice President Cerra, Vice President Pfutzenreuter, Mark Eustis, CEO, Fairview Health Services (FHS), and Bobbi Daniels, CEO of University of Minnesota Physicians (UMP), to lead the discussion of the proposed resolution authorizing issuance of up to \$150 million in special purpose debt for construction of a new Academic Ambulatory Care Center (AACC) as included in the docket and associated materials distributed at the meeting and on file in the Board Office.

Pfutzenreuter reported that the institution has an opportunity to apply for a grant administered by the federal Health Resources and Service Administration that is available to an institution of higher education with an academic health center and the state's sole public academic medical and dental school. He noted that there is strong cooperation between FHS, UMP, and the University to create and submit the grant application.

Daniels stated that many UMP clinics are at capacity with no room for expansion. This creates inefficient workflow and an access challenge for adult patients due to the location of services and design.

Pfutzenreuter described the proposed financing structure. He indicated that the \$96.2 million federal grant would reduce the credit impact of a new building and would limit the need for University special purpose bonds of \$143.8 million. He noted that the University would construct and own the facility, while UMP and FHS would be responsible for lease costs associated with various activities and services.

In response to a question from Regent Bohnsack, Pfutzenreuter indicated that the University acquired this site years ago in anticipation of future University expansion. O'Brien added that this site was incorporated into the Twin Cities Campus Master Plan during its last update.

In response to questions from Regent Frobenius, Pfutzenreuter indicated that the project was previously postponed due to a lack of a viable funding strategy. Cerra added that the grant, if obtained, would not result in a surplus of funds to support the

medical school; rather, the project would allow UMP with FHS to expand the clinical enterprise, which would contribute to the University's academic mission. He noted that the University is in the process of working with FHS to develop a new fund flow agreement.

In response to questions from Regents Allen and Larson, Daniels indicated that should the AACC reach capacity in the future, UMP would continue to explore locations to relocate practices and services that do not need to be on the Twin Cities campus. She added that health care service delivery is an evolving field and cautioned about assuming growth and capacity use as this change develops.

Regent Simmons commented that she would support the resolution, and commented that the University is well prepared to compete for this grant.

President Bruininks stressed the unique opportunities this grant offers: to enhance existing ambulatory care services, resolve some existing space issues and allow for repurposing of space, and enhance research and teaching activities.

Vice Chair Cohen called for a roll call vote. The votes were cast as follows:

Regent Allen	Yes
Regent Baraga	Yes
Regent Beeson	Yes
Regent Bohnsack	Yes
Regent Cohen	Yes
Regent Frobenius	Yes
Regent Hung	Yes
Regent Johnson	Yes
Regent Larson	Yes
Regent Ramirez	Yes
Regent Simmons	Yes

The Board of Regents voted unanimously to approve the resolution.

The meeting adjourned at 11:14 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary