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**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

BOARD OF REGENTS' MEETING

AND

REGENTS' COMMITTEE MEETINGS

January 10-11, 1991

Office of the Board of Regents

220 Morrill Hall

Year 1990-91

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Minutes of the Board of Regents' Meeting
and Regents' Committee Meetings

January 10-11, 1991

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Year 1990-91

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

January 10, 1991

A meeting of the Audit Committee of the Board of Regents was held on Thursday, January 10, 1991 at 7:30 a.m. in Room 300 Morrill Hall.

Regents present: Regent Craig, presiding; Regents Keffeler, Kuderer and Sahlstrom.

Staff present: Senior Vice President Donhowe; Associate Executive Director Janzen; Controller LaFontaine; Director of Audits Patrick Spellacy; and Compliance Officer Gráinne Medearis.

Student Representative present: Gary Getchman

Others present: Mary Jefferson and Jon Killmer from the firm of Coopers and Lybrand.

COMPLIANCE OFFICER'S QUARTERLY REPORT

The committee reviewed a summary of the University's departmental compliance with audit recommendations rated essential issued between July 1, 1988 and June 30, 1990.

Gráinne Medearis, Policy and Compliance Officer, reviewed a summary of the report noting that overall compliance for the reporting period was 100 percent. She reported that sixteen essential recommendations had been proposed. Eleven were completely implemented and five are partially implemented. Of the five partially implemented recommendations, four will be completely implemented with the new general ledger system and the fifth, regarding agreements with University-related foundations, was expected to be completed by the end of 1990.

The committee voted unanimously to recommend approval of the Compliance Officer's Quarterly Report.

DIRECTOR OF AUDITS' QUARTERLY REPORT

Patrick Spellacy, Director of Audits, presented the Quarterly Report which included information pertaining to audits issued since the November 1990 Report, audits in process, and next audits scheduled. Mr. Spellacy reported in more detail on the audits issued since November 1990 which included the Crookston Experiment Station, Bursar, and Law School follow-up. Director Spellacy noted that the audit report on Crookston had not been sent to committee members and should be issued during the next quarter.

Mr. Spellacy reported briefly regarding the investigation of theft at the Humphrey Institute which was part of an audit discussed at the November meeting of the committee. He indicated that the statute of limitations had expired and the theft could not be pursued criminally. However, the University Attorney's Office is pursuing the possibility of repayment of the stolen money.

The committee voted unanimously to recommend approval of the Director of Audits' Quarterly Report.

EXTERNAL AUDITOR'S REPORT

Mr. Jon Killmer and Ms. Mary Jefferson, from Coopers & Lybrand, presented the University of Minnesota Management Letter issued by Coopers & Lybrand for the fiscal year ended June 30, 1990.

Ms. Jefferson spoke briefly on the transmittal letter from Coopers & Lybrand indicating that in planning and performing the audit of the financial statements, consideration was given to the University's internal control structure. She stated that although the audit was not designed to provide assurance that controls were adequate, certain matters were noted involving the internal control structure and its operation. From those observations, recommendations designed to help the University make improvements and achieve operational efficiencies are being submitted for the University's consideration.

Ms. Jefferson reported that 24 recommendations were reported in the Management Letter; however, only two recommendations were rated "essential", indicating that

resolution would help avoid a potentially critical negative impact on the University. Ms. Jefferson addressed the two "essential" recommendations.

The first "essential" recommendation pertained to the issue of Worker's Compensation with the University's liability increasing 25% from the prior year. Coopers & Lybrand strongly encourage the University to undertake a comprehensive review of its entire workers' compensation program to determine methods to better manage this major cost item. The review should include the following areas: claim occurrences, safety programs, cost control incentives, and claim administration.

The second "essential" recommendation pertained to the development of the financial management system (CUFS). Coopers & Lybrand recommend that the University continue its efforts to enhance its financial accountability capabilities. Progress in this area should be regularly subjected to quality assurance reviews to ensure that deadlines are met and that the underlying systems meet required quality and performance standards.

Regent Keffeler asked if Regents should be doing more to assure quality assurance of the CUFS project.

Ms. Jefferson stated that she is not aware of any quality assurance that should take place that does not take place. She stated that the committee is currently kept well apprised of the project's progress through the quarterly reports. However, because the project represents a significant investment of resources by the University, Coopers and Lybrand want to reinforce the importance of quality assurance review.

Regent Kuderer asked how progress on the recommendations and concerns contained in the Management Letter will be monitored. Senior Vice President Donhowe stated that they will be retained in the audit recommendation database and will receive quarterly review by the Compliance Officer.

In answer to a question posed by Regent Keffeler, Ms. Jefferson indicated that there were no carryover items from the last management letter.

**QUARTERLY REPORT ON FINANCIAL MANAGEMENT SYSTEMS
(CUFS)**

The committee received a quarterly update on the progress of the Financial Management System presented by Mr. Nick LaFontaine, Office of Finance & Operations, and Ms. Diane Collins, CUFS Project Manager.

A revised plan for the implementation of the general ledger software was provided for the Committee's review. Diane Collins, Project Manager, reviewed details of the revised plan noting changes in the project that would influence project costs and implementation schedule; providing a comparison of the original plan versus the current plan; reviewing the project timetable; and providing a breakdown of project costs. She reported that implementation of the project is now anticipated for November 1991, four months later than previously planned, providing needed time for software development, training, conversion, and implementation.

Regent Kuderer asked if Administration would provide the Regents with before and after scenarios of what the CUFS project will provide for the University. Senior Vice President Donhowe indicated that the information would be provided.

Regent Keffeler noted that the new plan assumes a significantly reduced implementation effort and expressed concern that implementation costs are being shortchanged. Ms. Collins responded that the amount of effort for implementation in the original plan had been generous with flexibility for modification without substantially reducing the risk.

Regent Keffeler also noted the schedule of deliverables and asked if Ms. Collins could provide a breakdown of costs to deliverables. Ms. Collins responded that a breakdown of actual costs to deliverables would be difficult to provide, but that she could provide an estimated breakdown of tasks to deliverables. Regent Keffeler said that would be helpful.

The meeting adjourned at 8:30 a.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1990-91

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Physical Planning & Operations Committee

January 10, 1991

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, January 10, 1991 at 1:30 p.m. in Room 300, Morrill Hall.

Regents present: Regent Sahlstrom, presiding; Regents Casey, Kuderer, M. Page, and Schertler.

Staff present: Chancellor Ianni; Senior Vice President Donhowe; Vice President Perlmutter; Vice Chancellor McGrath; Associate Executive Director Janzen; and Associate Vice President Hewitt.

Student Representatives present: Gary Getchman and Kevin Otto.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for January, 1991.

Senior Vice President Donhowe reported briefly on the sale of 14 acres of land that had been authorized by the Board of Regents at a previous meeting.

PROJECTS PREVIOUSLY SUBMITTED FOR INFORMATION

The committee voted unanimously to recommend that the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- a. Stadium Apartments, Domestic Water Pipe Replacement, Duluth Campus
Estimated cost of the project: \$189,500
Funding: Duluth Campus Housing Services
Estimated completion date: July 1991
- b. Medical School Cage Washer Upgrade, Duluth Campus
Estimated cost of the project: \$314,402
Funding: Public Health Service Grant; Program Accommodation Remodeling Funds; UMD Animal Services Department; UMD Office of the Vice Chancellor Academic Support; and UMD Medical School Indirect Cost Recovery Funds
Estimated completion date: July 1991
- c. Campus Center, Scope Increase, Duluth Campus
Project increase: \$100,000
Total estimated cost of the project: \$10,965,000
Funding: 1987 legislative appropriation, 1990 legislative appropriation, and UMD Auxiliary Services
Estimated completion: September 1993
- d. Nolte Garage Dry Pipe Sprinkler System, Twin Cities Campus
Estimated cost of the project: \$142,240
Funding: Parking Services
Estimated completion date: August 1991
- e. Millard Hall - Fifth and Sixth Floors Remodeling/
Physiology, Scope Increase
Project increase: \$120,000
Total estimated cost of the project: \$2,161,700
Funding: Asbestos Settlement Funds, Medical School Funding Internal Loan, Medical School Indirect Cost Recovery, Department of Physiology Funds, and Department of Physiology Research and Teaching Funds
Estimated completion date: July 1991

UNIVERSITY HOSPITAL RENEWAL PROJECT PHASE II

The committee reviewed the University Hospital and Clinic's revised long-range capital improvement plan, outlining the Board of Governors' decision to reduce the scope and budget of the University Hospital Renewal Project Phase II to a level of \$37.6 million.

Mr. Robert Dickler, Hospital Director, reviewed proposed changes in the project and responded to questions. He reported that the revised plan directs resources primarily to the four clinical programs which had consistently been identified as priorities in past Renewal Project planning: Psychiatry, Rehabilitation, Obstetrics, and Urology. In addition, the plan would accomplish the goal of creating shell space. He stated the plan reduces the original project budget of \$62 million to \$37.6 million and that the Board of Governors believe the proposed plan represents the best balance among many priorities.

The committee voted unanimously to recommend approval of the revised University Hospital Renewal Project Phase II.

PROJECTS FUNDED BY LEGISLATIVE APPROPRIATION

The committee voted unanimously to recommend that the appropriate administrative officers are authorized to proceed with the design and construction of the following project:

- a Agronomy/Horticulture Research Facility,
West Central Experiment Station, Morris
Estimated cost of the project: \$300,000
Funding: 1990 Legislative Appropriation
Estimated completion: July 1991

LAND TRANSACTIONS

The committee voted unanimously to recommend that the appropriate officers are authorized to proceed with negotiations for the land transactions itemized below:

- a Land Lease to St. Olaf College for Radio Tower,
Rosemount Research Center - authorization requested
to execute a 40-year lease for approximately one acre
of land at the Rosemount Research Center to St. Olaf
College for construction of an FM Radio tower and
transmitter building for WCAL Radio.

Senior Vice President Donhowe reported that concerns had been expressed from individuals at the Rosemount Agricultural Experiment Station regarding possible conflict between sensing equipment at the

station and the radio transmission tower. He stated that representatives from St. Olaf College have assured the University that they would resolve the problems before using the tower.

Richard Jones, Dean for the College of Agriculture, addressed the committee, describing the concerns which included: 1) radio transmission waves interfering with research activities; 2) construction of the tower damaging plots and interfering with research activities; 3) physical location of tower interfering with normal movement of farm equipment and 4) tower attracting lightning strikes.

After discussion, the committee voted unanimously to approve an amendment to the resolution that construction will not begin on the project until all reservations on the issue have been resolved to the satisfaction of the College of Agriculture.

- b. Purchase of 508 Worth Street, Duluth for \$25,000
- c. Sale of Opsahl Trust Property, Duluth for \$45,000 to Charles and Carol Bille.
- d. Authority to negotiate purchase of property at 1715 4th Street S.E., Minneapolis, owned by McLaughlin Gormley & King Company.

PROJECTS PRESENTED FOR INFORMATION

The committee reviewed for information the following projects:

Pattee Hall, Remodel Rooms 214 and 215 Twin Cities Campus

The scope of this project consists of demolition and general, mechanical and electrical construction to provide seven new private offices within rooms 214 and 215 Pattee Hall. It was reported that the Institute on Community Integration within the Department of Educational Psychology received a grant from the United States Department of Education to operate the National Center on Educational Outcomes and was the basis for the request. Total estimated cost of the project was reported to be \$479,600 with funding to be provided from indirect cost recoveries. Estimated completion was reported to be August 1991.

**Folwell Hall, Air Condition Seventeen Classrooms
Twin Cities Campus**

This project consists of the general, mechanical and electrical construction work necessary to install service and window air conditioners in 17 classrooms in Folwell Hall. Associate Vice President Hewitt reported that the estimated cost of the project was reported to be \$101,900. Regent Kuderer asked if \$101,900 wasn't alot of money for 17 air conditioners. Mr. Hewitt responded that the estimate included general, mechanical and electrical construction work and in some cases more than one air conditioner being installed in a classroom.

Funding will be provided from the Central Reserves nonrecurring Budget Plan for 1990-91 and an estimated completion date was reported to be June 1991.

**Supercomputer Center, Remodel Shell Space
Minneapolis**

This project finishes and subdivides the existing shell space in the Supercomputer Center into various rooms as needed by the tenants. Construction includes partitions, ceiling, carpeting, lighting and alterations to the existing power system, heating, airconditioning and sprinkler system.

Estimated cost of the project was reported to be \$1,123,250 with funding provided by an internal loan to be repaid from rents collected from the building occupants. Estimated completion date was reported to be October 1991.

**Willey Hall, Riverbend Restaurant Renovation
Twin Cities Campus**

Associate Vice President Hewitt reported that the existing Riverbend Restaurant food services and auxiliary support spaces in Willey Hall are functionally outdated and no longer adequately serve the present users of the facility. Renovation of the kitchen, service area, dining room, storage and office space is needed to improve flexibility, access, circulation, decor, and functional relationship between spaces within the food services operation as well as adjacent student spaces.

Estimated cost of the project was reported to be \$1,900,000 with funding provided from Twin Cities Campus Food Services. Estimated completion was October 1991.

Regent Schertler raised some questions pertaining to Food Service and expenditure of funds generated from the auxiliary operations. Senior Vice President Donhowe responded that administration could provide the committee with a long-range plan regarding auxiliary food services that may answer some of her questions.

**Fish Research Facility
St. Paul Agricultural Experiment Station
Twin Cities Campus**

It was reported that this project was requested because the generations of fish produced in the Minnesota trans-genic fish research program have expanded beyond the physical capacity of the existing facilities in Hodson Hall. The project consists of constructing an insulated building to house 16 to 40 fish tanks for an estimated 10 years of research. In addition, a new well will be drilled to provide water for a fill tank to recycle the tank waters through filters. Dr. Perry Hackett described details of the project.

Estimated cost of the project was reported to be \$230,000 with funding provided from Program Accommodation Remodeling funds, Research Support funds, and a General Maintenance & Operations appropriation. Estimated completion is expected for July 1991.

**Roofing Projects
Duluth Campus**

Due to deterioration through normal use of certain roofs on the Duluth Campus, the roofs on the following buildings will be replaced during 1991:

- a) Marshall Performing Arts Center (replacement on two lower roof areas;
- b) Chemistry Building (replacement of roof on link to Heller Hall);
- c) A. B. Anderson Hall (installing of new waterproofing system on tunnel to Cina Hall); and
- d) Marshall W. Alworth Hall (replacement of upper and lower roofs.


Associate Vice President Hewitt reported that the estimated cost of the project was \$415,000 with funding to be provided from the Project Development Fund Source at UMD. Estimated completion of the project is expected for August 1991.

**Land Lease to RECOMP, Inc. for Metro Food Waste Facility
Rosemount Research Center**

Associate Vice President Hewitt reported that this project is a proposal to lease approximately 35 acres of land at the Rosemount Research Center to RECOMP, Inc. for a Metro Food Waste Facility for 20 years, subject to early termination by the University in the event land encompassing the 20 acres is selected as the site for a replacement Minneapolis/St. Paul area airport. He stated that the lease would generate a fair market rent based on the land's appraised value. In addition the facility constructed on the land would process the dedicated organic fraction of the solid waste stream from major generators in the Twin Cities area into class I compost.

Regent Schertler asked that the committee be provided with an overview of the entire Rosemount site use. Associate Vice President Hewitt stated that he could provide that overview.

The meeting adjourned at 3:15 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1990-91

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance & Legislative Committee

January 10, 1991

A meeting of the Finance & Legislative Committee of the Board of Regents was held on Thursday, January 10, 1991 at 3:30 p.m. in Room 300, Morrill Hall.

Regents present: Regent Schertler, presiding; Regents Keffeler, M. Page, Reagan and Sahlstrom.

Staff present: Senior Vice President Donhowe; Associate Executive Director Janzen; and Controller LaFontaine.

Student Representative present: Bridgette Matzinger

Chair Schertler welcomed newly-appointed Regent Tom Reagan and recognized Bridgette Matzinger, the alternate Student Representative.

MODIFICATION OF DECEMBER COMMITTEE MINUTES

Chair Schertler noted that an inadvertent omission from the December 13, 1990 committee minutes had been made, and requested that the committee amend the December minutes to include the two omitted paragraphs when the minutes are acted on at the Friday Board meeting.

A motion was made and the committee voted unanimously to recommend approval of the amended minutes.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

The committee voted unanimously to recommend approval of the Senior Vice President for Finance Monthly Report for January, 1991.

MODIFICATION OF RESERVE SPENDING PLAN

The committee voted unanimously to recommend approval of a modification of the Reserve Spending Plan in the amount of \$114,753 for Rosemount groundwater cleanup.

