

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Special Oversight Committee
May 4, 2017**

A special meeting of the Special Oversight Committee of the Board of Regents was held on Thursday, May 4, 2017 at 8:30 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Thomas Anderson, presiding; Peggy Lucas, Steven Sviggum.

Staff present: Interim Vice President Bernard Gulachek; General Counsel Douglas Peterson; Executive Director Brian Steeves; and Chief Auditor Gail Klatt.

Regent Anderson acknowledged confusion about events involving members of the Gopher football team and the subsequent response by the criminal justice system, Title IX investigations, and activities of the Department of Intercollegiate Athletics (Athletics). He referenced as well University policies and codes of conduct, regulations of the U.S. Department of Education, and federal law.

Anderson reported that the charge of the Special Oversight Committee is to review, not investigate, four specific issues:

1. Practices and policies with respect to suspensions and other discipline within the Department of Intercollegiate Athletics (Twin Cities Campus), including how these practices and policies interact or relate to Board of Regents Policy: *Student Conduct Code* (Conduct Code) process and the criminal justice process.
2. The standards of review and processes at each stage of the Conduct Code process as it relates to Title IX matters.
3. Practices and policies regarding permissible communication during the Conduct Code process, including specifically when that process involves student-athletes.
4. Lessons learned from the threatened boycott by the football team, including review of involvement by Regents, senior University leaders, coaches, and individuals from outside the University.

General Counsel Peterson emphasized the University's responsibility to keep students safe and to employ fair policies. He stressed that the University must lead this conversation in a judicious and considerate manner, with respect for student privacy. Peterson recommended Dorsey and Whitney attorneys John Marti and Jillian Kornblatt to assist in the committee's review.

Marti remarked that he and Kornblatt will solicit input and review documents and communications to provide the committee with facts and an assessment of those facts. Their role, he emphasized, is not to direct policy but to provide the framework for the committee to decide what, if any, policy decisions should be made. Marti emphasized the importance of a transparent process that also upholds students' privacy rights and maintains attorney-client privilege.

Professor Perry Leo, Faculty Athletics Representative, remarked that the representatives look forward to helping establish institutional best practices. He stressed the importance of a review process that is transparent, thoughtful, and fair.

In response to a question from Regent Sviggum, Marti replied that he is currently serving as outside counsel to the University on pending litigation. Kornblatt replied that she has never been retained by the University.

Regent Lucas expressed hope that the review will inform better practices and policy for the whole University and not just for Athletics.

A motion was made and seconded and the committee voted unanimously to retain as outside counsel John Marti and Jillian Kornblatt, to assist in the committee's review.

The meeting adjourned at 8:56 a.m.

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

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Emergency Board of Regents Meeting
May 11, 2017**

An emergency meeting of the Board of Regents was held on Thursday, May 11, 2017 at 8:45 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: General Counsel Douglas Peterson and Executive Director Brian Steeves.

Others present: Brian Slovut.

**RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE BOARD OF REGENTS**

The emergency meeting convened in public session at 8:45 a.m. A motion was made and seconded that the following resolution be adopted:

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 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), an emergency non-public meeting of Board of Regents be held on Thursday, May 11, 2017 at 8:45 a.m. in the East Committee Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters related to confidential University personnel matters involving pending proceedings and the potential for litigation.

The Board voted unanimously to adopt the resolution and the public portion of the meeting ended at 8:46 a.m.

The meeting adjourned at 10:08 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Facilities, Planning & Operations Committee
May 11, 2017**

A meeting of the Facilities, Planning & Operations Committee of the Board of Regents was held on Thursday, May 11, 2017 at 10:15 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Thomas Anderson, Dean Johnson, Peggy Lucas, Darrin Rosha, and Steven Sviggum.

Staff present: President Eric Kaler; Interim Chancellor Barbara Keinath; Senior Vice President Brian Burnett; Vice President Brooks Jackson; Interim Vice Presidents Michael Berthelsen and Bernard Gulachek; Executive Director Brian Steeves; and Associate Vice Presidents Michael Volna and Stuart Mason.

Student Representatives present: Mina Kian and Connor Klemenhausen

THE INTERNET OF THINGS IN UNIVERSITY OPERATIONS

Regent McMillan invited Interim Vice President Gulachek; Kemal Badur, Senior Director, Office of Information Technology (OIT); and Jeffrey Davis, Assistant Director, Energy Management, to present on how the Internet of Things (IoT) affects University operations, as detailed in the docket.

Gulachek defined the IoT and the impact of IoT device growth on the University. Badur gave examples of commercial IoT and detailed the growth in IoT device capacity and computing power. Davis offered differences between enterprise and consumer IoT devices, noting that the University now has 750,000 individual monitoring devices across the system. He noted building automation systems as an early use of IoT devices, indicating that the University was an early adopter and has become a leader in building automation use. He explained that the University adopted the BACnet, a communication protocol that provides standardization of building automation systems across different producers, ensuring that all devices are able to communicate with each other.

Davis provided examples of building automation systems across the University, including in the new combined heat and power plant and the public safety emergency communications center. He described how staff are able to monitor building conditions in real time from any mobile device. Researchers are able to remotely monitor room temperature and freezer functioning, and receive alerts if those systems develop problems. Davis reported that this helps researchers keep track of critical systems and quickly react to problems that could become catastrophic. He noted that building systems allow for precise energy management and tracking, and that future development will allow the system to detect faults and automatically issue work orders to address them.

Badur outlined challenges created by the growth of IoT devices. He highlighted the issues caused in networking bandwidth and capacity. He noted that security and privacy are also considerations, especially with consumer devices that could be infected and used by hackers to attack the University's network. Badur advised that the new network infrastructure approved by the Board will have the size, capacity, and security features necessary to address those

concerns. Davis added that the University continues to work with BACnet to ensure strict conformance across devices, along with being a controls product testing and development partner.

In response to a question from McMillan, Gulachek explained that the University works with Big Ten peers to identify and adopt best practices. The University also looks across private industry for examples. Davis agreed that collaboration with Big Ten peers is important, but noted that the University is one of the largest and most integrated building automation system users in North America. Given that standing in the market, Davis reiterated that the University is a sought-after partner for testing and development by building control companies. Interim Vice President Berthelsen highlighted that in the building automation area, the University is setting the benchmark for others.

Regent Anderson asked if new technology for students would be included in the design of Pioneer Hall. Berthelsen responded that while the design was not at that stage, the technology would certainly jump several generations from what the current building has. Gulachek offered that installing a solid data network in Pioneer and across the University would ensure that the institution could take advantage of future technology.

In response to questions from Regent Johnson, Gulachek reported that the University has two data backup centers and plans for handling major outages or disasters.

Student Representative Kian asked how student feedback is incorporated into the design and operation of the University's network infrastructure. Badur commented that OIT receives constant feedback from students related to Wi-Fi issues and areas with low connectivity. He noted that the network upgrade design took those concerns into account, and indicated that OIT staff walked through residence halls with students to identify network issues.

In response to a question from Anderson, Badur explained that the system has 7,000 network access points. He described those access points as being equivalent to a consumer router. The network upgrade will add smaller access points and additional access points to residence halls, bringing the total to 12,000. Badur cautioned that more access points do not necessarily provide faster network access, but that the system is engineered to provide greater coverage with the fewest number of access points.

UNIVERSITY HOUSING COST PROJECTIONS - TWIN CITIES CAMPUS

Regent McMillan invited Interim Vice President Berthelsen and Brian Swanson, Assistant Vice President for University Services, to discuss housing cost projections for the Twin Cities campus, as detailed in the docket.

Berthelsen reminded the committee of past housing conversations and outlined the goals for the presentation. Swanson explained that housing is an auxiliary operation, which is self-supporting and receives no O&M funding. He suggested that housing must compete in the marketplace and maintain a high occupancy rate to ensure revenue. Housing fully funds depreciation to ensure adequate resources for reinvestment in facilities.

Swanson summarized the Twin Cities enrollment strategy and the types of housing capacity that are planned to meet the increased enrollment goals. He asserted that given current housing supply and the enrollment plan, there is no immediate need for the University to build or acquire additional housing. He noted the increased capacity built into current projections based on the renovation of Pioneer Hall and the master leases of Keeler Apartments and Radius on 15th.

Swanson defined the components of University housing revenue and rates, placing the University's total cost of attendance and of housing rates in the context of the Big Ten. He offered that even with the projected increases the University would still be at the low end of the Big Ten by FY 2022. He provided an overall rate comparison between FY 2016 and projected rates in FY 2022.

Student Representative Klemenhausen asked how the cost efficiency worked for cooperative student housing and the future of master leasing after the renovation of Pioneer. Swanson replied that the cooperative housing is some of the most affordable in the Twin Cities for family student housing and international students. He stated that while the housing is managed directly by the cooperatives, it will require more capital investment from the University in coming years. Swanson referenced the University's long history with master leasing and asserted that it would most likely continue as a component of the University's housing strategy. Berthelsen added that the cooperatives meet the needs of the target audience and provide an affordable option. He conveyed the desire to maintain the price point, but also the need to address future capital needs with targeted investments while addressing safety issues as they arise.

Regent Lucas expressed her surprise that there is no immediate need for additional University housing given additional opportunities for second-year and transfer students to live on campus. Swanson emphasized that the University could meet current goals without additional facilities beyond those planned. Berthelsen clarified that the housing strategy could be changed to meet new targets, but cautioned that the University should continue to seek a balance between what the private market and the University provide. Swanson added that if demand by third- or fourth-year students increases, additional capacity could be gained quickly by continuing the current master leases and possibly adding additional master leases.

McMillan requested an update on the current master leases of Keeler Apartments and Radius on 15th. Laurie McLaughlin, Director of Housing and Residential Life (HRL), reported that Keeler is at full occupancy and Radius at 80 percent occupancy for the 2017-18 academic year. She reported that transfer students have not been assigned housing yet and HRL is working to fill Radius.

Regent Anderson shared his appreciation that the renovation of Pioneer Hall adds only \$900 to housing rates, yet provides in many respects a brand-new residence hall. He wondered how incoming students who are used to having their own bedrooms react to University housing. McLaughlin responded that while students often come from having a single room, first-year students frequently request roommates to have that first-year college experience. She offered that as students progress, they do have a desire for increased privacy. She explained that buildings like Radius allow for multiple students to share an apartment but have private bedrooms.

Regent Rosha commented that the University's housing capacity appears low compared to peers. He advocated including housing goals in the system-wide strategic plan, along with other facilities goals. He asked that the administration explore ways to fund renovations and new housing beyond asking current students to pay for those improvements.

**SCHEMATIC DESIGN: HEALTH SCIENCES
EDUCATION CENTER - TWIN CITIES CAMPUS**

Regent McMillan invited Vice President Jackson and Bruce Gritters, Director of Project Delivery, to present for action the schematic design for the Health Sciences Education Center (center), as detailed in the docket.

Gritters reviewed the location of the center. Jackson explained the project rationale. He reminded the committee that the center is extremely important to the University's health sciences and in addressing criticism received by the Medical School during its last accreditation review. Jackson noted that the center's location helps make team training across Academic Health Sciences programs possible and convenient.

Gritters outlined the cost estimate, funding sources, anticipated completion date, and estimated difference in annual operating costs, noting no changes since the committee reviewed the project in February. He clarified that project funding is contingent upon inclusion of the project in a bonding bill by the Minnesota Legislature. McMillan told the committee that the project would still require capital budget approval by the Board to finalize the total project cost based on what is provided by the Minnesota Legislature.

Regent Lucas asked about plans for Diehl Hall. Interim Vice President Berthelsen explained that plans for Diehl are in process, noting that most laboratories have been moved and others will need to be moved.

Regent Sviggum asked if the price for the project had changed from what was requested last year in the University's bonding request. Berthelsen responded that the cost is the same since construction inflation was built into the total cost. He cautioned that if the project is not included in the bonding bill this year, the price would need to be updated, most likely to \$111-112 million.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the schematic design for the Health Sciences Education Center.

SCHEMATIC DESIGN: PIONEER HALL RENOVATION AND CONSOLIDATED SUPERBLOCK DINING - TWIN CITIES CAMPUS

Regent McMillan invited Bruce Gritters, Director of Project Delivery, and Laurie McLaughlin, Director of Housing and Residential Life, to present for review and action the schematic design for the Pioneer Hall renovation and consolidated Superblock dining, as detailed in the docket.

Gritters summarized the location of Pioneer. McLaughlin explained the project rationale and identified the changes in the design since the committee approved the capital budget amendment in September 2016. Gritters outlined the project description and cost estimates.

In response to a question from Regent Sviggum, Interim Vice President Berthelsen explained that non-construction costs vary by project, noting that such costs tend to be smaller for HEAPR projects than for full building renovations. He noted that the difference in non-construction costs between the Health Sciences Education Center and Pioneer were due to the scale of the project, including the demolition of two buildings and additional laboratory and simulation space included in the project plan for the Health Sciences Education Center. Gritters added that the center's intensive specialized equipment drives costs up as compared to bedrooms in Pioneer.

In response to a question from Regent Anderson, Berthelsen confirmed that the schematic design moves the dining more to the south and center part of the building, taking up most of the southern courtyard.

Regent Rosha asked about the status of a potential tunnel. Berthelsen reported that University Services created a preliminary design for the tunnel and estimates the total cost at \$5.5 million. Given the cost, the administration does not recommend adding the tunnel. Berthelsen noted that Pioneer connects to Frontier via tunnel.

Rosha reiterated a number of concerns regarding the project. He noted that while he does not object to the specific schematic design, he continues to be against the project as it is not a fundamental need for the University right now.

In response to questions from Anderson, Berthelsen commented that while pricing decisions are not final, it is assumed that the increased price given the cost of the project will be spread across all students living in residence halls. He explained that two residence halls currently carry a small premium price, so adding a premium fee to Pioneer after the renovation could be considered. McLaughlin reported that the Centennial Hall dining hall would close when the expanded Pioneer dining hall opens, which will reduce operating costs.

Student Representative Kian wondered about the feasibility of an above-ground connection between Pioneer and Frontier Halls, perhaps even a temporarily connection in the winter. Gritters responded that a temporary connection is a possibility. Berthelsen explained that an above-ground connection was eliminated because it would take away green space within the Superblock.

Regent Johnson commented that while heated tunnels are nice, students could put on a coat to obtain a meal, especially when they already have to walk outside even farther to class.

A motion was made and seconded, and the committee voted five to one to recommend approval of the schematic design for the Pioneer Hall renovation and consolidated Superblock dining. Rosha voted no.

SCHEMATIC DESIGN: SCIENCE AND ENGINEERING ROBOTICS LABORATORIES RENOVATION - TWIN CITIES CAMPUS

Regent McMillan invited Bruce Gritters, Director of Project Delivery, and Mos Kaveh, Associate Dean of the College of Science and Engineering, to present for review and action the schematic design for the Science and Engineering Robotics Laboratories renovation (project), as detailed in the docket.

Gritters identified the location of the project. Kaveh outlined the project rationale, explaining that it will provide needed expansion space of roughly 13,570 square feet in Shepherd Labs for robotics research, collaboration space for students, faculty and staff, and work on the college's solar vehicle project and autonomous vehicle research. Gritters outlined the cost estimate, funding sources, anticipated completion date, and estimated difference in annual operating costs, and reviewed the floor plans. He added that a combination of MnDRIVE funds and \$10 million in private gifts are funding the majority of the project.

In response to a question from McMillan, Kaveh stated that the University has secured the full \$10 million in private gifts.

Regent Rosha asked about the process for determining whether to renovate or demolish a building, and how that process influences the University's planning process. Berthelsen responded that the University considers a building's continued usefulness and whether it would be better to decommission and demolish the building. He noted that the Physics and Nanotechnology Building and renovation of Tate Hall influenced the outcome and design for the renovation of space here.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the schematic design for the Science and Engineering Robotics Laboratories renovation.

RISK MANAGEMENT IN THE ACQUISITION OF REAL ESTATE

Regent McMillan announced that due to time constraints, the discussion of risk management in the acquisition of real estate will move to a future meeting.

CONSENT REPORT

Interim Vice President Berthelsen presented the Consent Report, as detailed in the docket:

- Affirmation of Final Scope for Intercollegiate Athletes Village - Twin Cities campus

In response to a question from Regent Rosha, Berthelsen explained that every project has a contingency fund. If it goes unspent, projects previously identified as potential additions are added. Given the positive progress on the construction of Athletes Village and being past the point of potential unknown risks with the initial construction, he expressed comfort in spending some of the contingency on skyway connections. Rick Johnson, director of special projects, reported that the contingency is 15 percent of the total project or approximately \$18.7 million. He added that the higher number is based on the size of the project and the need to construct three new buildings.

Rosha offered that he views the addition of the skyway connections positively. He asserted that in December the Board was told resources were insufficient to fund both the skyways and lineman's facility, and highlighted the inconsistency of that information given the cost of recent coaching transitions. Rosha stated that he would not question the decision to forgo a lineman's facility now, but would seek accountability to achieve the success that is being pursued.

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

INFORMATION ITEMS

Interim Vice President Berthelsen referred the committee to the information items in the docket:

- Final Project Review: Intercollegiate Athletics Track and Field Facility and Relocated Recreation Wellness Facilities - Twin Cities campus
- Final Project Review: AHC Renovation and Relocation Program - Twin Cities campus

The meeting adjourned at 12:15 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Faculty & Staff Affairs Committee
May 11, 2017**

A meeting of the Faculty & Staff Affairs Committee of the Board of Regents was held on Thursday, May 11, 2017 at 10:15 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Richard Beeson, Linda Cohen, Michael Hsu, Abdul Omari, and Kendall Powell.

Staff present: President Eric Kaler; Chancellors Michelle Behr, Lendley Black, and Stephen Lehmkuhle; Executive Vice President and Provost Karen Hanson; Vice Presidents Katrice Albert and Kathryn Brown; and Executive Director Brian Steeves.

Student Representatives present: Phillip Guebert and Lauren Mitchell.

**BOARD OF REGENTS POLICY: *RESERVATION AND DELEGATION OF AUTHORITY*
(APPOINTMENT AUTHORITY)**

Regent Simmons referred the committee to proposed appointment authority changes to Board of Regents Policy: *Reservation and Delegation of Authority*, as detailed in the docket. She added that the policy is now before the committee for action after being reviewed at the December and February meetings. A motion was made and seconded to adopt the policy amendments.

Regent Hsu expressed his satisfaction with the addition of Head Football Coach and Head Men's Basketball Coach to the list of positions that require Board approval and noted his concern about the added paragraph regarding positions that are not subject to Board approval. Simmons explained that the paragraph is intended to clarify that there is no financial threshold for approval of personnel decisions.

Regent Beeson shared his discomfort with the addition of coaches. He explained that although there is high public interest in those hires, the Board does not add value to such decisions.

Regent Cohen reported that she feels torn, but will support the amended language. She explained that her preference would be to not list coaches in the policy, but understands the impact of the two coach positions listed.

President Kaler reported that the amended language is a compromise that reflects his current practice of consultation with Board members around high-profile coaching hires.

The committee voted 5-1 to recommend adoption of the policy amendments. Regent Beeson voted no.

MUTAL OBLIGATIONS OF TENURE

Regent Simmons invited Executive Vice President and Provost Hanson and C. Daniel Frisbie, Distinguished McKnight University Professor and Department Head, Chemical Engineering and

Materials Science, College of Science and Engineering, to present on the mutual obligations of tenure, as detailed in the docket.

Hanson provided a brief history of tenure at the University and nationally. She explained the importance of tenure to the land-grant mission of the University and to all research universities. Frisbie added that tenure affords faculty the authority, empowerment, and responsibility to be successful scholars and teachers.

In response to a question from Regent Powell, Hanson reported that although removal of tenure is rare, there mechanisms in place to do so.

In response to a question from Regent Cohen, Hanson explained that early-career faculty receive annual reviews that include discussion of the decision to pursue tenure. Frisbie added that those conversations are important to guide faculty toward or away from pursuing tenure.

Regent Omari asked how the authority awarded to tenured faculty can ensure inclusivity in the classroom. Frisbie explained that faculty have the responsibility to be aware of differences and must treat all students fairly.

Student Representative Mitchell inquired about sanctions, other than removal, that exist when a faculty member may have mistreated a graduate student. Hanson reported that students have the responsibility to report any mistreatment. Frisbie added that graduate students have multiple support resources including the department head, the department's director of graduate studies, and central University resources.

Kaler reiterated the value of the department chair's role in leading and coaching faculty in the decision to pursue tenure.

Regent Beeson noted that talent acquisition is also important to this discussion. Simmons added that tenure is an incentive that department chairs can use to attract and recruit talent.

In response to a question from Powell, Hanson explained that most faculty are hired pre-tenure, adding that it is rare that the University would hire a tenured professor from another University.

PROMOTION AND TENURE: CONTEXT; POLICY AND PROCESS; RATIONALE AND ROLE OF TENURE IN HIGHER ED; AND POST TENURE REVIEW

Regent Simmons invited Executive Vice President and Provost Hanson and Rebecca Ropers-Huilman, Vice Provost for Faculty & Academic Affairs, to present the annual recommendations for promotion and tenure, as detailed in the docket.

Hanson reviewed the basic principles of tenure and promotion and the review process. She also explained the differences between regular faculty and contract faculty. Ropers-Huilman noted that 134 regular faculty were recommended for tenure and/or promotion, and 40 contract faculty recommended for promotion. This year's cohort had a success rate of 60 percent.

Motions were made and seconded, and the committee voted unanimously to recommend approval of the annual promotion and tenure recommendations of regular faculty, and the annual promotion recommendations of contract faculty.

Hanson introduced four newly tenured and/or promoted faculty members and the professors briefly shared highlights of their work:

- Associate Professor Rafael Fernandes; School of Physics and Astronomy, College of Science and Engineering, UMTC
- Associate Professor Michelle Johnson-Jennings; Pharmacy Practice & Pharmaceutical Sciences, College of Pharmacy, UMTC
- Associate Professor Francis Shen; Law School, UMTC
- Associate Professor Tetyana Shippee; Health Policy & Management, School of Public Health, UMTC

ANNUAL CONTINUOUS APPOINTMENTS

Regent Simmons invited Executive Vice President and Provost Hanson and Rebecca Ropers-Huilman, Vice Provost for Faculty & Academic Affairs, to present the annual continuous appointment recommendations, as detailed in the docket.

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

CONSENT REPORT

Vice President Brown invited President Kaler, Provost Hanson, and Athletic Director Coyle to join her in presenting for review and action the Consent Report, which included the following:

- Appointment of Mary Holz-Clause as UMC Chancellor.
- Appointment of Carol Strohecker as Dean of the College of Design, UMTC.
- Appointment of Laura Bloomberg as Dean of the Hubert H. Humphrey School of Public Affairs, UMTC, for a two-year term.
- Appointment of Brian Buhr, Ron Olson, and Jenny Verner to the Minnesota Landscape Arboretum Foundation Board of Trustees.
- Amendments to the employment agreement of Richard Pitino, Head Men's Basketball Coach.
- Conferral of Tenure for four outside hires.

At the request of Regent Omari, the appointment of Laura Bloomberg was taken on separate action. The committee voted 5-0 to recommend the appointment. Regent Omari abstained.

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

INFORMATION ITEMS

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

The meeting adjourned at 12:12 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Audit & Compliance Committee
May 11, 2017**

A meeting of the Audit & Compliance Committee of the Board of Regents was held on Thursday, May 11, 2017, at 1:15 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Peggy Lucas, presiding; Richard Beeson, Michael Hsu, Peggy Lucas, Kendall Powell, and Patricia Simmons.

Staff present: Senior Vice President Brian Burnett; Vice President Katrice Albert; Interim Vice President Bernard Gulachek; Executive Director Brian Steeves; Associate Vice President Michael Volna; and Chief Auditor Gail Klatt.

Student Representatives present: Connor Klemenhagen and Tareyn Stomberg.

INFORMATION TECHNOLOGY AUDIT OUTCOMES AND COST OF COMPLIANCE

Regent Lucas invited Interim Vice President Gulachek and Brian Dahlin, Chief Information Security Officer, to present on information technology audit outcomes and cost of compliance, as detailed in the docket.

Gulachek and Dahlin defined information technology (IT) compliance as the legal and regulatory-driven requirements related to IT systems, processes, and resources. Gulachek provided an overview of direct and indirect costs of IT compliance and explained that cost drivers are not tied to the legal or regulatory requirements but are imbedded in IT operations.

Dahlin reported that the University underwent a third-party information security assessment in 2015. It showed that although the results were positive and in line with higher education peers, the University needs to work to increase IT compliance.

In response to a question from Regent Hsu, Dahlin explained ongoing efforts to keep pace with ever-changing compliance regulations. He added that continued evaluation of those efforts is critical.

Regent Beeson inquired about external reviews and internal audits of information security. Dahlin reminded the committee about the 2015 external review. He explained that internal audits examine information security and IT compliance. Beeson commented that compliance procedures often become best practice. Gulachek added that those best practices often become normal business practice.

In response to questions from Hsu, Dahlin explained that the University is working to address the issue of former employees having access to their email accounts and stored emails post-employment. He noted that the focus has been on the areas of greatest risk such as the Academic Health Center, where employees have access to HIPPA-protected data. Dahlin reported that the recent phishing incident affected the Google network globally. The University worked with Google to resolve and there was minimal damage.

REVIEW OF EXTERNAL AUDITOR RELATIONSHIPS & SERVICES PROVIDED

Regent Lucas invited Sue Paulson, Interim Controller, to present the external auditor review and summary of external auditor relationships and services provided, as detailed in the docket.

Paulson reported that total Deloitte & Touche LLP (Deloitte) contracted audit and non-audit fees were \$2,382,812 for FY 2016 engagements, with actual fees of \$2,396,540. All FY 2016 engagements are completed and have been final billed.

Paulson reviewed the total fees for audit and non-audit services provided by other firms. The University engaged two firms for a totaling \$2,502,360 for FY 2016. She reminded the committee that all services were reviewed by the Controller's Office and reported to the committee.

In response to a question from Regent Hsu, Paulson explained that actual fees paid sometimes were lower than the contract amount for routine engagements repeated year over year. The University has been able to find efficiencies in communication and reporting to Deloitte.

EXTERNAL AUDIT PLAN

Regent Lucas invited Associate Vice President Michael Volna along with Katherine Knudtson and Judi Dockendorf from Deloitte & Touche LLP (Deloitte) to review the external audit plan for FY 2017, as detailed in the docket.

Volna reminded the committee that the FY 2017 external audit will be the first under the new four-year contract with Deloitte. Knudtson and Dockendorf reviewed highlights of the plan, noting that the scope of services, testing approach, and timelines for the FY 2017 audits are consistent with previous years.

In response to a question from Regent Simmons, Knudtson explained that Deloitte has expertise in many industries, and Deloitte higher education professionals from audit and consulting speak regularly about topics and current trends in higher education.

Regent Powell asked why investments were selected as an area of focus for the audit. Knudtson explained that the University has a great deal of alternative investments that are more difficult to value than traditional traded securities and bonds. She noted that this is common in higher education.

In response to comments from Regent Beeson, Knudtson explained that Deloitte reviews audits of financial statements for investments in the University's portfolio. She added that the firm that conducted the audit as well as the date it was conducted add to the report's credibility.

In response to a question from Simmons, Chief Auditor Klatt informed the committee that the University will undergo a National Science Foundation audit. The audit will provide insight on the focus of regulators.

COMPLIANCE RISK ASSESSMENT INITIATIVES

Regent Lucas invited Boyd Kumher, Chief Compliance Officer, to outline compliance risk assessment initiatives, as detailed in the docket.

Kumher shared eight elements of an effective compliance program and reported that he is working to better align the University's Office of Institutional Compliance with those elements. He added that compliance in higher education has become increasingly important and complex over the last decade.

Kumher explained that this work replaces the long-standing, reactive process of self-reporting and identifies and prioritizes risks proactively. He added that proactive identification of risks allows mitigation, audit, and evaluation before compliance problems arise.

In response to a question from Regent Beeson, Kumher explained that the upcoming National Science Foundation (NSF) audit will be a review of business transactions with recommendations for how research funds are handled and spent. Klatt added that the NSF audit is a financial compliance audit with no review of research.

Regent Powell inquired about the University's risk profile. Klatt reported the University does not have a formal enterprise risk assessment process. Regent Beeson shared that an enterprise risk profile was created in 2014. Klatt added that the 2014 risk profile does not reflect current risk concerns and she will recommend that the committee consider this topic for the 2017-18 work plan. Powell agreed with Klatt's recommendation.

Regent Hsu asked about the effectiveness of the UReport compliance reporting hotline. Kumher explained that the UReport system receives about 120-140 reports per year and is a well-known resource across the University. He added that about 60 percent of reports are human resources related, which is typical of compliance hotlines, and explained that having a hotline is a best practice. Kumher clarified that reports are referred to other offices for investigation.

UPDATE ON REMEDIATION OF INTERCOLLEGIATE ATHLETICS AUDIT FINDINGS

Regent Lucas invited Associate Vice President Michael Volna and Mark Coyle, Director of Intercollegiate Athletics, to provide an update on remediation of Intercollegiate Athletics audit findings, as detailed in the docket.

Volna referred the committee to a scorecard in the docket outlining progress made on each of nine priorities from the work plan developed by the financial oversight group. He explained that the status of three recommendations was changed since the last update to the committee in December because of testing and discussions with Internal Audit. Three items previously reported as "complete" have been reclassified – two to "partially complete" and one to "not complete." Volna reported that the financial oversight group continues to meet and make progress on the audit recommendations.

Coyle reported that he is nearing his one-year anniversary at the University and that remediation of the findings continues to be a priority for him and his department.

INFORMATION ITEMS

Chief Auditor Klatt referred the committee to the information items contained in the docket, which include a report of an engagement less than \$100,000 requiring after-the-fact reporting.

The meeting adjourned at 2:34 p.m.

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

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Governance & Policy Committee
May 11, 2017**

A meeting of the Governance & Policy Committee of the Board of Regents was held on Thursday, May 11, 2017 at 1:15 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Thomas Anderson, Dean Johnson, David McMillan, Darrin Rosha, and Steven Sviggum.

Staff present: Chancellors Michelle Behr and Lendley Black; Interim Chancellor Barbara Keinath; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice President Kathryn Brown; and Executive Director Brian Steeves.

Student Representatives present: Lauren Mitchell

**BOARD OF REGENTS POLICY: RESERVATION AND
DELEGATION OF AUTHORITY (BOARD AUTHORITY)**

Regent Cohen invited Jason Langworthy, Board Associate, Policy & Committees, Office of the Board of Regents, to present for action proposed amendments to Board of Regents Policy: *Reservation and Delegation of Authority*, as detailed in the docket.

Langworthy reviewed the proposed amendments and explained that no changes were made since the committee reviewed them in December. He reminded the committee that with the approval of the amendments, Board of Regents Policy: *Board Authority* would be repealed.

Regent Rosha expressed concern that the language contained in subdivision one of *Board Authority* and being added to subdivision four of *Reservation and Delegation of Authority* was not specific enough, creating the potential for the Board to delegate too much authority to individual members or committees. He advocated for a narrower provision that would make it clear that any authority delegated to individual members or committees is restricted. Regent McMillan asked Rosha if he was proposing a new subdivision or seeking to clarify the current language. Rosha responded that he is fine with the current language, but asked the Board Office to develop more restrictive language for future consideration.

Regent Anderson questioned whether the language in subdivision four allows a subset of the Board to vote or act on behalf of the Board. McMillan responded that it would depend on the Board's charge to that subset. Anderson noted that in his view, the proposed language does not delegate any authority.

Cohen summarized that the committee is supportive of the current language with the direction to the Board Office to draft revised language for future consideration that would narrow the authority that could be granted.

A motion was made and seconded, and the committee voted unanimously to recommend adoption of the proposed amendments to Board of Regents Policy: *Reservation and Delegation of Authority* and repeal of Board of Regents Policy: *Board Authority*.

BOARD OF REGENTS POLICY: BOARD POLICY DEVELOPMENT

Regent Cohen invited Jason Langworthy, Board Associate, Policy & Committees, Office of the Board of Regents, to present for action proposed amendments to Board of Regents Policy: *Board Policy Development*, as detailed in the docket.

Langworthy reviewed the proposed amendments. He explained that in response to the committee's feedback from December, the language was revised to clearly state the Board's expectation that the administration will make certain that other University policies are in alignment with Board policy. The alignment review language was clarified to ensure a regular, ongoing review, and the reporting requirement and sampling language were removed. Langworthy suggested that the Board or this committee could ask for an update from the administration at any time.

Regent Rosha praised Langworthy's work between review and action to ensure full and appropriate consideration of Regent input.

A motion was made and seconded, and the committee voted unanimously to recommend adoption of the proposed amendments to Board of Regents Policy: *Board Policy Development*.

BOARD OPERATIONS: BOARD MEETING FORMAT AND COMMITTEES

Regent Cohen invited Executive Director Steeves to discuss the Board's meeting format and committee structure, as detailed in the docket.

Steeves explained that this conversation continues the comprehensive review of Board of Regents Policy: *Board Operations and Agenda Guidelines* by focusing on how the Board operates now and wishes to operate in the future. He outlined changing paradigms impacting the work of higher education boards and noted the Board's interest in having the full Board consider a broader number of topics.

Steeves reviewed the current committee and meeting structure. He detailed a possible new structure and its potential benefits, including greater information symmetry, closer alignment with University administrative structure, support for reaching consensus, and fuller discussions driven by all 12 Regents meeting together more often.

Regent McMillan expressed his support for the proposed structure. He offered his belief that the Board can and must continue to improve how it does its work and how members of the Board collaborate with each other. McMillan agreed that the new structure would align with the direction and changes that President Kaler has made to his administrative organizational chart and reporting structure.

In response to questions from Regents Anderson and McMillan, Steeves explained that the Board would still need to take final action on committee recommendations made on Thursday, even if certain committees included all 12 Regents. Unless the Board delegated full authority for committees of 12 Regents to take action, committee recommendations would still come to the full Board on Friday for action via condensed committee reports. Steeves noted that adjustments are sometimes made to action items between Thursday and Friday that cause Regents to change their votes, and suggested that the gap between the two meetings was helpful for that reason. Anderson indicated his support for a gap between committee approval on Thursday and Board approval on Friday.

Regent Rosha voiced his support for the proposed structure, viewing it as a potential solution to the Board meeting less frequently than it had in the past. He noted that the structure could provide increased efficiency to the Board's meetings. He highlighted the opportunity for the full

Board to have more conversations, a part of the structure that he viewed as being highly valuable.

Regent Sviggum indicated his interest in the proposed structure. He wondered if the Board should consider reducing the total number of meetings from eight to seven to ensure the Board is not overburdening the administration and being effective with its time.

The committee discussed the total number of meetings, with members speaking for and against a possible reduction in meeting frequency. Committee members discussed recent history leading to the current number of meetings; voiced concern that the Board should never be viewed as an impediment to the administration; questioned whether some of the program highlights presented by the administration could be reduced in favor of policy discussions, and in turn reducing the overall meeting time; the need to balance agendas between educational, fiduciary, and governance topics; and how the Board's meeting schedule compares with peer institutions. Cohen recommended to the committee that this topic is one to consider with the rest of the Board.

Student Representative Mitchell encouraged the committee to consult with the student representatives on how the proposed structure would affect them. Cohen responded that it was her belief that the student representatives would continue as an essential part of the proposed structure.

Cohen summarized the committee's discussion as generally positive toward the proposed structure, noting in particular that it addresses concerns by some Regents around not having enough information on the annual operating budget before voting.

**DISCUSSION OF BOARD OF REGENTS POLICY:
RESPONSIBILITIES OF THE BOARD AND INDIVIDUAL REGENTS**

Regent Cohen invited Executive Director Steeves to lead a discussion of Board of Regents Policy: *Responsibilities of the Board and Individual Regents*, as detailed in the docket.

Steeves explained that the policy was identified for comprehensive review in this year's Board policy work plan. He added that if the committee offered input on the policy that yielded potential changes, those amendments would be presented at a future meeting for review.

The committee discussed the current policy, including: that any code of conduct could be interpreted differently by individuals; whether criticizing the University could be viewed as hurting the institution; the need for Regents to be critical in the short-term to ensure long-term improvement; the importance of the means used to communicate critical feedback to the administration; the difficulty in having responsibilities stated in policy with no mechanism or committee to enforce them; the potential danger an ethics committee could pose in stifling dissent; that Robert's Rules of Order already contains a member discipline process; and the need to continue to build engagement among Regents.

The meeting adjourned at 2:16 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Academic & Student Affairs Committee
May 11, 2017**

A meeting of the Academic & Student Affairs Committee of the Board of Regents was held on Thursday, May 11, 2017 at 3:00 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Thomas Anderson, Dean Johnson, Peggy Lucas, Darrin Rosha, and Patricia Simmons.

Staff present: Chancellor Stephen Lehmkuhle; Executive Vice President and Provost Karen Hanson; Vice President Katrice Albert; and Executive Director Brian Steeves.

Student Representatives present: Phillip Guebert and Mina Kian.

GRADUATE EDUCATION UPDATE

Regent Cohen invited Executive Vice President and Provost Hanson and Scott Lanyon, Vice Provost & Dean of Graduate Education, to present the graduate education update, as detailed in the docket.

Hanson explained the distinction between graduate and professional education, noting that graduate education is rooted in research while professional education is applied and often leads to credentials or licensure in some fields. Lanyon explained that professional students are consumers of knowledge while graduate students create knowledge through their research.

Lanyon walked through the status of graduate education at the University. He outlined three strategic priorities: diversity, advising, and professional development opportunities. Lanyon reported that approximately half of graduate school graduates pursue careers outside of academia, and the focus on professional development opportunities is critical to their success.

Lanyon invited Dustin Chernick, a fourth-year Ph.D. candidate in pharmacology, to present on his research to the committee. His research is related to Alzheimer's disease and the impact of existing treatments for high cholesterol.

In response to questions from Regent Simmons, Lanyon agreed that students living in the Twin Cities when they begin their graduate studies may originally be from greater Minnesota. Simmons asked how frequently international students stay in the United States after graduation. Lanyon responded that it varies by discipline and country of origin. He added that 25 percent of graduate students are international, which creates an important element of diversity.

In response to a question from Student Representative Guebert, Lanyon explained that job placement for graduate students varies by program. He noted that among the 167 graduate programs, some have nearly 100 percent placement after graduation.

Regent Lucas expressed surprise that the University ranks sixth in the nation in granting Ph.D.s and asked how the University ranks in the Big Ten. Lanyon reported that the University

ranks third, noting that the University is ranked so high because it is comprehensive, offering graduate degrees in so many disciplines.

Simmons asked how many students are enrolled in combination graduate and professional programs. Lanyon did not know, but offered that collaborations for dual degree programs exist across the University.

PRINCIPLES THAT GUIDE ENROLLMENT STRATEGIES IN THE UNIVERSITY'S PROFESSIONAL SCHOOLS

Regent Cohen invited Henning Schroeder, Special Assistant to the Provost for Professional Education, to present the principles that guide enrollment strategies in the University's professional schools.

Schroeder reported that of the 18,000 post-baccalaureate students at the University, 11,000 are enrolled in professional degree programs at the Duluth, Rochester, and Twin Cities campuses. Because professional programs are closely linked to career preparation, each campus employs a unique recruitment strategy. He added that admissions and enrollment are managed at the collegiate or departmental level.

