

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents Work Session:
Raising the National Profile of the University's Academic Health Sciences**

March 30, 2016

A work session of the Board of Regents of the University of Minnesota was held on Wednesday, March 30, 2016 at 9:45 a.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Lendley Black and Fred Wood; Senior Vice President for Academic Affairs and Provost Karen Hanson; Vice Presidents Brian Herman and Pamela Wheelock; Executive Director Brian Steeves; and Associate Vice Presidents Michael Berthelsen, Gail Klatt, and Michael Volna.

Student Representatives present: Callie Livengood.

Chair Johnson introduced the Academic Health Center (AHC) deans to provide context for a discussion about raising the national profile of the University's Academic Health Sciences: Brooks Jackson, Medical School and Vice President for Academic Health Sciences; Trevor Ames, College of Veterinary Medicine; Leon Assael, School of Dentistry; Connie Delaney, School of Nursing; John Finnegan, School of Public Health; and Marilyn Speedie, College of Pharmacy.

Delaney provided an overview of the School of Nursing, describing its vision, mission, enrollment opportunities, and challenges.

Regent Simmons asked how participation in the AHC benefits the School and how inclusion in the system advances its work. Delaney commented on the synergies and collaborative processes across all units in the AHC. She added that the University's system is unique, since it is one of only three in the country that includes a veterinary medicine program. Delaney summarized that the variety of academic opportunities and programs, as well as strong clinical programs, are some of the strongest benefits.

Regent Beeson asked about opportunities related to an integrated M Health system. Delaney noted additional opportunities for clinical placement for students as well as other possibilities for faculty hires across systems. Speedie agreed that clinical placement is one of the top advantages, as well as innovation in care delivery. She explained that the merger would allow for more dual-appointment hires across systems, noting only two faculty members hold dual appointments in M Health and Fairview currently. She concluded that the merger would facilitate clinical delivery, academic collaborations, and innovation.

In response to a question from Regent Brod, Delaney explained that the school is not enrolling more students because it does not have the capacity.

Speedie provided an overview of the College of Pharmacy, describing its programs, national rankings, research strengths, and challenges. She commented that the AHC provides opportunities for collaboration among students and faculty across center units. She detailed additional benefits, such as innovations in research and health care delivery, collaboration on grants and funding, and broader educational opportunities for students.

Regent Devine asked about the college's facilities and what funding is needed for upgrades. Speedie commented that space has always been a challenge, especially as the college grows. She noted that the college is taking advantage of space in the bio-medical district, but that the distance from the college's other facilities can be challenging. Speedie expressed appreciation for additional renovated classroom space with advanced, active learning technologies, and explained that availability of classroom technology helps drive the curriculum. She added her hope that similar spaces will be included in future projects. Speedie reported that Weaver Densford Hall is in dire need of updates, but she realizes other buildings and facilities have greater need.

In response to a question from Regent Simmons about the distribution of research funding, Speedie reported that approximately 60-70 percent of research funding for the college comes from the National Institutes for Health (NIH) or other federal funding. She explained that pharmaceutical and drug formulation companies and the pharmacology industry yield a high level of industry funding. She noted that the NIH has prioritized additional programs such as drug development, which has helped with obtaining NIH funds.

In response to a question from Regent McMillan about supply and demand in the field of pharmacology, Speedie explained that the college is a workforce center for the country. She noted a nationwide decrease in certain jobs due to technology and innovation, but an increase in patient care jobs. She reported strong demand in Minnesota for pharmacology jobs, adding that most graduates have good job placement. Speedie commented that prior to the creation of a medical school on the Duluth campus, the state had an imbalance, with a high demand for jobs and not enough qualified candidates. The school's opening, and the resulting graduates, corrected that imbalance. She noted that demand is again increasing, but cautioned against another expansion of the school at this time.

Regent Brod asked whether a school of pharmacy has been considered at the Rochester campus. Speedie responded that a location in Rochester was considered at the time of the Duluth expansion, but that Mayo was not interested in adding another doctoral program. Noting that additional expansion is not out of the question, she cautioned that running programs at three campuses would be a challenge.

Regent Brod asked about the discovery team idea and innovation fund concept, and how they might be blended in future fundraising campaigns. Speedie responded that drug discovery is one of the top campaign priorities.

In response to a question from Regent Anderson about undergraduate preparatory programs, Speedie noted that the school does accept three-year pre-pharmacy degrees but that students with a four-year degree are better prepared.

Assael provided an overview of the School of Dentistry, discussing the school's mission, ranking among other institutions, state-wide patient care sites, and research strengths.

In response to questions from Regent Cohen, Assael reported that the school has not experienced a high level of enrollment growth. He stated his belief that dentistry should be considered a part of the overall health care system, noting that oral health has long been separated from general medical health. Assael suggested that the quality of care and services offered by the dental school would greatly improve by being included in the M Health system. He additionally noted a financial burden from not being a part of M Health.

In response to a question about facilities from Regent Hsu, Assael noted that the facilities in Moos Tower are some of the worst on campus. He reported several unexpected expenses this year due to poor plumbing and flooding in the building. He explained the difficulty of renovating a building built in the mid-1970s to current standards.

Ames provided an overview of the College of Veterinary Medicine, highlighting the strength of its programs, recruitment processes, training opportunities, and challenges.

In response to a question from Regent Rosha about caseload and class size, Ames acknowledged that those factors can be a stressor for clinicians but do not necessarily affect the students. He added that the class sizes allow for additional revenue, since other schools send their students to the University for their clinical practicum.

In response to questions from Regent Devine, Ames responded that that new facilities currently being built will provide many additional opportunities for animal research. He noted that improved research will help the school become more competitive in faculty recruitment and retention. Ames commented that the isolation lab in Willmar is a satellite lab for diagnosing avian and other poultry diseases, and will help the state manage potential future outbreaks. He thanked Vice President Wheelock for the speed at which the facility is being constructed.

Finnegan provided an overview of the School of Public Health, noting the trans-disciplinary nature of the school, collaborations across the AHC and across the university, grand challenges, and connections with national agencies.

In response to a question from Regent Devine, Finnegan responded that the school has increased non-resident tuition rates while providing significant discounts to those students. He reported that non-resident students appear to be attracted to a strong discount model. He clarified that the school does not have an undergraduate program so he could not comment broadly on the model's success.

In response to a question from Regent Hsu about student debt, Finnegan responded that the statistic is calculated by the school itself. He clarified that the school uses government loans as the measure for student debt and that it does not capture private loans. He added that many students come into the school with debt from their undergraduate work.

The meeting adjourned at 11:15 a.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents Meeting
March 30, 2016**

A meeting of the Board of Regents of the University of Minnesota was held on Wednesday, March 30, 2016 at 4:15 p.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Vice President Kathy Brown; General Counsel William Donohue; Executive Director Brian Steeves.

Others present: Sarah Dirksen

At 4:15 p.m. a motion was made and seconded and the Board voted unanimously to adopt 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 determined that there is a need for absolute confidentiality to discuss particular matters involving the University of Minnesota;

NOW, THEREFORE, BE IT RESOLVED, that in accordance with Minn. Stat. § 13D.03, a non-public meeting of the Board of Regents be held Thursday March 30, 2016 at 4:15 p.m. in the West Committee Room, 600 McNamara Alumni Center for the purpose of discussing matters related to labor negotiations strategy.

The meeting adjourned at 5:04 p.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents Meeting
March 31, 2016**

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, March 31, 2016 at 8:45 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Lendley Black, Jacqueline Johnson, Stephen Lehmkuhle, and Fred Wood; Senior Vice President and Provost Karen Hanson; Vice Presidents Kathy Brown, Brian Herman, Richard Pfitzenreuter, and Pamela Wheelock; Interim Vice President Bernard Gulachek; General Counsel William Donohue; Executive Director Brian Steeves; and Associate Vice Presidents Michael Berthelsen and Michael Volna.

RECOGNITION OF MCKNIGHT LAND GRANT PROFESSORS

Recognition was given to the 2016 recipients of the McKnight Land-Grant Professorship:

Xiang Cheng, Chemical Engineering and Materials Science, UMTC
Meggan Craft, Veterinary Population Medicine, UMTC
Jed T. Elison, Institute of Child Development, UMTC
Emma Goldberg, Ecology, Evolution, and Behavior, UMTC
Jiarong Hong, Mechanical Engineering, UMTC
Neha Jain, Law School, UMTC
Barry Kudrowitz, Design, Housing, and Apparel, UMTC
William Pomerantz, Chemistry, UMTC

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 Regent Retreat – February 10, 2016
Finance Committee – February 11, 2016
Academic & Student Affairs Committee – February 11, 2016
Board of Regents Work Session – February 11, 2016
Facilities, Planning & Operations Committee – February 11, 2016
Faculty & Staff Affairs Committee – February 11, 2016
Audit & Compliance Committee – February 11, 2016
Litigation Review Committee - February 11, 2016
Board of Regents – February 12, 2016
Board of Regents Special Meeting – February 26, 2016

REPORT OF THE PRESIDENT

President Kaler reported on recent activities at the legislature, including several hearings and efforts to advocate for the University's capital and operating budget requests. He discussed recent national rankings of several University colleges and departments, as well as campus initiatives focused on inclusion and acceptance. He reported on the accomplishments of Gopher athletics and the search for a new athletics director.

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

REPORT OF THE CHAIR

Chair Johnson reported on Board outreach efforts, including a breakfast with legislators and a visit to the College of Science and Engineering on the Twin Cities campus. He congratulated the Gopher women's hockey team on their NCAA championship win.

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

RECEIVE AND FILE REPORTS

Chair Johnson noted the receipt and filing of the Quarterly Report of Grant & Contract Activity, as well as an Information Item for the Academic & Student Affairs Committee: Update on Accreditation.

Regent Simmons commented on the successful results of the recent accreditation report. She applauded the administration and faculty for their efforts and accomplishments.

CONSENT REPORT

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

- Report of the All-University Honors Committee;
- Report of the Naming Committee;
- Summary of Gifts through February 29, 2016;
- Finance Committee Consent Report.

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

REPORT OF THE STUDENT REPRESENTATIVES TO THE BOARD OF REGENTS

Student Representatives Callie Livengood, Chair, and Corey Schroeder, Vice Chair, presented a report from the group, as detailed in the docket. The report offered perspectives on topics of concern to University students: mental health, retention and attraction of students and faculty of color, and transfer students. Livengood and Schroeder also provided a statement on proposed non-resident non-reciprocity (NRNR) tuition increases.

Regent Devine remarked on the importance of the issues presented, adding that the report will be taken seriously by the Board. He asked if the student representatives would continue working on these issues in coming years. Livengood replied that the current student

representatives have cultivated relationships with many campus leaders and administrators. She speculated that future representatives will continue the momentum on these topics.

Regent Rosha asked whether the student body is more concerned with the sticker price of tuition or the net tuition rate, wondering if the upfront cost or aid package is most enticing. Livengood responded that the primary concern is not knowing final costs. She added that many students have difficulty understanding the difference between the sticker price and the net price. Rosha suggested it is common for students to apply to several schools and choose the institution with the best aid offer. Livengood agreed, but reiterated that students learn the final aid package late in the application process, making the decision difficult. She cautioned that a high sticker price could discourage a student from even applying.

Regent Simmons noted that student mental health is a key concern for the Board. She added that she and several of her colleagues had met recently with the Provost and internal auditor to discuss Boynton Health Services and its mental health offerings. Simmons emphasized that the issues of mental health and access to care affect not only the University, but also the broader community.

In response to a question from Regent Omari, Livengood replied that each campus and college has a unique identity. She suggested that the University does not always pay enough attention to those subtleties, which is especially evident when a student transfers from another campus to the Twin Cities.

Regent Beeson commented that he does not believe appropriate attention has been paid to student mental health. He suggested that the Academic & Student Affairs Committee address the issue in the coming months.

Regent Hsu asked if the representatives had considered the impact of student fees on the total cost of attendance. Livengood reported that the representatives did consider the fee structure and agreed that it is an issue students should evaluate carefully. She explained that these fees are established by the students based on the services they feel are important. She noted the difference between fees and tuition, the latter being determined by the administration, with little input from the students. Livengood agreed that lower fees could result in lower overall cost, but emphasized that the students make a conscious decision to pay for desired services.

President Kaler expressed his appreciation for the report and for the work of the student representatives. He noted the importance of the findings and pledged his support for each of the issues presented.

RESOLUTION ON ENROLLMENT PRINCIPLES AND TUITION/AID PHILOSOPHY

Chair Johnson invited Senior Vice President and Provost Hanson and Vice Provost and Dean of Undergraduate Education Bob McMaster to present for review the resolution on enrollment principles and tuition/aid philosophy, as detailed in the docket materials.