ANNUAL FINANCIAL REPORT

Mr. Nick LaFontaine, Director of Budget Management and Controller, continued a review from the December, 1990 meeting of the results of the University's financial operations for fiscal year 1989-90.

Through the use of visual aids, Mr. LaFontaine reviewed items contained in the financial report pertaining to the University's fund groups, balances, revenues and expenditures.

Regent Keffeler noted an increase in plant fund receivables and asked if this was an area of concern. Mr. LaFontaine responded that the increase reflected a 1990 legislative appropriation for plant funds and the administration does not consider this an area of concern.

Mr. LaFontaine reviewed a report entitled "University of Minnesota Financial Analysis 1986-1990" that was prepared in conjunction with the annual financial report, and contained ratios pertaining to the financial condition and performance of the University of Minnesota over the five-year period. He indicated that financial statements of other institutions in the Big Ten have been requested to provide meaningful comparative data where applicable.

Regent Schertler posed questions pertaining to demand ratios in the areas of instruction, research and public service as to why growth or decline for all three would not be equal.

Mr. LaFontaine responded by explaining the financing components of each area, indicating that instruction is basically funded by unrestricted funds with very little coming from external sources, whereas research and public service are funded primarily with external, restricted funds. He stated that given the growth in research funds, it is significant that the University is able to maintain a proportionate balance among the three areas.

Regent Keffeler added that the University also needs to be careful in classifying public service funds, indicating that there are grants for public service that do not get classified as such.

Chair Schertler thanked Mr. LaFontaine for his comprehensive review of the financial statements.

LEGISLATIVE UPDATE

Donna Peterson, Director of State Relations, presented an update on the current legislative session. She provided the committee with various legislative lists containing addresses and phone numbers for legislators as well as committee membership. She also reviewed a proposed administrative policy, that she has presented to the President's Cabinet, outlining the establishment of a process for the development and approval of legislation that is not part of the budget request; and a process for approval for changes in legislation that become necessary after the November 1 deadline and cannot wait until the next session.

Ms. Peterson also briefed the committee on the Phillips Legislative Service, to which the University subscribes. It provides a summary of the bills introduced each day and follows the bills until they are actually signed into law. She indicated that the Office of External Relations will notify the appropriate individuals and departments of proposed legislation and feedback on whether or not the University should follow or become actively involved.

Ms. Peterson reported on the visits that she has made to legislators, indicating that she and key administrators have either met with or have appointments to visit with all of the legislative leadership. In addition, special appointments have been set up with legislators that have particular interest in the President's reallocation program, especially pertaining to the University of Minnesota, Waseca. She invited Regents to give her names of anyone that they would like her to visit.

Regent Sahlstrom suggested that Extension staff be requested to identify friends of legislators for lobbying purposes. Regent Schertler indicated that, as the session proceeds, Administration might also consider developing a Regents' Legislative Committee.

The meeting adjourned at 4:50 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1990-91

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff & Student Affairs Committee

January 10, 1991

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, January 10, 1991, at 1:30 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Anderson, presiding; Regents Craig, Keffeler, A. Page, Reagan and Rosha.

Staff present: Chancellor Sargeant; Senior Vice President Kuhi; Vice President Hughes; Executive Director Muesing; Associate Vice Presidents Carrier and Hayes; Assistant Vice President Berg.

Student Representatives present: Rick Hoffman and Kristina Peterson.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Kuhi presented the Senior Vice President's Monthly Report, which was included in the docket materials, to the committee for approval. He stated that his report included the quarterly report on new regular faculty and professional and administrative staff appointments since July 1, 1990. With regard to tenured faculty positions, he noted that appointments have been predominantly white males, although there have been significant improvements in the Black and Asian minority categories. For tenure track faculty positions, he stated that half of the positions have been filled by women. He noted that although this is a positive report, it will take time to achieve the University's diversity goals since there are only approximately 100 tenure and tenure track appointments made each year.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report.

COLLEGIATE CONSTITUTIONS POLICY

The committee voted unanimously to recommend approval of the revised Collegiate Constitutions Policy.

REGENTS' POLICY ON ACCESS TO STUDENT RECORDS

Vice President Hughes presented the revised Regents' Policy on Access to Student Records to the committee for approval. She noted that the changes are necessary to clarify and update the policy and to make it consistent with federal and state law.

The committee voted unanimously to recommend approval of the revised Policy on Access to Student Records.

UPDATE REGARDING INCIDENTS OF RACIAL HARASSMENT/ TIME-OUT CONVOCATION

Vice President Hughes stated that there have been no reports of incidents of racial harassment following the holiday break and noted that a number of activities are being planned to address issues of concern within the system which have been identified.

One of those activities is a Time-Out Convocation scheduled for Monday, January 14 at Northrop Auditorium. Associate Vice President Hayes provided the committee with details regarding the event, stating that the goal is to provide information on issues related to diversity and intolerance.

REGENTS' POLICY ON EXTENSION AGENT LEAVES

The committee voted unanimously to recommend approval of the revised Regents' Policy on Extension Agent Leaves. It was noted that this policy supersedes the September 11, 1970 Regents' policy.

ADMINISTRATIVE DEVELOPMENT PROGRAM UPDATE

Associate Vice President Carrier and Tim Delmont, Coordinator of the Administrative Development Program (ADP), presented an update on the Program designed for new department heads and chairs which was initiated in 1989-90 to improve managerial effectiveness at the University. The program continued in 1990-91 with changes to reflect feedback received from first-year participants.

Mr. Delmont reviewed various aspects of the program, stating that the ADP helps academic administrators become more responsive to constituencies within the University community. He noted that the focus is on the roles and responsibilities of chairs and heads in relation to their faculty peers. Emphasis is given to the University's diversity initiative, the creation of a productive and humane working environment and the concept of self-definition, which is intended to help new administrators view themselves as leader/managers.

Mr. Delmont discussed plans to improve the program, including providing an orientation series for new Deans, creating workshops for current administrators and assisting the Duluth Campus in the development of a leadership program. He stated that in view of the University's current financial situation, these improvements will be achieved by expanding the pool of volunteers from within the University. Mr. Delmont noted that Regent Jean Keffeler was a presenter at a recent workshop for new senior administrators and he thanked her for her participation.

Mr. Delmont stated that the development of an internal management consulting service is currently being explored. The consulting service would be provided by current and retired administrators, faculty and staff who would volunteer their time to assist administrators to resolve specific issues.

In response to a question by Regent Craig, Dr. Carrier stated that all new department heads and chairs are notified of the program and approximately 90 percent participate in the training program. She noted that the number of participants will increase as the program is expanded to include new Deans and current administrators.

Following the discussion, Regent Anderson thanked Dr. Carrier and Mr. Delmont for the thorough report.

REPORT ON FINANCIAL AID

Vice President Hughes and Christopher Halling, Director of the Office of Student Financial Aid, led a discussion regarding financial aid at the University.

Mr. Halling provided an overview of the roles of the Office of Student Financial Aid, noting the role of the Office as the University's compliance agent for federal and state financial aid programs. He reviewed the services available through the Office, including counseling and referral services and a job skills training program.

Mr. Halling provided 1988-89 data regarding the types and sources of financial aid available to students. He compared the amount

of federal and state research funds to the amount of federal and state financial aid funds received by the University, noting that of the 19,830 students who applied for financial aid, approximately 18,000 received some type of financial aid. He also compared the average amounts of financial aid received to the remaining unmet need for students and the University's combination of loan, grant and work study to national averages.

In conclusion, Mr. Halling stated that as the University moves forward with a vision of excellence and diversity, the Office of Student Financial Aid wants to help make that vision a reality by meeting the tremendous challenge of financing higher education.

Regent Keffeler asked what the University can do through the Board to increase the amount of financial aid available and to more equitably distribute the aid to students. Vice President Hughes noted that increasing the financial aid pool through development efforts and providing additional aid to minority students are priorities.

Committee members raised concerns regarding the reputation of the Office with respect to its service orientation and whether the University receives its fair share of the state's financial aid pool in comparison to the state's private institutions. In response, Senior Vice President Kuhi stated that he will schedule a discussion regarding all aspects of student financial aid, including student employment, at a future meeting of the Committee of the Whole.