Schroeder invited leadership from five professional programs to share a brief overview of admissions and enrollment, student demographics, tuition, financial aid, and student debt:

- Massoud Amin, Director, Technological Leadership Institute, College of Science and Engineering
- Laura Bloomberg, Associate Dean, Humphrey School of Public Affairs
- Garry Jenkins, Dean, Law School
- Naty Lopez, Assistant Dean of Admissions and Diversity, School of Dentistry
- Christine Mueller, Associate Dean for Academic Programs, School of Nursing

In response to a question from Regent Lucas, Lopez explained that applicants to the School of Dentistry can self-identify as financially disadvantaged. Applicants must also write a brief statement to describe their individual situation.

In response to a question from Regent Simmons, Jenkins explained that the opportunity to complete a dual degree is an advantage in recruiting. He added that the Law School partners with many other colleges across the University to offer dual degrees.

Regent Rosha expressed his satisfaction with the Humphrey School's recent jump in the national rankings. Bloomberg responded that the success of Humphrey School's alumni network is integral to the success of the school and future students.

Rosha asked if the Law School's yield rate has dropped because of increasing tuition. Jenkins reported that nationally, law school applications have significantly declined over the last five years and it has proved to be a challenging time for law schools. He added that tuition is increasing across the country, and that other law schools have been able to provide higher amounts of aid to students. Jenkins suggested that law students do not consider sticker price as much as they do financial aid awards.

In response to a question from Cohen, Student Representative Guebert – a current student in the Law School – explained that students apply to law schools regardless of the sticker price, understanding that they will be offered scholarships to defray those costs.

Lucas asked if the recent \$25 million gift to the Law School will have an impact on the profile of its applicants. Jenkins explained that the gift funds the Binger Center for New Americans with a focus on immigration, refugee rights, and asylum. He added that it will draw students with an interest in studying law in those fields.

CONSENT REPORT

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

• Request for Approval of New Academic Programs

- Medical School (Twin Cities campus)—Create residency in Interventional Radiology Independent
- College of Education and Human Development (Twin Cities campus)—Create a M.Ed. degree in Physical Activity and Health and deliver the degree partially online
- College of Veterinary Medicine (Twin Cities campus)—Create post-baccalaureate certificate in Veterinary Medical Education and deliver the program online
- Humphrey School of Public Affairs (Twin Cities campus)—Create undergraduate certificate in Election Administration and deliver online
- College of Education and Human Development (Twin Cities campus)—Create undergraduate minor in Family and Community Engagement
- College of Education and Human Development (Twin Cities campus)—Create undergraduate minor in Family Financial Studies
- College of Education and Human Development (Twin Cities campus)—Create undergraduate minor in Family Therapy
- College of Education and Human Development (Twin Cities campus)—Create undergraduate minor in Racial Justice in Urban Schooling
- College of Education and Human Service Professions (Duluth campus)—Create B.A. degree in Education Studies
- The Crookston campus—Create an undergraduate certificate in Agricultural Business and deliver online

• Request for Changes to Academic Programs

- Academic Health Center (Twin Cities campus)—Create sub-plans in Clinical Informatics, Data Science and Informatics for Learning Health Systems, Translational Bioinformatics, and Precision and Personalized Medicine Informatics within the Ph.D. degree in Health Informatics
- College of Education and Human Development (Twin Cities campus)—Create sub-plans in Foundations of Education and Individualized Studies within the B.S. degree in Early Childhood
- College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)—Move the academic home of the Wildlife Ecology and Management sub-plan to the Conservation Sciences program
- Office of Undergraduate Education (Twin Cities campus)—Move the academic home of the undergraduate minor in Leadership from The College of Education and Human Development and the Humphrey School of Public Affairs to Undergraduate Education
- College of Education and Human Development (Twin Cities campus)—Change the name of the M.A. degree in Applied Developmental Psychology to Applied Child and Adolescent Development
- College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)—Change the name of sub-plan in Fisheries to Fisheries and Aquatic Sciences within the Fisheries, Wildlife, and Conservation Biology B.S.

- School of Nursing (Twin Cities campus)—Change the name of the post-baccalaureate certificate in Pediatric Nurse Practitioner to Pediatric Primary Care Nurse Practitioner
 - School of Nursing (Twin Cities campus)—Change the name of the post-baccalaureate certificate in Adult Health/Gerontological Nurse Practitioner to Adult/Gerontological Primary Care Nurse Practitioner
 - School of Nursing (Twin Cities campus)—Change the name of sub-plans in Adult Health/Gerontological Nurse Practitioner and Pediatric Nurse Practitioner to Adult/Gerontological Primary Care Nurse Practitioner and Pediatric Primary Care Nurse Practitioner within the Doctor of Nursing Practice degree
 - College of Liberal Arts (Duluth campus)—Create sub-plans in Medical Arts and Science and Individualized Plan within the B.A. degree in Interdisciplinary Studies
- **Request for Approval of Discontinued Academic Programs**
 - College of Liberal Arts (Twin Cities campus)—Discontinue the undergraduate minor in Danish
 - College of Liberal Arts (Duluth campus)—Discontinue the graduate minor in Criminology

The meeting adjourned at 4:46 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Finance Committee
May 11, 2017**

A meeting of the Finance Committee of the Board of Regents was held on Thursday, May 11, 2017 at 3:00 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Michael Hsu, David McMillan, Abdul Omari, Kendall Powell, and Steven Sviggum.

Staff present: President Eric Kaler; Chancellors Michelle Behr and Lendley Black; Interim Chancellor Barbara Keinath; Senior Vice President Brian Burnett; Interim Vice President Bernard Gulachek; Executive Director Brian Steeves; Chief Auditor Gail Klatt; and Associate Vice Presidents Stuart Mason, Julie Tonneson, and Michael Volna.

Student Representatives present: Tareyn Stomberg.

TWIN CITIES ATHLETICS: FINANCIAL MODEL

Regent Beeson invited Senior Vice President Burnett and Mark Coyle, Director of Intercollegiate Athletics, to discuss the financial model used by the Department of Intercollegiate Athletics on the Twin Cities campus (Athletics), as detailed in the docket.

Coyle outlined the guiding principles and core values of Athletics. He summarized the current Athletics budget in comparison to the University's Big Ten peers for fiscal years 2016 and 2017. He noted that the decrease in revenue between the two years was due to no longer receiving rental income from the Minnesota Vikings. Adjusting for that, Coyle reported that the Athletics budget was roughly flat.

Burnett summarized the FY 2017 operating budget, outlining its major expenses and revenues. He noted that some areas are within the control of Athletics, but other areas are not, such as Big Ten and NCAA revenue distributions and reimbursements for the cost of student athlete tuition.

Coyle outlined the assumptions used by Athletics to build its long-term financial plan. He explained that the three major revenue sports – football, men's basketball, and men's hockey – provide much of the revenue needed to support the other 22 sports offered by Athletics. Coyle emphasized the need to ensure that the revenue-generating sports have the resources needed to remain competitive and continue to sustain the other teams. Burnett added that Athletics is also making the long-term assumption that support from the University will continue, including the Title IX funding from the State of Minnesota that is now rolled into the University's total O&M allocation.

Burnett reviewed the history of the University's central allocation to Athletics, including the Title IX allocation, and how changes to the system-wide budget model in 2007 affected the amount transferred to and from Athletics. He shared the current transfer amounts.

Beeson asked how the University's central allocation to Athletics compares to other schools in the Big Ten. Burnett reported that the central allocation was not unusual within the Big Ten. He noted that those institutions that are able to return revenue to the academic mission have football programs that generate significant revenue and often do not have the number and breadth of other sports that the University does. He explained that some institutions do not charge their athletic departments for the full overhead cost or cost of tuition for student athletes. He advocated that the current cost pool structure shows to the Board and public what is being paid to and by Athletics.

Coyle added that regardless of university-specific arrangements, all Big Ten athletic departments need to focus on key revenue sources, including ticket sales, fundraising, the Big Ten and NCAA revenue distribution, licensing, and multimedia rights. He noted that of those revenue streams, ticket sales and fundraising are under the direct control of Athletics, with the other sources determined by long-term agreements. He stressed that by selling more tickets and expanding donations, Athletics can help ensure increased revenue and support for the department.

In response to a question from Regent Hsu, Burnett clarified that the \$3.7 million noted as additional University support to Athletics is added to the total Athletics budget. He explained that those additional funds support debt service for the boathouse, among other items. He explained that the amount of the additional support is decreasing as the debt service is paid. Burnett noted that the \$3.7 million is a University expense and not a part of the Athletics operating budget.

Regent Sviggum wondered how the development and success of the three revenue sports affects the development of the other sports. He asked about the impact of events of the past year on fundraising. Coyle responded that he was not aware of any major drop-offs in giving. He noted that this past year, both football and men's basketball had winning Big Ten conference records for the first time in 52 years. He emphasized his pride in the competitive nature of the full Athletics program, highlighting the recent success of softball, women's track and field, women's soccer, and women's hockey. Coyle stressed the long-term assumption that Athletics will have 25 competitive teams, but emphasized the need for the three revenue sports to perform at a high level in order to bring in the revenue needed to sustain and build on the success of those other teams. Sviggum responded that athletics success often drives fundraising for the entire institution, offering an example from the University of Notre Dame.

Beeson asked for an update on fundraising for Athletes Village and the amount of debt that will be issued to pay for the project. Burnett reported that the University does not have an estimate but will seek to issue as little debt as possible. He explained that the University will need to issue some debt, most likely commercial paper, to cover the timing of pledged donations. He added that the new football head coach has been helpful in recent donor meetings and in moving fundraising forward. Coyle reported continued success securing donations and that the fundraising total is roughly \$102 million.

In response to Hsu, Burnett specified that the total project cost without the track and field is \$166 million. Hsu asked for the total project cost when including the track and field, including the total debt service cost. Burnett responded that the debt service amount cannot be determined until the project and fundraising are complete, but offered that the total project cost will be approximately \$184 million, which includes \$17 million for the track and field.

Beeson suggested other needs for Athletics facilities, including the field house and a future renovation of the Gibson-Nagurski Football Complex. Coyle agreed and added that Athletics is mindful of the facilities investigation by the federal Office for Civil Rights and the need to keep a reserve to address any potential findings.

ROLE OF CENTRAL RESERVES FUND

Regent Beeson invited Associate Vice President Volna and Associate Vice President Tonneson to lead a discussion of the role of the central reserves fund (fund), as detailed in the docket.

Volna provided an overview of Board of Regents Policy: *Central Reserves Fund*. He noted the source for, and purpose of, the fund. He explained the fund's budgeting parameters and the required size of the reserves. Tonneson offered that the fund was near the total size as required by policy before the great recession, but dropped significantly during the recession. She explained that it is now starting to grow again.

Tonneson summarized the fund's reporting requirements to the Board and referred the committee to the annual update contained in the docket. She outlined the fund within the annual operating budget, noting that the timing of revenue and allocation transfers often affects the fund total. Tonneson identified the fund's resources and uses. She also described the policy's oversight mechanisms, noting that it is a separate part of the general ledger and overseen by the chief financial officer.

Regent Hsu shared his understanding that the fund was created in response to the Minnesota Legislature, which questioned whether the University had enough reserves and how those reserves were used. He recalled additional concern by the Board about spending related to Eastcliff and furniture purchases. Hsu referenced the Board's minutes from that time and observed that the fund was used for projects that needed additional funding on a case-by-case basis. He noted that the practice now is to adopt a full budget for the fund as a part of the annual operating budget.

Hsu wondered if the fund is allocated beyond what is budgeted or used for other purposes. Tonneson responded that some allocations included in the fund budget are estimates. She explained that the other area of the fund budget that may be different is the \$1 million allocation to the general contingency fund. She defined this part of the fund as a way to pay for unexpected expenses, noting that any general contingency spending is reported to the committee and any allocation above \$250,000 requires Board approval. Tonneson added that when revenue flows in above projections, that revenue offsets previously budgeted expenses or is held for future use, but is not allocated for new expenditures without Board approval.

Burnett commented that the fund is a transparent way for the Board to view a non-state-funded discretionary revenue stream. He offered that the fund has not grown in proportion to the operating budget. Burnett argued that the fund builds trust and recommended that the committee reaffirm its principles and use. He recommended keeping the fund as a flexible tool since most of the University's reserves are held by individual units.

Hsu recalled that the policy was created in part to consolidate all of the University's reserves but that no mechanism exists to monitor where the funds are being used. He offered his view that the transparency issues that necessitated the fund's creation have been addressed and that the fund has worked well for nearly 30 years. Hsu suggested that the Board look at making the fund more useful and also increase its size. He wondered about the actual size of the University's reserve, noting that he does not feel comfortable talking about how large a reserve the University needs without knowing what the current reserve is.

Regent Powell asked how the great recession affected the fund. He noted that while the size of the fund feels correct, he is unsure how much the University has in total reserves and how much should be held centrally versus at the unit level. Tonneson explained that the smaller fund size after the great recession was due mostly to decreased revenue going into the fund. She clarified that the University calculates the size of the reserve after making budgeted allocations and receiving revenue. Tonneson explained that institutional reserves are distributed across units and contained in the temporary investment pool (TIP). Units

periodically report on how they are using their reserves, and the total TIP balance is roughly \$1 billion. She offered that while units might identify some of their TIP funds as restricted, central administration could use those balances in a fiscal emergency.