President Kaler detailed two changes to the enrollment plan regarding tuition targets. Hanson and McMaster provided background and articulated the 10 points of the plan:

1. Modest total enrollment growth.
2. Admit for success. There is no single metric for acceptance – it is a holistic review with primary and secondary characteristics.
3. Affordability and access for Minnesota residents.
4. High-quality education and student experience. Housing is a key characteristic of the student experience.
5. Maintain a commitment to transfer students.

6. Value ethnic, social, economic, geographic diversity.
7. Support timely graduation.
8. Adjust enrollment levels and tuition rates to provide revenues.
9. Continue need- and merit-based aid programs.
10. Direct attention to workforce needs.

Regent Anderson emphasized the importance of balancing NRNR tuition increases with changes to resident tuition. He voiced concern about the impact of tuition increases on the system campuses. He expressed his overall support for the resolution.

Regent Brod commented that the resolution is reasonable and added she is pleased to have something before the Board for action. She expressed concern over the impact of NRNR increases on currently enrolled students, and stressed that she does not believe the University should target a tuition rate in the mid-point of the Big Ten. Brod observed that the revised language offers needed flexibility. She noted that the 65 percent target of Minnesota students only considers the Twin Cities campus, suggesting that when the system campuses are included, the University is serving resident students well.

Regent Cohen voiced concern over NRNR tuition increases and disagreed with the Big Ten mid-point goal. She suggested that students might not understand the discount process, adding that high sticker price could discourage them from applying.

Regent Beeson offered his support for the resolution, but voiced concern over the financial components of the plan and the proposed timeline for the changes. He suggested that the high-cost model might result in lower value for students.

Regent Devine remarked that more housing is needed for freshman and transfer students. He voiced support for the resolution, despite his concerns. He agreed that it is important to take action now and adjust course along the way.

Regent Rosha commented that the proposed plan is a good start, but that he could not support it without a system-wide strategic plan. He disagreed that the NRNR tuition target is too high, suggesting that many students understand discounting and are not deterred by a high sticker price. He observed that many top-ranked schools have high tuition and high discounting. Rosha added that the University should give priority to Minnesota students, not their NRNR peers, and focus on keeping top talent in the state.

Regent Rosha moved to amend item 3 of the enrollment plan to state that the Twin Cities campus should enroll approximately 70 percent Minnesota residents, rather than the proposed 65 percent. The motion was seconded.

Regent McMillan commented on the importance of considering the entire system and explained that he would not support the resolution.

Regent Rosha emphasized that only the Twin Cities campus is turning away resident students, while the system campuses have space available in their incoming classes. He voiced concern that NRNR students are being accepted over Minnesota students.

Regent Hsu commented that the job of the Board is to create value for Minnesota residents. He expressed support for the proposed 70 percent goal and stated that he believes the target could be even higher.

The Board of Regents voted against the Rosha amendment. The motion failed.

Regent Hsu moved to amend section 3 of the enrolment plan to state that the Twin Cities campus should enroll approximately 69 percent Minnesota residents, rather than the proposed 65 percent. There was no second.

Regent Omari commented that he would not support the resolution because it suggests increases to NRRR tuition of up to 12 percent per year.

Regent Lucas commented that the target for NRRR tuition should not be the midpoint of the Big Ten, noting the poor optics of such a move. She cautioned against increasing tuition too quickly.

Regent Hsu moved to amend section 8b of the enrollment plan to state that the University will keep the resident tuition rate to a minimum, not just minimize increases. The motion was seconded.

The Board of Regents voted 9-3 against the Hsu amendment. Regents Brod, Hsu, and Rosha voted yes. The motion failed.

The Board of Regents voted 8-4 to adopt the Resolution Related to Undergraduate Enrollment Management at the University of Minnesota (2016-2021) as follows. Regents Hsu, Lucas, Omari, and Rosha voted no.

WHEREAS, the University of Minnesota has five campuses, each with distinctive enrollment strategies and goals; and

WHEREAS, the University of Minnesota wishes to attract the very best and brightest students from the State of Minnesota; and

WHEREAS, the University of Minnesota wishes to maintain financial access and affordability for those students qualified to enroll; and

WHEREAS, the University of Minnesota wishes to maintain diversity, broadly defined, including ethnic, racial, geographical, socio-economic, and gender, in the undergraduate student body; and

WHEREAS, the University of Minnesota wishes to maintain strong need-based (including middle-income) and merit-based financial aid programs; and

WHEREAS, the University of Minnesota wishes to keep resident tuition and fee rates as low as possible, and competitive non-resident tuition rates;

WHEREAS, the University of Minnesota wishes to ensure that students have the highest-quality student experience and graduate on time (normally four years for Freshmen, three years for Transfers).