Regent Anderson expressed concern regarding the low ranking of the University's Twin Cities Campus in the October 15, 1990 issue of U.S. News & World Report. A lengthy discussion ensued regarding the legislative mandate which requires students to pay one-third of their instructional costs. Regent Rosha indicated he is uncomfortable with that excuse for high tuition because he feels there are internal changes which would ease the financial burden for students. Regent Keffeler suggested that the Administration develop recommendations to improve this situation. Regents Anderson and Reagan suggested the possibility of meeting with the Governor and legislative leaders to resolve this problem.


Assistant Vice President Berg stated that efforts have been made to reclassify costs currently considered instructional to non-instructional, noting that these efforts have resulted in limited success during the past two legislative sessions. He also commented on the unsuccessful efforts over the past six years to reclassify portions of the student services fee from instructional to non-instructional costs.

Richard Caldecott, Assistant to the President, noted that the Higher Education Act, which provides most of the Pell grants and federal loan funds, is being threatened from a number of sources

because of the budget crisis and this could have a large impact on the University.

Following the discussion, Regent Anderson expressed appreciation to all of the participants.

The meeting adjourned at 2:45 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1990-91

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning & Policy Committee

January 10, 1991

A meeting of the Educational Planning & Policy Committee of the Board of Regents was held on Thursday, January 10, 1991, at 3:15 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Kuderer, presiding; Regents Craig, A. Page and Rosha.

Staff present: Senior Vice President Kuhi; Vice President Perlmutter; General Counsel Brady; Executive Director Muesing; Associate Vice President Kvavik; Assistant Vice President Berg.

Student Representatives present: Eric Carter and Robin Mickelson.

DELEGATION OF AUTHORITY TO MANAGERIAL GROUP

General Counsel Brady presented a proposed Delegation of Authority to the committee for approval, stating that the Department of Defense requires the University to state explicitly which individuals have authority to receive security clearance. While University personnel will not be involved in the processing of any classified information, approval of this Delegation of Authority will allow access to the research facility for the purpose of monitoring progress on the contract. She noted that in the event of personnel changes, the Delegation of Authority will have to be amended to reflect those changes.

The committee voted unanimously to recommend approval of the following resolution:

BE IT RESOLVED, that at a meeting of the Board of Regents of the University of Minnesota on January 11, 1991, with a quorum present, the following was voted on and approved:

Those persons occupying the following positions among the officers and members of the Board of Regents of the University of Minnesota shall be known as the Managerial Group, as described in DoD5220.22-M, "Industrial Security Manual For Safeguarding Classified Information," for the negotiating, execution, and administration of Department of Army Contract DAAL03-89-C-0038:

Nils Hasselmo, President and Chancellor;

Leonard V. Kuhi, Provost and Senior Vice President for Academic Affairs;

Gordon M. Donhowe, Senior Vice President for Finance and Operations;

Charles H. Casey, Chair, Board of Regents.

The members of the Managerial Group have been processed, or will be processed, for a Personnel Security Clearance for access to classified information to the level of the Facility Security Clearance granted to this institution, as provided for in the aforementioned Industrial Security Manual.

The said Managerial Group is hereby delegated all of the Board of Regents' duties and responsibilities pertaining to the protection of classified information under Classified Contract DAAL03-89-C-0038 awarded to the University of Minnesota.

The committee voted unanimously to recommend approval of the Delegation of Authority. Regent Kuderer expressed appreciation to General Counsel Brady for her prompt attention to this issue.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Kuhi presented the Senior Vice President's Monthly Report, which was included in the docket materials, to the committee for approval.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report.

APPOINTMENTS TO THE MINNESOTA LANDSCAPE ARBORETUM FOUNDATION BOARD OF TRUSTEES

Senior Vice President Kuhi presented a recommendation to appoint Betty Savage to a one-year term on the Minnesota Landscape Arboretum Foundation Board of Trustees.

The committee voted unanimously to recommend approval of the appointment of Betty Savage.

M.S. IN HEALTH SERVICES RESEARCH AND POLICY

Senior Vice President Kuhi presented a proposal for a Master of Science Degree Program in Health Services Research and Policy. He noted that the proposed program does not violate the temporary moratorium on new academic program proposals because it does not require any new funding and it complements the existing doctoral program in Health Services Research, Policy and Administration. That program contains a Master's component to prepare students for careers in health care administration.

Robert Holt, Dean of the Graduate School, commented on the program proposal. He stated that the doctoral program is outstanding and in great demand.

In response to a concern raised by Regent Kuderer regarding the addition of a new program without deleting an existing program, Dean Holt stated that at the April meeting he plans to present a proposal to eliminate six or eight master's programs. Regent Rosha asked about the impact of additional graduate programs on the University's enrollment targets, and Assistant Vice President Berg stated that graduate students are not included in the legislative limit.

Following the discussion, Regent Kuderer stated that this item will be presented for approval at the February meeting.

REPORT ON POLICY AND ALLOCATION OF INDIRECT COST RECOVERIES RESEARCH SUPPORT FUND

Dean Holt presented an overview regarding the indirect cost recoveries Research Support Fund and the operating principles which govern distribution of the Fund. The Fund includes 44 percent of most federal grants, which is the negotiated percentage the University receives on federal grants for research projects to cover the costs of doing research. Indirect cost recovery funds received and distributed by the University amount to approximately \$32-34 million per year, less a legislative offset of \$6.5 million annually.

Dean Holt noted that for every funded research project there are direct costs, including salaries and equipment, and indirect costs not directly assigned to any particular project, including utility costs for research laboratories and costs of research administration. He reviewed the operating principles which have been established to ensure that the Research Support Fund is used to directly improve the research environment for faculty. Uses for the Fund include maintaining and improving research space, developing new space, providing general research funds for seed projects, providing matching grants when required and assisting University faculty to compete successfully for grants.

Dean Holt reviewed a chart which illustrated the total federal contracts and grants and resulting indirect cost recovery funds received by the University from 1975 to 1990.

A brief discussion ensued. In response to Regent Kuderer, Dean Holt acknowledged that differences of opinion regarding distribution of indirect cost recovery funds exist within the University.

Regent Kuderer expressed appreciation to Dean Holt for his presentation.

REVIEW OF ACCREDITATION PROCESS

Associate Vice President Kvavik presented a brief review of the process of accreditation of post-secondary institutions and programs, noting that it is a voluntary process which is unique to the United States. He stated that the accreditation process allows the University to systematically review its programs in accordance with nationally accepted standards. The process identifies the University's strengths and weaknesses, provides direction and assures the community and other educational institutions that the University and its programs are sound.

Dr. Kvavik stated that the five campuses of the University of Minnesota are individually accredited by the North Central Association of Colleges and Schools every ten years. Specialized accreditation of units, schools and programs within the University is provided by various accrediting agencies. Since 1980, approximately 77 specialized accreditations have been conducted throughout the University system. He indicated that the central administration of each campus pays for institutional accreditation and program accreditation is paid for by the college or individual program being accredited.

Dr. Kvavik reviewed the criteria for accreditation and the evaluation process, which focuses on the institution's educational

offerings, governance and administration, financial condition, admissions and student personnel processes, institutional resources and relationships with outside communities. The process begins with an institutional self-study, followed by a visit by an Evaluation Team, review of the self-study and the report of the Evaluation Team and development of recommendations by a Review Committee, an opportunity for the institution to respond to the recommendations, and submission of final recommendations to the Association for official action on the institution's accreditation.

In response to a concern raised by Student Representative Robin Mickelson, Dr. Kvavik stated that students are involved in preparation of the institutional self-study and they are interviewed by the Evaluation Team. He noted that accrediting agencies currently do not include students on the Review Teams, although some agencies are considering changing that practice.

Following the discussion, Regent Kuderer thanked Dr. Kvavik for his report.

REPORT ON UNIVERSITY LIBRARIES

Thomas Shaughnessy, University Librarian, presented an overview of the University Libraries. The campus library system serves as the state's major research library and consists of the St. Paul Central Library, Walter Library, Biomedical Library, Wilson Library and a number of smaller branch libraries. He noted that the Twin Cities Campus Libraries contain approximately 4.5 million volumes, in addition to subscriptions to more than 47,000 journals, periodicals and newspapers. The University Libraries rank fifteenth nationally in collection size, fifth among publicly supported institutions and third in the Big 10.

Dr. Shaughnessy discussed the challenges facing the Libraries, including new information technology, the need to preserve the deteriorating paper-based collections and economic issues which have an impact on the acquisition of scholarly publications and journals. He discussed cooperative efforts with Big 10 institutions and others to ease the economic constraints by sharing some publications and journals, noting that some institutions outside the Big 10 are unwilling to participate in such cooperative ventures.