President Kaler noted that while units may have a plan to use those TIP funds for new hires or building investments, they can defer those projects and use the funds to address a sudden decrease in revenue. He recommended that the Board keep the fund as a transparent way to monitor how those funds are allocated. He asked that the Board direct the administration to amend parts of the policy to increase efficiency, including the requirement that legal settlements already obligated to units must first be deposited to the fund.

Beeson responded that he believes the Board likes to see legal settlements deposited into the fund because that gives the Board a level of transparency to monitor the distribution. He noted his desire to approve the large distributions. Beeson added that credit agencies include the TIP balance as a part of assets to determine the University's credit rating. Burnett observed that the University enjoys the credit level it has due to the level of reserves it maintains. He stated that the University is in the middle of the Big Ten for reserves and has maintained a conservative debt strategy.

In response to Hsu, Tonneson clarified that while the total size of TIP is known, the specific uses identified by the units are not. She offered that every two to three years, units are asked to identify how they have categorized those funds. Burnett added that because units change their hiring plans and need to flex how reserve dollars are used, it is impossible to forecast comprehensively the use of the funds. Kaler noted that units are encouraged to use TIP funds for one-time expenses. Hsu shared his concern that some colleges have few reserves left.

CONSENT REPORT

Senior Vice President Burnett presented the Consent Report, as detailed in the docket:

General Contingency:

- There were no items requiring approval this period.

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

- To Academic Programs International (API), Academic Studies Abroad (ASA), American Institute for Foreign Studies (AIFS), CEA Study Abroad, Center for International Studies (CISabroad), International Studies Abroad (ISA), University Studies Abroad Consortium (USAC) and others for an estimated \$1,005,000 to provide services to support overseas study abroad programs for the UMD International Programs and Services' Study Abroad Office for Fiscal Year 2018. The program fees cover the costs of the academic program and the administrative costs for the UMD Study Abroad office. See docket for basis of vendor selection.
- To Central Roofing Company, and Inspec, Inc. for an estimated \$625,000 for providing roof maintenance inspection and repair for the Facilities Management Department for the period of June 1, 2017, through May 31, 2019, with possible contract extensions through May 31, 2021, for an additional \$608,000. Total contract value, if all options are exercised, would be \$1,233,000. Roof inspection and maintenance is budgeted by a variety of organizations on the Twin Cities campus through their facilities budget. Vendors were selected through a competitive process.
- To Delta Dental Plan of Minnesota (DDP) for an estimated \$772,000 for administrative services for self-funded Dental benefits provided to Twin Cities, Duluth, Crookston,

Morris and Rochester students for Boynton Health Service for the period of September 1, 2017, through August 31, 2019, with possible contract extensions through August 31, 2023, for an additional \$1,728,000. Total contract value, if all options are exercised, would be \$2,500,000. The program has adequate reserves to meet all obligations for the next two years of self-funding and provide the same level of coverage to students for the upcoming year. The cost of the plan is borne entirely by students purchasing the plan. Vendor was selected through a competitive process.

- To First Transit Group for an estimated \$23,650,000 for intercampus transit services for the University of Minnesota Twin Cities campus for the period of July 1, 2017, through June 30, 2021, with possible contract extensions through June 30, 2025, for an additional \$27,500,000. Total contract value, if all options are exercised, would be \$51,150,000. The funds required for this contract will be paid for with Parking & Transportation Services funds and student transportation fees. Vendor was selected through a competitive process.
- To JEOL USA, Inc for \$1,507,700 for acquisition of a "Field Emission based Electron Microprobe (EPMA) with four (4) Wavelength Dispersive Spectrometers (WDS) and one Soft X-ray Spectrometer" for the Department of Earth Sciences. Acquisition of the electron microprobe is funded from the sponsored project, a National Science Foundation Major Research Instrumentation grant (EAR1625422) in addition to matching funds (mandatory to the NSF MIR program) provided by the Office of the Vice President for Research, the College of Science and Engineering, and the Department of Earth Sciences). Vendor was selected through a competitive process.

The committee discussed the First Transit Group purchase, including the University's ability to seek extension, the reduction in price, the number of University owned buses operated by First Transit, and the price per trip.

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

INFORMATION ITEMS

Senior Vice President Burnett referred the committee to the information items in the docket:

- Quarterly Purchasing Report
- Quarterly Asset Management Report
- Six-Month Management Report - Unaudited
- Quarterly Investment Advisory Committee Update

Associate Vice President Mason and Andrew Parks, Senior Director of Investment Strategy & Research, Office of Investments and Banking (OIB), provided additional detail on the quarterly asset management report and work by OIB to realign the asset management guidelines.

The meeting adjourned at 4:43 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents
May 12, 2017**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, May 12, 2017 at 8:45 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Lendley Black and Stephen Lehmkuhle; Executive Vice President and Provost Karen Hanson; Interim Chancellor Barbara Keinath; Senior Vice President Brian Burnett; Vice Presidents Katrice Albert, Kathy Brown, Brooks Jackson; Interim Vice Presidents Bernard Gulachek and Allen Levine; General Counsel Doug Peterson; Executive Director Brian Steeves; and Associate Vice Presidents Julie Tonneson and Michael Volna.

RECOGNITIONS

DISTINGUISHED MCKNIGHT UNIVERSITY PROFESSORS

The Distinguished McKnight University Professorship award honors and rewards the highest-achieving faculty at the University who recently attained full professor status. The 2017 recipients are:

- Stephanie M. Carlson, Professor, Institute of Child Development, College of Education & Human Development, Twin Cities
- Tianhong Cui, Professor, Mechanical Engineering, College of Science & Engineering, Twin Cities
- Reuben S. Harris, Professor, Biochemistry, Molecular Biology and Biophysics, College of Science & Engineering and Medical School, Twin Cities
- Monica Luciana, Professor, Psychology, College of Liberal Arts, Twin Cities
- Theresa M. Reineke, Professor, Chemistry, College of Science & Engineering, Twin Cities
- Loren Terveen, Professor, Computer Science and Engineering, College of Science & Engineering, Twin Cities

MCKNIGHT LAND-GRANT PROFESSORS

The McKnight-Land Grant Professorship honors assistant professors in the beginning stage of their professional careers who have the potential to make significant contributions to their departments and to their scholarly fields. The 2017-19 recipients are:

- Yaniv Brandvain, Assistant Professor, Plant and Microbial Biology, College of Science & Engineering, Twin Cities
- Sairaj V. Dhople, Benjamin Mayhugh Assistant Professor, Electrical and Computer Engineering, College of Science & Engineering, Twin Cities

- Cari Dutcher, Assistant Professor, Mechanical Engineering, College of Science & Engineering, Twin Cities
- Vivian E. Ferry, Assistant Professor, Chemical Engineering and Materials Science, College of Science & Engineering, Twin Cities
- Renee R. Frontiera, Assistant Professor, Chemistry, College of Science & Engineering, Twin Cities
- Bernadette T. Gillick, Assistant Professor, Physical Medicine and Rehabilitation, Medical School, Twin Cities
- Candice N. Hirsch, Assistant Professor, Agronomy and Plant Genetics, College of Food, Agricultural & Natural Resource Science, Twin Cities
- Robert B. Nichols, Assistant Professor, Political Science, College of Liberal Arts, Twin Cities
- Lana Yarosh, Assistant Professor, Computer Science and Engineering, College of Science & Engineering, Twin Cities

NATIONAL ACADEMY MEMBERS & OTHER MAJOR FACULTY AWARDS

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

American Academy of Arts and Sciences

- Megan Gunnar, Regents Professor, Distinguished McKnight University Professor, Director, Institute of Child Development, College of Education & Human Development, Twin Cities
- Sarah Hobbie, Distinguished McKnight University Professor, Ecology, Evolution and Behavior, College of Biological Sciences, Twin Cities
- Marlene Zuk, Professor, Ecology, Evolution and Behavior, College of Biological Sciences, Twin Cities

National Academy of Sciences

- Frank Bates, Regents Professor, Department of Chemical Engineering and Materials Science, College of Science & Engineering, Twin Cities
- Maury Bramson, Professor, Mathematics, College of Science & Engineering, Twin Cities

Guggenheim Foundation Fellowship

- Susan D. Jones, Professor, Director, History of Science, Technology, and Medicine Program, College of Biological Sciences, Twin Cities
- Heidi Kitrosser, Professor, Law School, Twin Cities

ACADEMY OF DISTINGUISHED TEACHERS

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

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

- Hangtae Cho, Senior Lecturer, Asian Languages and Literatures, College of Liberal Arts, Twin Cities

- Michelle D. Driessen, Distinguished University Professor, Chemistry, College of Science & Engineering, Twin Cities
- Robert L. Dunbar, Associate Professor, Center for Learning Innovation, Rochester
- Becca Gercken, Associate Professor, English and American Indian Studies, Division of the Humanities, Morris
- Gayle Golden, Senior Lecturer, School of Journalism and Mass Communication, College of Liberal Arts, Twin Cities
- Kurt F. Kipfmüller, Associate Professor, Geography, Environment, and Society, College of Liberal Arts, Twin Cities
- Tade O. Okediji, Associate Professor, Applied Economics, College of Food, Agricultural & Natural Resource Sciences, Twin Cities
- Daniel J. Phillipon, Associate Professor, English, College of Liberal Arts, Twin Cities
- Michael Sommers, Associate Professor, Theatre Arts and Dance, College of Liberal Arts, Twin Cities

Award for Outstanding Contributions to Graduate & Professional Education

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

- Eray S. Aydil, Professor, Chemical Engineering and Materials Science, College of Science & Engineering, Twin Cities
- Jim Boulger, Professor, Biobehavioral Health and Population Sciences, Medical School, Duluth
- Mark L. Davison, Adjunct Professor, Educational Psychology, College of Education & Human Development, Twin Cities
- Susan Goodwin Gerberich, Professor, Division of Environmental Health Sciences, School of Public Health, Twin Cities
- Kathleen Krichbaum, Professor, Population Health Systems, School of Nursing, Twin Cities
- Kathryn Reyerson, Professor, History, College of Liberal Arts, Twin Cities
- Katherine West Scheil, Professor, English, College of Liberal Arts, Twin Cities
- Jeffrey A. Simpson, Professor, Psychology, College of Liberal Arts, Twin Cities
- Margaret A. Titus, Professor, Genetics, Cell Biology and Development, Medical School and College of Biological Sciences, Twin Cities

JOHN TATE AWARD FOR EXCELLENCE IN UNDERGRADUATE ADVISING

The John Tate Award for Excellence in Undergraduate Advising serves to recognize and reward high-quality academic advising. It calls attention to the contribution academic advising provides in helping students formulate and achieve intellectual, career, and personal goals. The 2017 recipients are:

- Rhonda R. Franklin, Professor, Department of Electrical and Computer Engineering, College of Science & Engineering, Twin Cities
- Chung-En (Anny) Lin, Senior Academic Advisor, Undergraduate Program, Carlson School of Management, Twin Cities
- Jennifer Jane Marshall, Associate Professor, Department of Art History, College of Liberal Arts, Twin Cities
- Megan Seltz, Senior Academic Advisor, Construction and Facility Management, Undergraduate Programs, College of Continuing Education, Twin Cities

OUTSTANDING COMMUNITY SERVICE AWARD

The Outstanding Community Service Award recognizes accomplishments of faculty, staff, students, and University-affiliated community members who have devoted their time and talent to make substantial, enduring contributions to the external community and to improve the well-being of society. The 2017 recipients are:

- Linus Chan, Teaching Specialist, James H. Binger Center for New Americans, Law School, Twin Cities
- Beth Fallon, Ph.D. Candidate, Department of Plant and Microbial Biology, College of Biological Sciences, Twin Cities
- Brian T. Sick, Associate Professor, Department of Medicine, Medical School, Twin Cities
- Lisa Thornquist, Research and Project Evaluation Coordinator, Hennepin County Office to End Homelessness

COMMUNITY-ENGAGED SCHOLAR AWARD

The President's and College-Wide Community-Engaged Scholar Awards recognize faculty and professional and administrative employees for exemplary engaged scholarship in their fields of inquiry. The 2016-17 recipients are:

President's Community Engaged Scholar

- George Weiblen, Distinguished McKnight Professor, Plant and Microbial Biology, College of Biological Sciences, Twin Cities

College-Wide Community Engaged Scholars

- Abimbola Asojo, Professor, Interior Design Program, College of Design, Twin Cities
- Jennifer McComas, Professor, Educational Psychology, College of Education & Human Development, Twin Cities
- Michelle Johnson-Jennings, Assistant Professor, Department of Pharmacy Practice and Pharmaceutical Sciences, College of Pharmacy, Duluth
- Kathryn Draeger, Director, Regional Sustainable Development Partnerships, Extension
- Kathy Quick, Associate Professor, Leadership and Management, Humphrey School of Public Affairs, Twin Cities
- Renee Sieving, Professor, Center for Adolescent Nursing, School of Nursing, Twin Cities
- Tetyana Shippee, Assistant Professor, Health Policy and Management, School of Public Health, Twin Cities

NATIONAL SCHOLARSHIP RECIPIENTS

Churchill Scholarship

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

- Anthony Tabet, Chemical Engineering, College of Science & Engineering, Twin Cities

Fulbright Award

In 1945, Senator J. William Fulbright introduced a bill in the United States Congress that called for the use of surplus war property to fund the “promotion of international good will through the exchange of students in the fields of education, culture, and science.” In 1946, President Harry S. Truman signed the bill into law, and Congress created the Fulbright Program, the flagship international educational exchange program sponsored by the U.S. Government. The Fulbright Program has fostered bilateral relationships in which citizens and governments of other countries work with the U.S. to set joint priorities and shape the program to meet shared needs.