NOW, THEREFORE, BE IT RESOLVED that the Board directs the administration to develop five-year enrollment plans for the Crookston, Duluth, Morris and Rochester campuses.

BE IT FURTHER RESOLVED, that the Board of Regents supports the Twin Cities campus five-year enrollment plan.

FY 2017 BUDGET FRAMEWORK

Chair Johnson invited Vice President Richard Pfutzenreuter and Associate Vice President Julie Tonneson to present the FY 2017 Budget Framework, as detailed in the docket.

Pfutzenreuter provided an overview of the budget development process. He highlighted revenue sources, debt impact, and recurring expense drivers, including fixed costs, variable costs, and strategic pools.

Pfutzenreuter introduced Vice President Kathy Brown to report on the 2017 annual merit increase plan. Brown explained the determining factors for the FY 2017 compensation pool, changes to national compensation policy, and considerations for FY 2018.

Pfutzenreuter discussed incremental framework costs, including variable costs due to facilities repair and replacement (R&R) and network upgrades. Tonneson reported options for financial aid allocation, specifically the Promise Scholarship, and explained strategic cost pools. Tonneson explained the importance of the University's resource drivers, detailing plans for repurposing funds through reallocations, and described several options for NRNR tuition rate increases.

In response to a question from Regent Devine about funds reserved for Bell Museum debt service, Pfutzenreuter replied that excess money would be set aside and uses for it discussed.

Regent McMillan thanked the administration for the early budget discussion, noting that the additional time is appreciated and important. In response his question about allocations, Tonneson noted that academic initiatives on the Twin Cities campus are funded from specific allocation pools that draw funds only from units on that campus. She clarified that other campuses are not supporting UMTC-specific programs.

In response to a question from Regent Beeson, Pfutzenreuter noted that utility costs will be noticeably reduced once the new combined heat and power plant is fully operational. He clarified that the plant was not yet online.

In response to comments from Regent Brod about NRNR tuition, President Kaler reported that options are open for discussion. He explained if NRNR tuition is increased, buffers would be established to minimize the impact on currently enrolled students.

Regent Brod expressed disappointment that the armory, one of the oldest buildings on campus, was not listed in the R&R portion of the capital budget. Vice President Wheelock responded that older facilities are a particular challenge given other infrastructure needs. She noted that funding sources have been investigated, such as from the military, but that those funds are complicated by the more contemporary uses of the building.

In response to a question from Regent Rosha about the compensation pool, Pfutzenreuter replied that the 2.5 percent pool for FY 2017 would be uniformly allocated depending on the employee class. It is a general pool issued across all units and groups. Rosha requested a clearer breakdown of the pool by employee group to better understand why the increase is higher than the rate of inflation.

In response to a question from Regent Lucas, Tonneson reported that the budget process involves discussions with each unit about projected enrollment and subsequent revenue. She noted that they work with the units to determine how conservative they should be with their estimates.

RESOLUTION ON RESTRUCTURING SYSTEM-WIDE OPERATIONS LEADERSHIP

President Kaler outlined the proposed restructuring resolution, which results in several changes within his administration. He explained that a new position, the Senior Vice President for Finance and Operations (SVP F&O), would oversee University Services, Finance, OHR, and OIT. The SVP F&O would serve similar roles to the current Vice President for Finance. Kaler

reported that the title of the University's chief academic officer would be changed from Senior Vice President and Provost to Executive Vice President and Provost. He shared an organizational chart that detailed the new and changed reporting relationships. Kaler highlighted a dotted line between the Athletic Director (AD) and his chief of staff and explained that he would like the Board's input on that reporting relationship.

A motion was made and seconded to adopt the Resolution on Restructuring System-Wide Operations Leadership.

Several Regents voiced concern over the dotted-line relationship between the AD and the chief of staff. President Kaler reiterated that he would like a small group of Regents to review that specific relationship. He explained the rationale for an additional reporting line to the chief of staff and provided detail about how the relationship works day to day. Kaler clarified that the resolution and the organizational chart are separate and that approving the resolution does not bind the Board to the proposed organizational chart.