Dr. Shaughnessy discussed the Libraries' impact on the state and the region and stated that due to new technologies such as LUMINA and MINITEX, there has been an increase in library use. He indicated that the Libraries loaned approximately 179,000 books and journal articles to other libraries last year, which in turn made these available to their users. He indicated that 70 percent of the materials were

loaned to people in Minnesota who were not affiliated with the University. LUMINA, which consists of more than 2 million bibliographic records, is the most complete online catalog among North American research libraries and it can be accessed by anyone who has a microcomputer equipped with a modum. MINITEX, which is an interlibrary lending and service network, serves libraries throughout Minnesota, North Dakota, South Dakota and the Province of Manitoba.

In conclusion, Dr. Shaughnessy stated that at a future meeting he would like to discuss the strategies that the University of Minnesota Libraries and other research libraries will pursue in an attempt to define a 21st century research library.

Regent Craig asked about charges to borrowers. Dr. Shaughnessy responded that with the exception of an \$8.00 charge for copies of articles for corporations and libraries outside of Minnesota, there is no cost for borrowing from the Libraries. He stated that it would be feasible to institute a small charge to all borrowers, but he feels it might be difficult given the University's land grant mission.

In response to questions from Regent Kuderer, Dr. Shaughnessy discussed the Libraries' budget, which includes approximately \$3.5 in indirect cost recoveries. He stated that the Libraries are faring very well considering the financial condition of the University and the state and indicated he was pleased that the Administration has supported the Libraries in various planning documents.

Following the discussion, Regent Kuderer thanked Dr. Shaughnessy for an excellent report. Dr. Kuhl commended Dr. Shaughnessy for doing an outstanding job during his short tenure at the University.

The meeting adjourned at 4:30 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1990-91

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

January 10, 1991

A meeting of the Committee of the Whole of the Board of Regents was held on Thursday, January 10, 1991, at 9:15 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Casey, presiding; Regents Anderson, Craig, Keffeler, Kuderer, A. Page, M. Page, Reagan, Rosha, Sahlstrom and Schertler. Regent Roe participated by telephone.

Staff present: President Hasselmo; Chancellors Ianni and Lindahl; Senior Vice President Donhowe; Vice President Hughes; General Counsel Brady; Executive Director Muesing; Associate Executive Director Janzen.

Student Representative present: Tim Wolf.

Regent Casey stated that he and President Hasselmo had to leave before the end of the meeting to attend a meeting on the University of Minnesota, Waseca Campus and noted that Regent Kuderer would chair the meeting in his absence.

OATH OF OFFICE TO NEW REGENT

Regent Casey welcomed Thomas R. Reagan from Gilbert, Minnesota, who was appointed by Governor Perpich on January 4, 1991, to represent the Eighth Congressional District on the Board of Regents of the University of Minnesota. Mr. Reagan will complete the unexpired term of Dr. Jack P. Grahek, which term will expire in 1993.

President Hasselmo administered the Oath of Office to Mr. Reagan.

PRESENTATIONS ON STEAM ALTERNATIVES

Regent Casey stated that the purpose of the meeting was to provide an opportunity for the Regents to review proposals for steam service alternatives from Northern States Power Company, Foster Wheeler Power Systems, Inc. and DEI/Arkla, Inc., in addition to the University's internal proposal. He stated that following a complete review and discussion of the alternatives by the Board, the administrative recommendation will be presented for approval at the February meeting.

Northern States Power Company

Jim Howard, Chief Executive Officer of Northern States Power Company, reviewed NSP's proposal for steam service to the Twin Cities Campus of the University. He stated that the four elements of NSP's plan are conservation, rehabilitation and ongoing maintenance of University facilities, connection to NSP's thermal network and satisfaction that any significant energy decision affecting the University during the contract period would involve University people. He noted that the plan guarantees that current employees would continue to be employed by NSP and the coal piles would be removed from all University sites.

Pam Graika, Manager of NSP's High Bridge Generating Plant, used visual aids to illustrate rehabilitation and ongoing maintenance of NSP's boilers, stating that the same process would be used on the University's boilers. She invited Board members to tour the High Bridge plant to see rehabilitated and well-maintained boilers in operation.

Keith Wieteki, Vice President of Marketing, provided details on the NSP proposal, stating that it is cost-effective, reliable, beneficial to the environment, has the least risk and will give the University the most flexibility in looking at its long-term energy needs. He noted that NSP's fuel flexibility allows a change from 90 percent coal/10 percent gas to 90 percent gas/10 percent coal in two hours. He also discussed the financials, stating that an Ernst & Young cost analysis concluded that the NSP proposal is the least expensive alternative.

In summary, Mr. Howard guaranteed that at the end of the 25-year period, the University will have fully operational, well-maintained energy facilities that can continue into the future, and will be environmentally up to date. He expressed appreciation for the opportunity to present the NSP proposal.

Regent Sahlstrom asked about the condition of the University's boilers. Mr. Wieteki discussed the condition of the boilers, stating

that the proposal guarantees that if the boilers cannot be rehabilitated, they will be replaced with new capacity.

In response to Student Representative Wolf's question regarding elimination of the coal piles, Mr. Wietecki stated that coal will be stored at NSP's existing power plants and delivered and unloaded in an enclosed facility according to the University's needs.

Regent Keffeler asked if additional conservation efforts could reduce the capital investment required under the proposal. Mr. Wietecki stated that conservation could delay the capital investment, but it would be necessary eventually.

Regent Kuderer asked if the University's emissions credits can be banked until the end of the contract period if a change is made to a gas system.

In response to Regent Reagan's question regarding how NSP plans to reduce total emissions by 50 percent, Mr. Wietecki stated that it will be done by shifting steam production to newer facilities which have better pollution control equipment.

With the level of capital investment being relatively low, Regent Keffeler asked if there is flexibility in the capacity charge. Mr. Wietecki stated that the capacity charge continues for 25 years, which recovers the investment in the pipeline and the investment of \$20 million in new facilities on the Minneapolis Campus. In addition, he indicated that all fuel savings or costs will be passed on to the University and there may be another charge after year 10 for replacing capacity if necessary.

Following the discussion, Regent Casey expressed appreciation to the Northern States Power representatives for their presentation.

Foster Wheeler Power Systems, Inc.

Richard Swift, Chairman and Chief Executive Officer of Foster Wheeler Power Systems, Inc. and Vice President and member of the Executive Committee of the parent corporation, Foster Wheeler Corporation, led the review of Foster Wheeler's proposal for steam service to the Twin Cities Campus of the University. He discussed the environmental, reliability, flexibility, price variability and price components of the proposal. In terms of flexibility, he noted that Foster Wheeler can change from 95 percent coal/5 percent gas-oil to 95 percent gas-oil/5 percent coal using the University's own equipment. Mr. Swift stated that unless the laws are changed, if the University selects an all-gas option at this time, it will lose its emission credits and be prohibited from changing to alternative fuels in the future.

Mr. Swift disputed some of the conclusions of the University's Evaluation Team with respect to Foster Wheeler's proposal relating to environmental issues, capital and maintenance costs, fuel prices, labor and credit for tax-exempt financing structure.

In summary, Mr. Swift stated that Foster Wheeler will provide the University with utility-grade systems with a life of more than 30 years. These facilities will be a tremendous asset. In addition, since Foster Wheeler does not have any other business in the State of Minnesota, its only incentive is to provide the University with reliable steam service. He expressed appreciation for the opportunity to present the Foster Wheeler proposal.

Regent Anderson requested clarification of Foster Wheeler's labor proposal. Mr. Swift stated that they reviewed the existing labor agreement and the original proposal provided for retention of current employees. However, he noted that other proposals did not include retention of current employees and he believes the same labor situation should be applied to all proponents.

Regent Sahlstrom asked if the Foster Wheeler proposal provides flexibility to use various alternative fuels in the future, including reproducible fuels. Mr. Swift stated that the proposal provides for flexibility, noting that Foster Wheeler currently owns and operates plants that burn six different types of fuel.

In response to questions by Regent Keffeler, Mr. Swift stated that the fuel flexibility would be approximately the same for the Minneapolis and St. Paul Campuses. In addition, it was noted that the University did not specify an emission standard in the proposal process, but the Foster Wheeler proposal provides for the least possible emissions for all equipment consistent with state permitting requirements.

In response to Student Representative Wolf's concern regarding Foster Wheeler's claim that its proposal is environmentally superior when coal piles will still exist, Mr. Swift discussed the emission control technology which will be used and stated that the St. Paul Campus coal pile could be eliminated and other existing coal piles could be managed better.