- Talia Anderson, Geography and Spanish, College of Liberal Arts, Twin Cities
- Alexandra Johnson, American Indian Studies, College of Liberal Arts, Twin Cities

Goldwater Scholarship

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

- Rahul Parhi, Mathematics and Computer Science, College of Science & Engineering, Twin Cities

Udall Scholarship

The Udall scholarship honors the legacies of Morris Udall and Stewart Udall, whose careers had a significant impact on Native American self-governance, health care, and the stewardship of public lands and natural resources.

- Tarlynn Tone-Pah-Hote, Biology, Morris

PRESIDENT’S AWARD FOR OUTSTANDING SERVICE

The President’s Award for Outstanding Service was established in 1997 to recognize active or retired faculty and staff who have gone beyond their regular duties and demonstrated an extraordinary commitment to the University community. The 2017 recipients are:

- Etty DeVeaux, Chief of Staff and Assistant to the Vice Provost and Dean of Graduate Education, The Graduate School, Twin Cities
- Molly Dingel, Associate Professor, Center for Learning Innovation, Rochester
- Mark Karon, Director, University Student Legal Service, Office for Student Affairs, Twin Cities
- Karen Miksch, Associate Professor and Coordinator, Higher Education and Law, Department of Organizational Leadership, Policy and Development, College of Education & Human Development, Twin Cities
- Susan Marie Pohlod, Executive Office and Administrative Specialist, Department of Applied Economics, College of Food, Agricultural & Natural Resource Sciences, Twin Cities
- Lester Potts, Grounds Superintendent, Landcare Central Services, Facilities Management, Twin Cities
- Kathryn Pouliot, Manager, Benefits Services, Office of Human Resources, Twin Cities
- Luis Ramos-Garcia, Associate Professor, Department of Spanish and Portuguese, College of Liberal Arts, Twin Cities

- Nikki Letawsky Shultz, Assistant Dean, Student Affairs and International Programs, College of Biological Sciences, Twin Cities
- Robert Stein, Everett Fraser Professor of Law, Law School, Twin Cities
- Bilin Tsai, Professor, Department of Chemistry and Biochemistry, Swenson College of Science & Engineering, Duluth

NCAA CHAMPIONS

Recognition was given to the following student-athlete for winning an NCAA championship during the 2016-17 academic year:

- Yu Zhou, Diving, Twin Cities – Wenbo Chen, Coach

APPROVAL OF MINUTES

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

Board of Regents Work Session – March 23, 2017

Board of Regents – March 24, 2017

REPORT OF THE PRESIDENT

President Kaler reported on spring commencements and shared statistics about this year's graduating classes. He acknowledged several awards won by students, staff and faculty, noting they reflect the University's contributions to the community. He announced a system-wide campaign called the President's Initiative to Prevent Sexual Misconduct. Its goals are to:

1. Develop and require training around sexual misconduct issues for all faculty and staff;
2. Enhance student education and engagement, especially beyond the first year;
3. Create a sustainable public health/public awareness campaign;
4. Establish a President's Committee to Prevent Sexual Misconduct; and
5. Develop metrics for evaluating sexual assault and misconduct prevention, education, and advocacy and awareness activities on campuses.

Kaler reported on recent legislative activity, noting that proposed funding is far below the University's initial request. He explained that decreased funding could lead to tuition increases, less support for research initiatives, and fewer contributions back to the state.

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

REPORT OF THE CHAIR

Chair Johnson congratulated the morning's award recipients and remarked on the many commencement ceremonies across the system. He announced the establishment of the Presidential Performance Review Committee, which will be tasked with evaluating the performance of the president. The committee will be chaired by Johnson and will include Regents McMillan and Simmons. Johnson also announced the establishment of the Nominating Committee, charged with recommending a slate of candidates to serve as Board officers. The committee will be chaired by Johnson and will include Regents Cohen and Sviggum.

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

CONSENT REPORT

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

- Summary of Gifts through March 31, 2017
- Report of the All-University Honors Committee
- Report of the Naming Committee

Regent Powell recused himself from action on the Consent Report, due to a potential conflict of interest related to a gift from General Mills. A motion was made and seconded, and the Board of Regents voted unanimously to approve the Consent Report.

SYSTEM-WIDE STRATEGIC PLAN

Chair Johnson invited Chancellor Stephen Lehmkuhle and Vice Provost Rebecca Ropers-Huilman to present the System-Wide Strategic Plan (plan) for review. Lehmkuhle reported on the planning process and reviewed the impact of the institution on the state. Ropers-Huilman provided an overview of the plan framework, including the University's mission and guiding principles, the purpose of the system, the action plan, and the system's strategic intentions. Lehmkuhle discussed building system capacity as a way to achieve these strategic intentions. He reviewed the work plan and next steps.

Regent Anderson remarked on the importance of academic pathways between campuses and the growth of online learning. He commented on the need to build community partnerships and noted Greater Minnesota interest in access to University resources and services. He suggested that while each campus has its own identity, there is great strength in the unity of the system.

Regent Rosha asked if the committee had sought input from the governor, legislative leaders, or other institutions. Ropers-Huilman replied that the committee met with the Commissioner of the Minnesota Office of Higher Education and leaders from the Minnesota Private College Council. The committee also surveyed statewide community leaders about perceptions of the University and expectations for the future. Rosha stressed the importance of understanding the needs of the state and establishing an open dialogue with the legislature.

Regent Lucas expressed hope that the plan could help bridge the gap between the state's urban and rural communities.

In response to questions from Regent McMillan regarding how the plan implements "system mindfulness" and specifically reflects the land grant mission, Lehmkuhle addressed a variety of ways the system council will work with the administration to determine its annual agenda and establish key priorities. The council will help develop a way to guide decision making from a system perspective. Lehmkuhle commented that colleges and research and outreach centers (ROCs) across the system can learn from those colleges and ROCs that offer examples of peak collaboration in support of the land grant mission.

Regent Powell agreed that communication is a critical element to building strength across the system. He suggested that the Board's responsibility is to oversee a strategic process that focuses on the most important issues and that best serves the people of the state. He remarked that a system approach is one method to achieving institutional goals, suggesting there could be greater attention on priorities for specific colleges and units, areas of research, and outreach efforts.

UPDATE ON 2018-19 BIENNIAL BUDGET REQUEST

Chair Johnson asked Senior Vice President Burnett and Vice President Kramer to provide an update on the University's biennial budget request. Burnett compared the request to proposals made by the governor, House, Senate, and conference committee. Kramer called attention to the conference committee proposal, highlighting a recovery from the Bell Museum appropriation due to the project being delivered under budget. He discussed several policy measures included in the omnibus bill, highlighting the mandatory prohibition on student fees not related to infrastructure, instruction, or health care. Kramer voiced concern about the prohibition, since the University would be responsible for the costs associated with student programs. Other policy measures include positioning tuition rates in the middle of the Big Ten, greater outreach and recruitment for the Twin Cities campus, and the absence of a tuition freeze requirement.

Burnett reviewed the projects included in the capital request and noted that a bonding bill is yet to be proposed. Kramer added that bonding is often the legislature's last consideration after other budget decisions have been finalized. He emphasized that the University will continue its efforts to garner support and resources until the end of session.

In response to a question from Regent Simmons, Burnett responded that the financial implications of the student fee prohibition could equal millions of dollars, if all programs are maintained across all campuses.

In response to a question from Regent Johnson, Burnett urged the Board to carefully consider exercising constitutional autonomy around policy issues. He suggested consulting with the general counsel before acting, since the University must continue to partner with the legislature beyond the current session.

Regent McMillan requested clarification about policy language related to tuition rates, wondering if it applied to resident or non-resident, non-reciprocity (NRNR) rates. Kramer clarified later in the meeting that the proposed positioning of tuition rates in the middle of the Big Ten would apply to both resident and NRNR tuition.

Regent Beeson stressed the Board's constitutional autonomy, expressing concern with the perceived practice of trading policy for dollars.

In response to a question from Regent Omari, Kramer acknowledged potential logistical challenges associated with a student fee prohibition. He agreed it would require changes to an established system and would likely necessitate additional infrastructure. Kramer reiterated his concern with the prohibition, noting that student fees support programs that contribute significantly to the overall student experience.

Regent Rosha applauded the work of the Government Relations team in building the University's relationship with the legislature, noting positive feedback from individual legislators. He suggested that the University's focus on the percentage of the request received might need to shift to how state dollars received by the University benefit legislators' constituents and support the needs of the state. He agreed with the need for caution in matters of constitutional autonomy and stressed the importance engaging in conversations versus openly defying perceived autonomy challenges. Rosha suggested that the Board have a discussion on student fees to show the legislature and others that it is sensitive to how fees affect students and their families.

Regent Sviggum observed that the current Board is different from the one that approved the current budget request. He clarified that he would not have voted for the request that was submitted to the legislature in the fall.

Regent Hsu voiced concern about the reclaimed funds from the Bell Museum project and asked if reductions would continue in future years. Burnett replied that additional reductions were possible if construction continues under budget. In response to a question from Hsu, Burnett commented that maintenance and repair of existing facilities take priority over new construction when funds are limited.

Kaler noted that the initial appropriation for the Bell Museum was to construct and equip the facility. He explained that though construction is on budget, the museum is still being equipped and could require additional funds. He stressed that the University continues to oppose the reclaiming of funds for the project.

PRESIDENT'S RECOMMENDED FY 2018 ANNUAL CAPITAL IMPROVEMENT BUDGET

Chair Johnson invited Senior Vice President Burnett and Interim Vice President Berthelsen to present for review the President's Recommended FY 2018 Annual Capital Improvement Budget (capital budget), as presented in the docket. Burnett reminded the Board that policy directs the administration to develop a capital budget with a six-year timeline and updated annually. He explained that approval of the budget allows individual projects with completed predesigns and financing plans to proceed with design and construction.

Berthelsen explained that the capital budget includes the University's full legislative request and will be updated in June to reflect the outcome of the 2017 legislative session. He reviewed the major components of the capital budget, including HEAPR, system-wide projects, and repair and replacement (R&R) pools. He noted several projects that may be added in June. Burnett explained that approximately 62 percent of the budget is state-supported debt from the University's 2017 capital request; the remaining 38 percent supports the University's share of the state bonding projects.

Regent Omari questioned the additional projects, given already limited resources, and asked how those projects would be funded. Berthelsen responded that funding would come from a variety of sources, such as donor contributions and debt service; no state money would be used. In response to a question from Omari, Kaler responded that a 2011 measure of the University's economic impact on the state was \$13.20 to every dollar. He remarked that an updated report is underway.

In response to a question from Regent Rosha, Berthelsen stated that the armory is included in the six-year capital plan and will be discussed in the 2020 capital request as a complete rebuild. He added that minor repairs and safety issues are being addressed in the meantime.

Regent Powell asked if the legislature is aware of the implications of HEAPR projects, such as safety issues, financial returns, and cost avoidance. He observed that most companies would consider this maintenance to be essential. Burnett responded that the University has clearly explained safety issues and cost-saving measures to the legislature. He agreed maintaining infrastructure is part of the cost of doing business and is unsure why there is resistance to these projects.

In response to several questions from Regent Hsu, Burnett noted that the University would have to carefully consider next steps if HEAPR funds are not fully allocated. He explained it could mean some projects are not completed.

NEXT STEPS IN STRATEGIC EVOLUTION OF AFFILIATED CLINICAL PRACTICE

Chair Johnson invited Regent Simmons to report on the strategic evolution of the University's affiliated clinical partnership. Simmons reported that she and President Kaler had constructive discussions with leadership of both Fairview Health Services (FHS) and University of Minnesota Physicians (UMP). These conversations focused on common values and vision, a commitment to achieving shared goals, priorities and perspectives of the faculty, and alignment with the University's mission.

Kaler noted this is an opportunity for the University to position itself for success with FHS and its new CEO. He reported that FHS has listed its top strategic objective as realizing the strength of its partnership with the University. He offered that action at this meeting would help renew discussions with FHS and redefine the parties' shared goals. He noted that the administration is working to develop a more aligned agreement, while being clear about what is needed from FHS to achieve institutional goals. Kaler invited Vice President Brooks Jackson to participate in the discussion.

Regent Simmons moved to adopt the Resolution Related to Non-Renewal of the Master Integrated Structure Agreement. Regent McMillan seconded the motion.

Regent Beeson observed that improvements in the relationship with FHS have proven difficult and urged substantive change by September. If changes are not made by that time, he suggested the Board be prepared to exit the agreement completely.