The Board of Regents voted unanimously to approve the Resolution on Restructuring System-Wide Operations Leadership as follows:

WHEREAS, the Regents of the University of Minnesota recognize and reaffirm the President's responsibilities and accountability for developing, recommending, and administering the policies of the Board of Regents; and

WHEREAS, the Regents recognize and reaffirm the importance of providing the President with flexibility in the organization, reporting lines, and position descriptions of central administration; and

WHEREAS, the University of Minnesota must continue to pursue a comprehensive agenda of assessing the improving administrative structure, processes, and procedures in order to improve quality, efficiency, effectiveness, and public accountability; and

WHEREAS, the University of Minnesota's strategic planning and decision making processes are best served by designing and implementing administrative structures that ensure clear responsibility, authority, and accountability at the college and campus levels; and

WHEREAS, the organization of central administration and appointment of senior leaders at the University shall be consistent with University and Board policies and procedures; and

WHEREAS, senior leadership transitions create an opportunity to achieve greater alignment, efficiency and coordination of the University's system-wide operating units; and

WHEREAS, the responsibilities of the current Office of Academic Affairs and Provost have expanded to include global programs and civic engagement, and in recognition of the primacy of the academic mission.

NOW, THEREFORE, BE IT RESOLVED that the organization of the University's central administration shall consist of the following executive officers reporting to the President:

Executive Vice President and Provost

Senior Vice President for Finance and Operations

Dean of the Medical School and Vice President for Health Sciences

Vice President for Research

Vice President for Equity and Diversity

Crookston, Duluth, Morris, and Rochester Chancellors

Chief of Staff

Athletics Director, Twin Cities Campus

Special Assistant for Government and Community Relations

General Counsel (also reports to the Board of Regents)

Associate Vice President for Internal Audit (dotted line report)

Chief Executive Officer, University of Minnesota Foundation (dotted line report)

Chief Executive Officer, University of Minnesota Alumni Association (dotted line report)

BE IT FURTHER RESOLVED that the Board of Regents accepts the reorganization of the University's operational leadership as described in this resolution, which shall become effective April 1, 2016, and directs the Secretary to make any necessary revisions to Board policy.

SYSTEM-WIDE STRATEGIC PLANNING: UMM

Chair Johnson invited Chancellor Jacqueline Johnson to report on the University of Minnesota Morris (UMM) strategic planning process. Chancellor Johnson reported on the strategic planning process on the Morris campus, key elements in the plan, and the connections between UMM and the Twin Cities strategic plans.

Several Regents expressed their thanks to Johnson for her dedication to the University during her tenure.

PRIMER ON MINNESOTA GOVERNMENT DATA PRACTICES ACT

Due to time constraints, this item was deferred to a later date.

NEW BUSINESS

Resolution Related to Specification of Appointment Authority

Regent Hsu proposed a resolution that would require Board approval for any initial appointment where an employee's annual salary exceeds \$250,000, or any employment agreement with a total cost of \$600,000 or more.

A motion was made and seconded to adopt the Resolution Related to Specification of Appointment Authority.

Regent Simmons spoke against the resolution, noting the importance of including resolutions in the docket materials and noticing such actions. She added that it is important to carefully consider the implications of resolutions and have all appropriate information.

Regent Rosha commented that the resolution provides clarification of delegation already reserved by the Board. He was surprised to learn that the Board no longer approves large contracts, since that oversight provides accountability to the University community, the legislature, and the state.

Regent Brod agreed with the need for oversight and accountability, but noted the resolution should begin in committee before returning to the full Board. She commented that the relationship between highly paid employees, the administration, and the Board is important and adds value to the University.

Regent Beeson emphasized that high-level decisions should not be made with only a few days' notice. He opposed Board intervention in salary decisions, and suggested that approval of large contracts does not guarantee improved performance.

Regent Hsu remarked that he would be open to committee discussion about the specific dollar threshold.

Regent Brod suggested that the entire resolution come to an appropriate committee before action by the Board. She noted that the discussion of oversight is important and should be discussed in the appropriate context.

Regent Brod moved to refer the resolution to the Governance & Policy Committee. The motion was seconded.

Regent McMillan remarked on the need for balance between administrative efficiency and governance. He suggested that the Board should not conduct review and action in the same meeting.

Regent Cohen agreed that review and action should not occur in the same meeting. She offered that the variety of opinions expressed by Regents indicates that the issue should come to a committee for further clarification before the Board takes action.