With regard to fuel flexibility of the new capacity, Regent Kuderer stated that it appears from the proposal that 55 percent of the fuel would have to be gas. It was noted that the fuel flexibility proposed represents a combination of new capacity and life extension to the existing boilers that will be retained.

Regent Roe asked each proponent to make a statement with respect to continued employment, severance and alternative

placement for current heating plant employees. In addition, he asked each proponent to state whether it intends to pay prevailing wage rates to employees operating the steam production facilities and to employees involved with new construction.

Following the discussion, Regent Kuderer expressed appreciation to the Foster Wheeler representatives for their presentation.

DEI/Arkla, Inc.

Ken Linwick, President and Chief Executive Officer of the Minneapolis Energy Center, introduced the members of the DEI/Arkla team.

Tracy Bridge, Project Leader, reviewed the DEI proposal for providing steam service to the Twin Cities Campus, noting that it is the proposal recommended by the Utilities Committee. He stated that management would begin in July of 1991 and summarized the DEI plan for operations throughout the course of the 25-year contract. He noted that DEI guarantees the capital cost, natural gas transportation costs and reliability for 25 years. He also called attention to the fact that fuel reliability and fuel delivery costs are guaranteed for 15 years, based on reserves owned by Arkla.

Mr. Bridge reviewed the flexibility of the proposal, noting that while no coal flexibility is built into the proposal, there is substantial fuel flexibility because DEI is not totally reliant on natural gas. Nevertheless, natural gas is plentiful and they believe it will be available at moderate prices in the future. With respect to emissions credit banking, Mr. Bridge stated he believes that a stipulation agreement could be entered into with the Minnesota Pollution Control Agency that would give the University flexibility to return to a coal-based option in 25 years. He also discussed the environmental aspects of the proposal, stating that it will result in elimination of coal piles and the ash disposal problem.

Mr. Bridge discussed the reliability of the proposal, plans for labor transition, the performance guarantees and the life cycle costs. He stated that DEI/Arkla will provide the University with a modern, state-of-the-art natural gas package boiler steam configuration that will last well beyond the 25-year term of the contract.

In summary, after consideration of the solution to the University's steam service needs proposed by DEI/Arkla, Mr. Bridge urged the Board to endorse the recommendation of the Utilities Committee.

In response to Regent Craig's concern regarding the price of natural gas, Mr. Bridge acknowledged that natural gas is a premium fuel and is more expensive than coal, but he noted that the total cost of the proposal is significantly less because of lower capital costs.

In response to a question raised by Regent Sahlstrom, it was noted that all of Arkla's wells are located in the United States. Regent Sahlstrom also expressed a concern regarding depletion of the country's natural gas reserves, and asked about the flexibility to use replaceable fuels. Mr. Linwick stated that it would not be practical to convert agricultural waste in the proposed boiler plants, however, he stated that coal gassification is a future possibility.

Regent Keffeler asked if DEI/Arkla is prepared to negotiate guaranteed efficiency at the level contained in the proposal. Mr. Bridge stated that with respect to boiler efficiency guarantees, they are prepared to provide guarantees.

Regent Anderson expressed concern regarding entering into a contract with a corporation not based in Minnesota.

Regent Mary Page asked whether new gas is being developed faster than gas reserves are being used.

Following the discussion, Regent Kuderer expressed appreciation to the DEI/Arkla, Inc. representatives for their presentation.

Internal Option

Assistant Vice President Markham led the review of the University's internal proposal for providing steam service to the Twin Cities Campus. She noted that a document regarding the position of current heating plant employees had been distributed to the Regents.

Ms. Markham reviewed the general approach being proposed and the assumptions upon which it is based. They provide for centralization of all steam production facilities over a 15-year period, including construction of an ash disposal landfill in Rosemount. She stated that the plan provides for creation of a self-sustaining business entity and increased operating efficiencies through centralization of the plants to reduce annual operating costs. She discussed the overall financial impact of the proposal and the annual steam charge. Other financial aspects of the proposal include establishment of reserve funds to provide for future equipment replacement, retirement of all debt by the end of the 25th year and stabilization of future operating costs.

Ms. Markham stated that the objective of the internal plan is to produce quality steam in the most cost-effective manner, which will result in a reduction to 36 employees by the end of the 15th year. She indicated that labor transitions will occur through attrition, alternative University placement, retirement options and career transition.

Ms. Markham reviewed the following advantages and disadvantages of the internal plan:

Advantages

- lowest present value cost
- lowest future operating cost
- capital reserve established for future equipment replacement
- centralization of facilities with potential to reclaim riverfront
- fuel use flexibility
- major capital expenditure postponed for six years accommodating UBEEP conservation effort
- positive environmental impact
- staff reductions are more gradual

Disadvantages

- capital requirements could exhaust debt capacity of the University for other projects for many years into the future and may jeopardize bond rating
- difficulties with siting new facility
- potential cost overruns if delays occur in siting and permitting
- implementation and operating risks born directly by the University

In summary, Ms. Markham stated that prevailing wages would be guaranteed under the proposed plan. In response to Regent Anderson's desire to contract with a Minnesota-based organization, she noted that the heating plant employees have provided service for many years.

There was a brief discussion regarding ash disposal, and Ms. Markham stated that it is a significant problem nationwide. She noted that ash disposal is expensive and stated that the internal plan proposes construction of a disposal facility on University property.

In response to Regent Sahlstrom's question regarding the flexibility to use reproducible fuels, Ms. Markham stated that other fuels could be used but it would require additional investment.


Regent Keffeler asked if any creative financing alternatives are available that would make it possible for the University to undertake this initiative without exhausting its debt capacity. Senior Vice President Donhowe stated that after extensive review, the conclusion was reached that this project would exhaust the University's debt capacity.

Regent Roe asked the Administration to consider providing steam service through a combination of internal and external options. He stated that he would like to have issues regarding capital costs, funding, the impact of tax-exempt financing and specific differences between the four proposals addressed before the recommendation is presented for approval in February. Regent Roe thanked Regents Casey and Kuderer for providing sufficient time to discuss this issue, and he welcomed Regent Reagan to the Board.

Regent Schertler asked the Administration to provide information regarding which comparable educational institutions handle steam service internally.

Following the discussion, Regent Kuderer noted that there will be an opportunity for further discussion of the steam service proposals and he urged the Regents to discuss the proposals with administrators or any of the proponents.

The meeting adjourned at 11:35 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1990-91

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

January 11, 1991

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, January 11, 1991, at 8:35 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Casey, presiding; Regents Anderson, Craig, Keffeler, Kuderer, A. Page, M. Page, Reagan, Rosha and Sahlstrom. Regent Roe participated by telephone.

Staff present: President Hasselmo; Chancellors Ianni, Johnson, Lindahl and Sargeant; Senior Vice Presidents Donhowe and Kuhi; Vice Presidents Allen, Hughes and Perlmutter; General Counsel Brady; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Associate Vice Presidents Barbatsis, Foster and Robb; Assistant Vice Presidents Markham and Vikmanis.

Student Representative present: Tim Wolf.

RECOGNITIONS

The Board recognized Regents' Professor Emeritus Leonid Hurwitz for receiving the President's 1990 National Medal of Science.

Dr. Hurwitz expressed appreciation for the recognition and briefly addressed the Board.

STEAM SERVICE ALTERNATIVES

Senior Vice President Donhowe led a continuation of the discussion regarding steam service alternatives. He distributed a list of additional issues raised by the Board related to the steam service proposals which the Administration will answer prior to the February meeting. In addition, he stated that at the February meeting there will be a more detailed discussion of the major issues associated with this

decision, including environmental and conservation issues and fuel type.

Mr. Donhowe noted that the Board has reviewed three external proposals, in addition to a creative solution which was developed by internal University staff. He stated that while the external proposals are very different, they are very good proposals and each of the proponents is a well-managed enterprise.

Mr. Paschke used visual aids to review the Administration's initial response to a number of issues raised by Foster Wheeler Power Systems, Inc. and Northern States Power Company during the presentations at the Committee of the Whole meeting.