Regent McMillan agreed and emphasized that the Board is serving notice of non-renewal despite being hopeful for a solution. He suggested the first sentence of the final paragraph of the resolution be changed from "the Board hereby endorses notice" to "the Board hereby authorizes and directs the administration to serve notice." Regent Simmons agreed to the language; there were no objections.

Regent Hsu asked about the relevance of the September date, since the Board is issuing its notice of non-renewal by the legally required deadline of June 1. General Counsel Doug Peterson remarked that the specific language has been discussed with FHS in the spirit of cooperation. The September date was chosen to allow appropriate time for negotiations but not let them continue indefinitely. Simmons added that the language signals a desire for collaboration while including a discussion end point.

In response to a question from Regent Powell, Peterson clarified that the University is legally required to issue notice one year before of the end of the initial five-year agreement. He remarked that there are both legal and practical implications to exiting the agreement. He stressed the importance of continuing reliable, quality service to patients and providers, noting that conversations about these logistics should be clear and forthright.

Regent Cohen shared that she is encouraged to learn that FHS has made its relationship with the University a top priority. She agreed that the language of the resolution should be diplomatic but also clear about the need for change.

Regent Simmons reminded the Board that the M Health agreement is one of many contracts between the University and FHS. She noted that regardless of the decision on this agreement, maintaining a positive relationship between the two parties is critical.

The Board of Regents voted unanimously to approve the Resolution Related to Non-Renewal of the Master Integrated Structure Agreement, as follows:

WHEREAS, the University of Minnesota (“University”), University of Minnesota Physicians (“UMPhysicians”), and Fairview Health Services (“Fairview”) entered into a Master Integrated Structure Agreement (MISA) “M Health” on June 1, 2013; and

WHEREAS, the agreement provides for an initial 5-year term, ending June 1, 2018, which automatically renews for an additional 5-year term unless a party provides written notice of intent not to renew at least 12 months prior to the end of the 5-year term; and

WHEREAS, while the agreement to date has been successful in many areas including growth of the practice plan, improved quality metrics, and enhanced brand recognition, the parties can benefit from further strategic planning before restructuring their relationship; and

WHEREAS, the University remains committed to the M Health partnership and expects efforts to work together with deliberate speed and joint strategic planning to plan the future of this partnership to result in additional support for the academic mission as well as opportunities for growth and success for the clinical practice; and

WHEREAS, the University, UMPhysicians and Fairview have begun strategic discussions about a re-negotiated agreement, but more work is planned by all concerned and the parties are not yet in a position to re-define the relationship for the years ahead;

NOW, THEREFORE, BE IT RESOLVED that with confidence that the University, UMPhysicians and Fairview will negotiate new terms to improve the outcomes of the M Health partnership, the Board of Regents (“Board”) hereby authorizes and directs the administration to serve notice of non-renewal pursuant to the terms of the MISA with the hope and expectation that this notice will be retracted in conjunction with a re-negotiated agreement. The Board calls upon Fairview to negotiate in earnest regarding new terms so that the University is in a position to commit by September 30, 2017 to a continuation of the M Health relationship beyond the current 5-year term. The Board anticipates formal consideration of a new agreement at its regular October 2017 meeting.

REPORT OF THE FACILITIES, PLANNING & OPERATIONS COMMITTEE

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

1. Approval of Schematic Design for Health Sciences Education Center, Twin Cities Campus.

A motion was made and seconded to approve the schematic design.

Regent Hsu inquired about the future of the project if the schematic design is approved but the capital request is not. McMillan responded that the existing budget includes funds to move personnel out of the VFW Cancer Research Center and Masonic Memorial Building; demolition and new construction will depend on the capital request. Berthelsen clarified that funds from a previous appropriation are available for the schematic design.

Regent Omari suggested if construction is delayed due to funding, the current design should be used to avoid losing time and money on the project.

The Board of Regents voted unanimously to approve the schematic design for the health sciences education center.

2. Approval of Schematic Design for Pioneer Hall Renovation and Consolidated Superblock Dining, Twin Cities Campus.

A motion was made and seconded to approve the schematic design.

Regent Rosha reminded that Board of his concern that this project is not a priority need, especially given its total cost. He acknowledged that the connections are a significant issue, given the number of students who live in the Superblock, but noted his skepticism about their proposed cost.

Regent Hsu agreed and observed that connections and tunnels are a common investment on the Twin Cities campus. He suggested the tunnels would be an important factor in recruitment efforts for non-resident students who are not used to a colder climate. He stated that he would not support the project in the absence of the tunnel connections.

Regent Beeson observed that funds have already been invested in this project and it would be foolish to not include a key element like a tunnel. He moved to amend the schematic design to include project costs for the tunnel. Regent Hsu seconded the motion.

In response to a question from Regent Johnson, Berthelsen reported that it would be physically possible to build a tunnel and that the cost is estimated at \$5.5 million.

The Board of Regents voted against the Beeson motion to include the tunnel in the schematic design.

The Board of Regents voted to approve the schematic design for the Pioneer Hall renovation and the Consolidated Superblock Dining facility.

3. Approval of Schematic design for Science and Engineering Robotics Laboratories Renovation, Twin Cities Campus.

A motion was made and seconded and the Board of Regents voted unanimously to approve the schematic design for the science and engineering robotics laboratories renovation.

4. Approval of the Consent Report for the Facilities, Planning & Operations Committee as presented to the committee and described in the May 11, 2017 committee minutes.

In response to a question from Regent Hsu, Berthelsen stated his belief that the design for Athletes Village would allow a linemen's building to be added at a later date. He agreed to confirm and report back to the Board.

A motion was made and seconded and the Board of Regents voted unanimously to approve the committee consent report.

McMillan reported that the committee also discussed the internet of things in University operations; received an update on University housing cost projections; and reviewed information items as outlined in the docket materials.

REPORT OF THE AUDIT & COMPLIANCE COMMITTEE

Regent Lucas, Acting Chair of the committee, reported that the committee discussed information technology audit outcomes and the cost of compliance; reviewed external auditor

relationships and services provided; discussed the external audit plan; received an update on remediation of intercollegiate athletics audit findings; and reviewed information items as outlined in the docket materials.

REPORT OF THE GOVERNANCE & POLICY COMMITTEE

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

1. Repeal of Board of Regents Policy: *Board Authority* and adoption of amendments to Board of Regents Policy: *Reservation and Delegation of Authority*, as follows:

ARTICLE I. RESERVATION OF AUTHORITY

SECTION I. GENERAL RESERVATIONS OF AUTHORITY.

Subd. 1. The Board of Regents reserves to itself all authority necessary to carry out its legal and fiduciary responsibilities under the University Charter, the Constitution of the State of Minnesota, and the Board of Regents (Board) Bylaws. This reservation specifically includes all authority to enact laws and policies for the governance of the University of Minnesota (University) and to issue Board directives to executive officers and employees. The Board's reserved authority shall be exercised consistent with the University Charter, the Constitution of the State of Minnesota, Board Bylaws, and relevant Board policies.

Subd. 2. The Board reserves to itself authority to ensure constitutional and institutional autonomy, to approve the University's mission and vision, to set the overall direction of the institution, including the adoption of fundamental plans for the educational, financial, and physical development of the University, and to declare a fiscal emergency.

Subd. 3. No authority that the Board reserves to itself in this policy shall be exercised by any other person or body unless expressly authorized by Board policy or directive.

Subd. 4. The authority of the Board resides only with the Board as a whole and not in its individual members, except as the Board itself may have delegated specific authority to one of its members or one of its committees.

Subd. 5. The Board reserves to itself authority to approve the use, and revocation of the use, of its corporate name or any abbreviated name, including *University of Minnesota*, by any non-University person or entity, consistent with Board policies. The Board also reserves authority over the removal of the corporate name or any abbreviated name from the name of any University campus, college, school, division, or unit, consistent with Board policies.

Subd. 6. The Board reserves to itself authority to approve any commercial transaction or matter not otherwise subject to Board approval if the transaction or matter:

- a) raises unusual questions of public interest or public policy;
- b) has a significant impact on the University's mission; or
- c) has a value greater than \$2 million.

SECTION II. CONDUCT OF BOARD BUSINESS.

The Board reserves to itself authority to establish procedures for the conduct of its

business, create committees, set its agenda, require reports from executive officers and employees, hear appeals, and enforce its code of ethics.

SECTION III. ELECTION OF BOARD OFFICERS.

The Board reserves to itself authority to elect and remove Board officers, including the president, chair, vice chair, secretary, and treasurer.

SECTION IV. APPOINTMENT AUTHORITY.

Subd. 1. The Board reserves to itself authority to appoint all individuals and approve any individually negotiated terms of employment for those who serve in each of the following positions:

- (a) Executive Vice President and Provost
- (b) Chancellor
- (c) Senior Vice President for Finance and Operations
- (d) Vice President
- (e) Provost
- (f) General Counsel
- (g) Librarian
- (h) Chief Auditor
- (i) Dean
- (j) Athletic Director, Twin Cities campus
- (k) Such other administrative positions as the Board may specify from time to time.

The president shall recommend individuals for appointment to these positions, consistent with Board policies and directives.

Subd. 2. The Board reserves to itself authority to remove University officers as provided in the University Charter. The president (a) may remove the general counsel with Board approval and (b) may remove any other individuals appointed under subd. 1 of this section, except the chief auditor.

Subd. 3. The Board reserves to itself authority to appoint members of the boards of University-associated foundations, institutes, committees, and other bodies, consistent with Board policies.

SECTION V. ACADEMIC MATTERS.

Subd. 1. The Board reserves to itself authority to grant academic degrees, grant faculty indefinite tenure, grant continuous appointments to academic professionals, and award the title faculty emeritus, consistent with Board policies.

Subd. 2. The Board reserves to itself authority to establish, name, and abolish colleges, academic institutes, programs, and courses of study, consistent with Board policies.

Subd. 3. The Board reserves to itself authority to establish tuition and student fees and approve policies and reciprocity agreements related to such matters, consistent with Board policies.

Subd. 4. The Board reserves to itself authority to: (a) establish and review policies relating to the conduct of research and the receipt and accounting of sponsored research funds; (b) require timely reporting to the Board of sponsored research activity; and (c) approve financial support greater than \$250,000 to non-University entities for the commercialization of technology, consistent with Board policies.

Subd. 5. The Board reserves to itself authority to approve educational policies and procedures, in consultation with the president and the faculty governance process, consistent with Board policies. This policy is not intended to alter the relationship between the Board, the University Senate, and the faculties regarding educational policies.

SECTION VI. AWARDS, HONORS, AND NAMINGS.

Subd. 1. The Board reserves to itself authority to establish and bestow awards, honors, and recognition, consistent with Board policies.

Subd. 2. The Board reserves to itself authority to name and revoke names of University buildings and other assets, consistent with Board policies.

SECTION VII. BUDGETARY, FINANCIAL, AND INVESTMENT MATTERS.

Subd. 1. The Board reserves to itself authority to approve the following: annual operating budgets; the central reserves budget and minimum reserve level; and adjustments and amendments, consistent with Board policies. The Board also reserves to itself authority to approve any modifications to the central reserves budget and any expenditures from the central reserves general contingency account, consistent with Board policies.

Subd. 2. The Board reserves to itself authority to approve all requests for operating and capital budget appropriations from the State of Minnesota and positive or negative adjustments to the budget caused by a 1% or more change in total appropriations within a fiscal year.

Subd. 3. The Board reserves to itself authority to establish investment objectives, approve asset allocation guidelines, and approve the payout rate for endowment distributions.

Subd. 4. The Board reserves to itself authority to authorize issuance and retirement of debt and to engage debt advisers and/or underwriters, consistent with Board policies.

Subd. 5. The Board reserves to itself authority to accept gifts for the benefit of the University, consistent with Board policies.

Subd. 6. The Board reserves to itself authority to approve individual purchases of goods and services with a value greater than \$1,000,000, consistent with Board policies.

SECTION VIII. PROPERTY, FACILITIES, AND CAPITAL BUDGETS.

Subd. 1. The Board reserves to itself authority to approve the purchase or sale of real property with a value greater than \$1,250,000 or larger than ten (10) acres, consistent with Board policies.

Subd. 2. The Board reserves to itself authority to approve leases of real property, easements, and other interests in real property if the initial term amount to be paid by or to the University exceeds \$1,250,000, consistent with Board policies.

Subd. 3. The Board reserves to itself authority to exercise the power of eminent domain to acquire land for University purposes.

Subd. 4. The Board reserves to itself authority to (a) exercise property owner rights regarding the designation, decommissioning, or demolition of historic resources; and (b) take final action on all environmental reviews of historic resources initiated by the administration for which the University is the responsible governmental unit, consistent with Board policies and applicable state and federal laws.

Subd. 5. The Board reserves to itself authority to approve campus master plans and amendments thereto.

Subd. 6. The Board reserves to itself authority to approve multi-year capital plans consisting of projects with a value greater than \$1,000,000.

Subd. 7. The Board reserves to itself authority to approve annual capital budgets consisting of projects with a value greater than \$500,000.

Subd. 8. The Board reserves to itself authority to approve capital budget amendments to approved projects and new projects when the amendment has a value greater than \$500,000.

Subd. 9. The Board reserves to itself authority to approve project schematic plans for (a) interior renovations with a value greater than \$5,000,000; (b) projects with a value greater than \$2,000,000 that have an exterior visual impact; (c) projects that vary from adopted campus master plans or that have a significant visual impact; and (d) projects noted during the annual review of the capital budget.