Regent Anderson remarked on the importance of oversight, but urged clear balance between oversight and executive-level decision making. He requested more discussion before taking action on the resolution.

Regent Hsu thanked his colleagues for their consideration. He clarified that he did ask that the resolution be added to the agenda and included in the docket. He expressed his belief that a lack of oversight by the Board has led to the tuition increases of the past few years. He added that it is extremely important to consider the matter, however long the debate takes.

The Board of Regents voted 10-2 to refer the Resolution Related to Specification of Appointment Authority to the Governance & Policy Committee. Regents Hsu and Rosha voted no.

Resolution Related to Intercollegiate Athletics Principles, Evaluation Criteria, and Oversight Committee

Regent Rosha proposed that the Board Chair appoint an ad hoc committee of six Regents to recommend budgeting principles for Intercollegiate Athletics and criteria for prioritizing the sports offered by the University. These principles would be used by the president, chancellors, and athletic director (AD) of each campus. He stressed the timeliness of the resolution, since the search for the Twin Cities AD is underway. He emphasized that he has been in discussion with the administration and colleagues about the proposed resolution.

Regent Beeson opposed the resolution, reiterating his belief that the process is incorrect. He commented that he appreciates the ideas but that now is not the time.

Regent Brod stressed the importance of oversight in a large organization and that the resolution offers an opportunity to evaluate the structures and systems within Intercollegiate Athletics.

Regent Lucas remarked that the resolution is timely and could help avoid the turmoil of the past year. She noted that the scope is appropriately limited and includes the system campuses.

Regent Anderson offered his support for the resolution but noted reservations about the budgetary principles. He suggested that development of those principles could be something the new AD would want to establish. He agreed with the importance of clearly defining and holding to the mission, vision, and values of the institution.

Regent Simmons remarked that she was not included in discussions about the resolution, and does not see how it relates to the job description for the AD.

Rosha noted that the resolution establishes expectations and a level of accountability of the AD to the Board, and defines the criteria that will determine the best candidate.

Regent Cohen commented that the Board should not determine the AD's priorities. She suggested that the search committee might feel slighted by the Board stepping in. She reminded the Board that it already has two members serving as liaisons to the AD search.

Regent Omari noted that the resolution is an opportunity for the Board to consider high-profile matters proactively, rather reacting to issues as they arise. He noted that his colleagues serving as liaisons to the search support this idea, therefore he supports the resolution.

Regent Johnson cautioned that the resolution's tenets could form a daunting obstacle for a qualified individual considering the AD position. He commented on the importance of allowing the AD to have appropriate authority and work closely with the president. He expressed concern that this resolution could tie the hands of the search committee and limit interest by qualified candidates.

Regent Brod disagreed, noting that greater oversight could provide greater clarity of the principles of the Board and the University. She argued that perhaps this would provide more structure and better future relationships.

Regent Devine noted that he was not opposed to the resolution on principle, but the timing is not right. He added that the issue is not urgent and warrants further deliberation.

Regent Hsu suggested that he would not want an AD who is deterred because of a strong level of oversight.

Regent Anderson commented that Regent Rosha had been trying to bring this matter forward for several months, and that greater attention should have been paid earlier. Noting that now is an inappropriate time to bring this forward, he expressed his concern that the resolution and the proposed dotted line undermine the AD position.

Regent Omari observed that the resolution does not specify the hiring of the AD but rather establishes the principles by which a person is hired.

Regent Lucas noted that she believes the Board needs to be more involved in the oversight of athletics and that there should be some general principles.

Regent Rosha clarified that he does not believe that this resolution would impede the work of the search committee. Given the public interest in greater oversight at the University, he would not want to hire a candidate who is deterred by strong oversight.

Regent Johnson observed that the resolution did not have sufficient votes to be adopted and suggested that it might be better to consider the topic in a committee.

Regent Rosha expressed appreciation for the intent of the Chair's remarks. He noted that the value of adopting the resolution now is to establish some general guiding principles for the search committee and process. He emphasized the importance of having a mechanism to communicate the Board's priorities to the president. He asked for a way to provide clarification of Board principles to the ongoing process.

Kaler stated his belief that an AD finalist could be identified sooner than the resolution could be further discussed and acted upon. He welcomed further discussion of principles as the search continues.

Regent Rosha withdrew his resolution.

The meeting adjourned at 12:59 p.m.

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

BRIAN R. STEEVES
Executive Director
and Corporate Secretary