In summary, Mr. Paschke reviewed the following conclusions:

- All proponents reviewed and agreed to financial analysis performed on proposals before a recommendation was reached
- After review of the issues raised, the Utilities Committee believes that no significant financial adjustments are required or justified and the analysis fairly represents the economics of the proposals
- Integrity and fairness of the process would not be maintained if revisions of proposals were allowed at this stage
- The primary issues relate to the cost and type of fuel

Regent Keffeler reviewed a list of issues she would like each of the proponents to address to the extent possible consistent with the requirements of the proposal process. She stated that through her questions, she is trying to achieve an equal comparison in certain critical areas. Senior Vice President Donhowe discussed the staff's concerns about preserving the process, stating that he does not want the additional questions to the proponents to result in a process of parallel negotiation. He also discussed the limitation of providing meaningful calculations over a 25-year period and beyond, stating that the staff concluded that at the end of the contract period it would be beneficial if there are at least two vendors available. Regent Keffeler stated that she is prepared to support the administrative recommendation, but indicated that she is concerned that flexibility which protects capital investment is being given a higher value than steam rates, which takes into account all of the components that go into the energy question.

Regent Sahlstrom asked if the proponents will be allowed to revise their proposals at this time. Mr. Donhowe discussed the evaluation process, noting that all of the proponents had been asked to verify the information contained in their proposals and were offered an opportunity to modify their proposals after reviewing the University's internal proposal. He stated that it is the administrative position that no further modifications will be accepted at this time.

Regent Kuderer concurred with Regent Keffeler's request for information. In addition, he asked each of the proponents to give an opinion as to whether or not the University will be able to use alternative fuels at the end of the 25-year contract and to provide the factual basis which supports that opinion. He expressed a concern that there will be a significant trade-off in dollars to protect the University's bonding capacity, and he asked the Administration to estimate the bonding capacity over the term of the contract.

Regent Alan Page stated that while one needs to give attention to process, he does not agree with being so rigid with it that one spends funds one does not need to spend. He also noted that it appears the internal option is the simplest, least expensive alternative, and he asked why one of the external proponents cannot provide the same solution. Mr. Donhowe stated that in addition to the impact on the University's bonding capacity, under the internal option the University would bear significant risks associated with the timing of permitting and being able to construct the facility within the estimated costs.

Regent Roe reiterated his request that the Administration consider providing steam service through a combination of internal and external options. He also asked the Administration to extend the time for review of this issue if necessary to provide the Regents with sufficient time to consider all of the issues.

Mr. Donhowe stated that the deadline for negotiating a contract for steam service is March 11, 1991. He indicated that if a decision is not made at the February meeting, the Administration will be required to seek an extension from the proponents.

In conclusion, Regent Casey stated this item will be presented for approval at the February meeting if all of the questions raised by Regents have been answered.

REGENTS' POLICY BOOK

Due to time constraints, Regent Casey stated that the discussion regarding proposed revisions to the Regents' policy book will be delayed until the February meeting.

BIENNIAL REQUEST/REALLOCATION PLAN

Regent Casey opened the discussion of the administrative plan to improve quality through restructuring and reallocation, noting the University's previous history of retrenchment and reallocation and commenting that the state's current financial situation makes this plan crucial. On behalf of the Regents, he commended the President and the Administration for proposing changes that will ensure the future vitality of the entire institution.

Regent Casey stated that the Regents will provide an opportunity for public discussion regarding the plan at a hearing on Wednesday, January 30. After further discussion at the February meeting, he indicated that the plan will be presented to the Board for approval in March.

President Hasselmo outlined the Administration's five-year plan for restructuring and reallocation of the University's resources, which is a step toward enabling the University to meet future needs. He emphasized that the plan considers the state-wide mission of the University.

One goal is that no employees will be laid off as a result of the proposed changes. President Hasselmo commented on a program which will be developed to locate employment opportunities for anyone affected by the plan. In addition, he stated that students currently enrolled in academic programs affected by the plan will be allowed to finish their programs within a reasonable period of time.

President Hasselmo stated that quality improvement is the basis of the entire planning and decision-making process. He noted the recommendations are based on plans approved by the Regents during the past three years and the June, 1990 Regents' resolution which stressed the need for program change as the basis for reallocation. He indicated that the Regents approved a reallocation goal of \$20 million for 1991-93, and recommended that the reallocation goal be increased to approximately \$60 million for 1991-96.

President Hasselmo stated that the plan is an integrated package developed in response to state financial projections, noting that preserving current base funding is the main concern. He also noted that he intends to ask the Regents to approve a recommendation to withdraw the \$34 million request to the Legislature for new program funding and stated that the highest priority for any new funding is faculty and staff salaries. He stated that this plan is based on well-established criteria which have guided the academic planning process for many years -- quality, centrality, comparative advantage, demand and efficiency and effectiveness.

President Hasselmo stated that the Administration's current goal is to reallocate \$57,960,000 for high priority programs. Of that amount, he stated that \$21,070,000 will come from consolidation, curtailment and elimination of programs in the following areas:

- Central Administration
- University of Minnesota, Waseca
- Health Sciences units
- General College
- College of Education
- Continuing Education and Extension
- Graduate School
- Colleges of Agriculture, Natural Resources and Human Ecology
- University College
- State specials

President Hasselmo specifically addressed the proposal to close the University of Minnesota, Waseca campus. He stated that he has agonized over the painful decision because of what it means to UMW's faculty, staff and students and to the Waseca community, but he said he could arrive at no other conclusion. He emphasized that the plan provides improved opportunities for students in greater Minnesota, noting the proposed reallocation to the Duluth and Morris campuses.

President Hasselmo stated that the \$21,070,000 will be reallocated to the following units, which teach 84 percent of the University's undergraduate students:

- College of Liberal Arts
- Institute of Technology
- University of Minnesota, Duluth
- University of Minnesota, Morris
- Carlson School of Management
- College of Pharmacy

- School of Public Health
- Minnesota Extension Service
- Experiment Stations
- University Libraries
- Biomedical Engineering
- Special system-wide initiatives, including the undergraduate initiative, minority recruitment and retention, K-12 activities, international education and expanded telecommunications, which will provide more opportunities to serve greater Minnesota in the future

President Hasselmo stated that the \$36,890,000 balance of the reallocation goal will be achieved through internal reallocation. Specific units planning for internal reallocation include the College of Liberal Arts, the Institute of Technology, the University of Minnesota, Duluth and the College of Biological Sciences.

President Hasselmo commented on the restructuring of higher education in the state. The MSPAN study raised important questions that suggest regional planning across systems, and the clarification of the University's mission, may result in similar action by other systems. He also discussed the possibility of establishing a "Blue Ribbon Committee" that would define a master plan for higher education and make specific recommendations to system boards and the Higher Education Coordinating Board.

In conclusion, President Hasselmo stated that although the University is operating under severe financial constraints, this is a positive proposal to serve students better and to restructure the University to meet the needs of the future. He recommended it to the Board for consideration.

A lengthy discussion followed President Hasselmo's review of the proposed plan. In response to a concern raised by Regent Sahlstrom, Senior Vice President Kuhi will provide information on how proposed reductions in the College of Education budget impact the National Center for Research in Vocational Education.

Regent Sahlstrom, in noting the importance of agriculture, stressed the need for the University to work with other educational systems to meet the needs of the people in the state. Regents Sahlstrom and Rosha asked that the proposed elimination of the University of Minnesota, Waseca be considered separately. In addition, they asked the Administration to involve members of the UMW

community in the consultation process. President Hasselmo discussed the process which led to the difficult decision to recommend elimination of the Waseca campus.

Regent Keffeler spoke in support of the plan, stating that it is a balanced, integrated proposal which is responsive to mission and resource issues. She asked the Administration to identify specific timelines for achieving the financial targets included in the plan. Noting that a significant portion of the proposed reallocations will come from the administrative area, Regent Keffeler reiterated her concern regarding the fragility of some areas of the infrastructure, including some administrative areas, and asked for information regarding those areas which will receive funds as a result of the reallocation. Regent Keffeler stated that if the University and other systems of higher education identify how the criteria of quality, centrality, comparative advantage, demand, and efficiency and effectiveness apply to decisions, it will result in a statement of differentiation and a Blue Ribbon Committee will not be necessary.

Regent Kuderer asked the Administration to provide the Regents with details on the process that was followed in determining the reallocation proposals. President Hasselmo stated that the information will be provided.

Regent Craig concurred with the comments of Regents Keffeler regarding the establishment of a Blue Ribbon Committee and stressed the need for interaction among the state's higher education systems. She commented on the proposal to eliminate the Waseca Campus, and stated that it will be a difficult decision.