Subd. 10. The Board reserves to itself authority for a subsequent review of approved capital budget projects with a value greater than \$5,000,000 prior to the award of construction contracts.

SECTION IX. LEGAL MATTERS.

The Board reserves to itself, or to one of its committees, authority to direct the president or the general counsel to settle any legal claim or initiate or appeal a lawsuit or administrative proceeding, consistent with Board policies.

SECTION X. AUDIT FUNCTION.

The Board reserves to itself authority to adopt policies regulating the audit function; approve selection of external auditors and the chief auditor; and evaluate the performance of the independent auditor, and, jointly with the president, the performance of the internal audit function.

SECTION XI. EMPLOYMENT AND LABOR RELATIONS.

Subd. 1. The Board reserves to itself authority to approve all contracts and other agreements with the exclusive collective bargaining representatives of its employees.

Subd. 2. The Board reserves to itself authority to approve civil service rules and annual pay and benefit plans for University employees.

Subd. 3. The Board reserves to itself authority to establish or discontinue retirement plans for University faculty and staff. For those plans sponsored by the University and governed by formal plan documents, the Board reserves to itself authority to approve amendments to those plans that significantly affect the cost structure of the plans. An amendment is considered to significantly affect the cost structure of the plan if the change causes a cost impact of more than \$250,000.

Subd. 4. The Board reserves to itself authority to review individually negotiated employee severance agreements of unusual importance or significance.

SECTION XII. ASSOCIATED ORGANIZATIONS.

The Board reserves to itself authority to approve the legal structure and scope of any relationship between the University and any associated organization, non-profit corporation, foundation, institute, or similar entity that substantially relies upon University resources or personnel to carry out its mission.

ARTICLE II. DELEGATION OF AUTHORITY

SECTION I. DELEGATION OF AUTHORITY TO THE PRESIDENT.

The Board delegates to the president authority to act as chief executive officer of the University, with such general executive management and administrative authority over the University as is reasonable and necessary to carry out the policies and directives of the Board, subject to the limitations noted in Article II, Section II below.

SECTION II. LIMITATIONS UPON PRESIDENTIAL AUTHORITY.

The authority delegated to the president is limited by the following:

- (a) the provisions of the University Charter and the Constitution of the State of Minnesota;
- (b) the provisions of Board Bylaws;
- (c) the provisions of Board policies and directives, including specifically Article I of this policy; and
- (d) the directive that the president shall notify the Board of any matter not otherwise addressed in this section that significantly involves the authority and role of the Board, including its fiduciary, oversight, and public accountability responsibilities.

SECTION III. DELEGATION OF AUTHORITY BY THE PRESIDENT.

Subd. 1. Unless otherwise restricted by specific Board policies or directives, the president shall be responsible for delegating general executive management and administrative authority to other executive officers and employees as necessary and prudent, including authority to execute contracts and other legal documents. The president may condition, limit, or revoke any presidential authority so delegated.

Subd. 2. All delegations and revocations under this section shall be in writing, name the position to whom such authority is delegated, describe the scope and limitations of such authority, and prescribe the extent to which such authority may be further sub-delegated.

Subd. 3. All delegations and revocations under this section shall be reviewed as to form, legality, and consistency by the general counsel.

Subd. 4. Annually, the president shall report to the Board significant changes to the delegations.

SECTION IV. DELEGATION OF AUTHORITY TO THE CHAIR AND VICE CHAIR.

The chair and vice chair of the Board shall have such authority as is authorized by Board Bylaws and policies and is customarily exercised by such officers of a

corporation. The chair shall have authority to execute any and all instruments and documents on behalf of the Board.

SECTION V. DELEGATION OF AUTHORITY TO THE BOARD SECRETARY, TREASURER, GENERAL COUNSEL, AND CHIEF AUDITOR.

The secretary, treasurer, general counsel, and chief auditor shall have authority to perform such duties for the Board as provided by Board Bylaws, policies, and directives. The secretary shall have authority to execute such instruments and documents that would customarily devolve upon a corporate officer and are usual to that office. The secretary and the general counsel shall have authority to accept legal service on behalf of the University.

SECTION VI. CONFORMANCE WITH THIS POLICY.

Subd. 1. Any request or demand by a Board member for action must be consistent with the written policies, rules, and regulations of the Board and the University.

Subd. 2. No executive officer or employee of the University shall have any authority to take any action or make any representation on behalf of the University beyond the scope of, or materially inconsistent with, the authority delegated to such executive officer or employee as provided in this policy.

Subd. 3. The secretary and the general counsel each shall have the duty to inform the Board of any existing or proposed Board policy or directive that is inconsistent with or alters the delegations of authority as provided in this policy.

SUPERSEDES: General Delegations Adopted October 17, 1980, Last Amended October 10, 1997.

2. Adoption of amendments to Board of Regents Policy: *Board Policy Development*, as follows:

SECTION I. SCOPE.

This policy defines policies of the Board of Regents (Board), distinguishes them from other University of Minnesota (University) policies, and describes the process through which Board policies are developed, adopted, and maintained.

SECTION II. POLICY TYPES.

Subd. 1. Board Policies. Board policies generally deal with the University as a whole, establishing fundamental principles as a basis and guide for later action. Board policies are intended to be enduring rather than responses to a particular issue. Procedures are occasionally part of Board policies when such procedures bring clarity to the nature of the principle. More often, procedures are developed and refined administratively. The Board adopts Board policies and all substantive amendments.

Subd. 2. Other University Policies. Other University policies are needed to administer the University and its various units in accordance with state and federal legislation, reasonable administrative practice, and Board policy. While these policies may contain basic principles, they generally include procedures for managing the institution. The scope of other University policies varies. Generally, other University policies are developed, approved, implemented, and modified according to administrative policy. When unusual circumstances suggest the advisability of Board ratification of other University policies, changes to such policies shall be submitted to the Board for action.

University policies that have been reviewed and acted upon by the Board are noted in Board minutes.

SECTION III. CONFLICTS WITH OTHER UNIVERSITY POLICIES.

The president or delegate shall ensure that all other University policies are in alignment with Board policy. If other University policies conflict with Board policy, Board policy takes precedence.

SECTION IV. CORRECTIONS.

The executive director and corporate secretary, with consent of the Board chair, may make corrections to Board policies that do not alter the substance of the policy.

SECTION V. FORMAT.

Policies presented to the Board for consideration and adoption as Board policy shall include the following:

- (1) principles to guide subsequent action at the University;
- (2) text written in declarative statements; and
- (3) a distinctive format and page design (to be determined by the Board Office) that includes a history of the policy and any amendments.

SECTION VI. REVIEW.

Subd. 1. Comprehensive Review. Board policies shall be comprehensively reviewed every six years. The objective of the comprehensive review is to determine:

- whether the fundamental principles established in the policy still align with the strategic direction and mission of the University;
- if the policy is still needed; and
- if the policy aligns with current practice.

The comprehensive review process shall be developed and executed by the Board Office in alignment with Board of Regents Policy: *Board Operations and Agenda Guidelines*. For each Board policy, a senior leader liaison shall be identified. The Board Office shall include the results of the annual comprehensive review as a component of the annual Board of Regents Policy Report.

Subd. 2. Amendments to Board Policy. The Board may amend Board policies outside of the comprehensive review process in accordance with Board of Regents Policy: *Board Operations and Agenda Guidelines*.

Subd. 3. General Counsel Review. The Office of the General Counsel shall review all policies for consistent form and legality prior to adoption or amendment by the Board.

Subd. 4. Alignment Review. The president or delegate shall regularly review other University policies for alignment with Board policy.

SUPERSEDES: Regents' Policies Statement dated February 8, 1974; and Authority to Correct Policies dated July 8, 1983.

The Board of Regents voted unanimously to approve the recommendations of the Governance & Policy Committee.

Cohen reported that the committee also reviewed board operations related to Board meeting format and committees; and discussed Board of Regents Policy: *Responsibilities of the Board and Individual Regents*.

REPORT OF THE ACADEMIC & STUDENT AFFAIRS COMMITTEE

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

1. Approval of the Consent Report for the Academic & Student Affairs Committee as presented to the committee and described in the May 11, 2017 minutes.

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

Cohen reported that the committee also received an update on graduate education; and discussed principles that guide enrollment strategies in the University's professional schools.

REPORT OF THE FINANCE COMMITTEE

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

1. Approval of the Consent Report for the Finance Committee as presented to the committee and described in the May 11, 2017 minutes.

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

Beeson reported that the committee also reviewed the financial model for Twin Cities athletics; discussed the role of the central reserves fund; and reviewed information items as outlined in the docket materials.

REPORT OF THE FACULTY & STAFF AFFAIRS COMMITTEE

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

1. Adoption of amendments to the Board of Regents Policy: *Reservation and Delegation of Authority*.

A motion was made and seconded to adopt the proposed policy amendments.

Regent Beeson opposed the motion. He noted that the changes could create a troubling dynamic between the Board and certain coaches, and potentially undermine the authority of the athletics director and University administration.

Regent Rosha raised concern that including only two coaches for men's sports represents a Title IX concern. He suggested the Board has the authority to approve contracts past a certain financial threshold and might handle coach contracts that way with lower risk. Rosha moved to amend the proposed policy to remove from Article I, Section IV, Subds. 1(g) and 1(h) and revise the final sentence of Article I, Section IV, Subd. 1 to read: *The appointment of University employees not listed in Article I, Section IV, Subd. 1 shall be subject to the*

reservations and limitations set forth in Article I, Section I, Subd. 5 of this policy. Regent Hsu seconded the motion.

Regent Simmons offered that the committee intentionally did not want to link approval of salary to a specific dollar threshold, since the market is constantly in flux. She suggested that the factor in authority should be impact on the institution.

Regent Powell moved to table the issue until the June meeting of the full Board. Regent Lucas seconded. Chair Johnson asked Executive Director and Corporate Secretary Steeves to gather information on how peer institutions handle similar policy matters. At the suggestion of Regent McMillan, Powell agreed to amend his motion to the July meeting due to time constraints in June. Lucas agreed to the change.

Johnson clarified that discussion of the policy amendments would return to the full Board and not pass through a committee.

The Board of Regents voted 11-1 to table discussion on Board of Regents Policy: *Reservation and Delegation of Authority* to a meeting of the full Board in July 2017. Regent Simmons voted no.

2. Approval of the Promotion and Tenure Recommendations for Regular Faculty.

A motion was made and seconded and the Board of Regents voted unanimously to approve promotion and tenure recommendations for regular faculty.

3. Approval of the Promotion Recommendations for Contract Faculty.

A motion was made and seconded and the Board of Regents voted unanimously to approve promotion recommendations for contract faculty.

4. Approval of the Annual Continuous Appointment and Promotion Recommendations.

A motion was made and seconded and the Board of Regents voted unanimously to approve annual continuous appointment and promotion recommendations.

5. Approval of the Consent Report for the Faculty & Staff Affairs Committee as presented to the committee and described in the May 11, 2017 minutes.

Regent Sviggum noted the absence of an open search for the Dean of the Humphrey School of Public Affairs. He expressed confidence in Laura Bloomberg's qualifications, but noted his preference for conducting a formal search immediately rather than waiting two years.

A motion was made and seconded and the Board of Regents voted unanimously to approve the consent report.

Simmons reported that the committee also discussed the mutual obligations of tenure, and reviewed information items as outlined in the docket materials.

**RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE BOARD OF REGENTS**

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

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 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), the remainder of this Board of Regents meeting will be non-public for the purpose of discussing attorney-client privileged matters related to confidential University personnel matters involving pending proceedings and the potential for litigation. The Board voted unanimously to adopt the resolution and the public portion of the meeting ended at 12:28 p.m.

The meeting adjourned at 1:43 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

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Nominating Committee
May 2017**

A meeting of the Nominating Committee of the Board of Regents was called to order on Friday, May 19, 2017 at 9:00 a.m. in the Board Office, 600 McNamara Alumni Center.

Regents present: Dean Johnson, presiding. Linda Cohen and Steven Sviggum participated by phone.

Staff present: Executive Director Brian Steeves

The committee discussed the process to be used for nomination of Board leadership.

The meeting recessed at 9:30 a.m.

The Nominating Committee reconvened on Tuesday, May 23, 2017 at 11:30 a.m. in the Board Office, 600 McNamara Alumni Center.

Regents present: Dean Johnson, presiding. Linda Cohen and Steven Sviggum participated by phone.

Staff present: Executive Director Brian Steeves

The committee reviewed nominations and determined next steps.

The meeting recessed at 12:01 p.m.

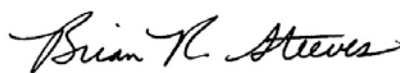
The Nominating Committee reconvened on Friday, May 26, 2017 at 10:03 a.m. in the Board Office, 600 McNamara Alumni Center.

Regents present: Dean Johnson, presiding by video conference. Linda Cohen and Steven Sviggum.

Staff present: Executive Director Brian Steeves

The committee interviewed candidates for Board leadership positions and voted to recommend a slate of officers for the 2017-19 term.

The meeting adjourned at 12:01 p.m.


BRIAN R. STEEVES
Executive Director
and Corporate Secretary