Student Representative Wolf expressed a concern regarding assistance for students who haven't completed their programs if the proposal to eliminate the Waseca Campus in June of 1992 is approved. President Hasselmo responded that students will be handled with the same care as faculty and staff, noting that the University may have to explore offering courses elsewhere to provide for students.

Regent Mary Page stated that the proposal to eliminate the University of Minnesota, Waseca is a rural issue because of a diminishing rural population. She indicated that she identifies very strongly with the people of Waseca and asked that the University be ready to help them as they address this issue.

Regent Roe commented briefly regarding the proposal to close the Waseca Campus, and he reiterated his concern that dollars too often dictate the University's mission.

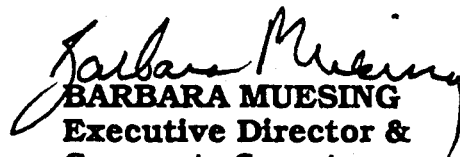
Regent Casey stated that this item is particularly difficult for him to address since he has devoted his life to agriculture. However, he

indicated that while this is a good University, it can be better. The Regents have to think in terms of the University's land grant mission and address the issue of working with other educational systems in the state to ensure that high quality educational opportunities are available for future students. Regent Casey asked President Hasselmo to report on how the University will provide leadership in working with other education systems in the state to provide educational opportunities to the people of the state.

Regent Anderson complimented Regent Casey on his statement and he commended the protesters from the Waseca Campus for the way they conducted themselves.

In summary, President Hasselmo stated that the recommended plan includes many difficult issues, but that it represents his best judgment in an effort to provide students with the high quality education they deserve, and he asked the Board to consider the plan.

The meeting adjourned at 11:00 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

January 11, 1991

A meeting of the Board of Regents of the University of Minnesota was held on Friday, January 11, 1991, at 11:10 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Anderson, Casey, Craig, Keffeler, Kuderer, A. Page, M. Page, Roshia, and Sahlstrom. President Hasselmo presided.

Staff present: Chancellors Ianni, Johnson, Lindahl and Sargeant; Senior Vice Presidents Donhowe and Kuhi; Vice Presidents Heydinger, Hughes, and Perlmutter; Vice Provost Hopkins; General Counsel Brady; Executive Director Muesing; and Associate Executive Director Janzen.

APPROVAL OF MINUTES

The Board of Regents voted unanimously to approve the minutes of the following meetings:

Physical Planning & Operations Committee -
December 13, 1990
Finance & Legislative Committee - December 13, 1990
Faculty, Staff & Student Affairs Committee -
December 13, 1990
Educational Planning & Policy Committee -
December 13, 1990
Committee of the Whole - December 13, 1990
Committee of the Whole - December 14, 1990
Board of Regents - December 14, 1990

It was noted that the December minutes for the Finance & Legislative Committee had been amended at the Finance & Legislative Committee meeting and that approval by the Board included those amendments.

REPORT OF THE PRESIDENT

President Hasselmo presented his regular monthly report which contained items pertaining to International Developments, Intercollegiate Athletics, and Personnel Actions.

A copy of the President's Report is on file in the Regents' Office.

President Hasselmo also called on Robert Stein, Faculty Representative for Men's Intercollegiate Athletics, to provide an update of discussions held at the National Collegiate Athletic Association (NCAA) Convention held January 7-11, 1991 in Nashville, Tennessee.

REPORT OF THE CHAIR

Chair Casey reported that the Board of Regents has scheduled an Open Forum, Wednesday, January 30, 1:00 p.m. at the Earle Brown Center on the St. Paul Campus and encouraged anyone wishing to speak about the Reallocation Plan to call the Regents' Office.

He further reported that the committee assessing the performance of the Board of Regents will begin its work next week and submit a report by the February 16 Board Retreat.

Chair Casey also reported that Regent Kuderer will be traveling to South America with President Hasselmo and other college presidents during the next month and recognized Regent Anderson who was featured in an article in the December 29-30, 1990 Minnesota Hockey Program.

GIFTS

Associate Vice President Gerald Fischer, presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation and the Minnesota Medical Foundation as listed in the docket material and on file in the Regents' Office. The Board of Regents voted unanimously to approve the gifts.

CONTRACTS AND GRANTS/APPLICATIONS AND AWARDS

Senior Vice President Kuhl submitted for approval the contracts and grants/applications and awards as presented in the docket materials and on file in the Regents' Office.

The Board of Regents voted unanimously to approve the contracts and grants/applications and awards.

REPORT OF THE COMMITTEE OF THE WHOLE January 10, 1991

Regent Kuderer, Acting Chair of the committee, reported that the committee reviewed proposals for steam service alternatives from Northern States Power Company, Foster Wheeler Power Systems, Inc., DEI/Arkla, Inc., and the University's internal proposal.

In addition, he reported that President Hasselmo administered the Oath of Office to newly-appointed Regent, Thomas Reagan.

REPORT OF THE COMMITTEE OF THE WHOLE January 11, 1990

Regent Casey, Chair of the committee, reported that the committee recognized Regents' Professor Leonid Hurwicz on his selection for the President's 1990 National Medal of Science.

In addition, the committee discussed steam service alternatives and reviewed the Administration's proposed plan for reallocation and the 1991-93 Biennial Request.

With regard to the Biennial Request, Chair Casey introduced the following resolution:

WHEREAS, the Regents of the University of Minnesota approved the University's 1991-93 biennial request on October 12, 1990, and

WHEREAS, the 1991-93 biennial request included proposals for \$34 million for program improvements, and

WHEREAS, the 1991-93 biennial request was predicated on the University's internal reallocation of funds in support of *Academic Priorities* for the Twin Cities campus and associated plans for the coordinate campuses, and

WHEREAS, the State of Minnesota faces budget constraints that virtually preclude additional funding for program improvements, and

WHEREAS, the University administration has developed comprehensive internal reallocation proposals totaling 10% of the University's state funding base, to be carried out over the period, 1991-1996, and

WHEREAS, the University's priorities for the 1991 Minnesota Legislature are preserving the state funding base, in order to carry out internal reallocations, and to receive funding for adjustments of faculty and staff salaries, in order to reflect the effects of inflation,

NOW THEREFORE BE IT RESOLVED, that the Regents of the University of Minnesota withdraw the 1991-93 request for program improvements.

The Board of Regents voted unanimously to approve resolution.

Chair Casey further reported that the agenda item pertaining to review of the Regents' Policy Book was delayed due to time constraints.

REPORT OF THE FACULTY, STAFF AND STUDENT AFFAIRS COMMITTEE

Regent Anderson, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Faculty, Staff & Student Affairs Report for January 1991 as listed in the docket material and on file in the Regents' Office.

- b) Approval of Regents' Collegiate Constitution Policy, as follows:

COLLEGIATE CONSTITUTION POLICY

This is a suggested format. Individual colleges will have specific governance situations that undoubtedly will call for modification of the format, and the content of the various sections will necessarily vary according to the specific needs of colleges. In the appropriate sections, your attention will be called to certain items that are required by the Regents' resolution of March 13, 1987.

The equal employment statement shown below should appear on the title page or the back of the title page of every constitution.*

RECOMMENDED STRUCTURE FOR A COLLEGIATE CONSTITUTION

PREAMBLE

ARTICLE I. GENERAL POWERS

ARTICLE II. DEAN/CHIEF EXECUTIVE OFFICER

ARTICLE III. FACULTY

ARTICLE IV. OTHER CONSTITUENCIES

ARTICLE V. GOVERNANCE/ADMINISTRATIVE STRUCTURE

ARTICLE VI. AMENDMENTS

ARTICLE VII. BYLAWS

* The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, an employment without regard to race, religion, color, sex, national origin, handicap, age, veteran status, or sexual orientation.

PREAMBLE

Note: This section contains a statement of the name and purpose of the unit. It should also contain the following statement from the Regents' Resolution: "This constitution is not part of the employment contract between the University and its employees. It does not establish terms and conditions of employment."

SAMPLE

The College of _____ is dedicated to education, search for knowledge, academic excellence and service to the profession and to the people of the state. It is the purpose of this constitution to foster an active, informed faculty, and to promote open communication among the faculty, students, academic and civil service staff, and the administration of the college. Toward this end, the constitution provides a democratic framework in which are defined the roles of the faculty, students, academic and civil service staff and administration in initiating recommendations, formulating decisions, and communicating the basis for decisions to those affected.

ARTICLE I. GENERAL POWERS

Note: The authority of the college is delegated to it by the Board of Regents and may be modified at their discretion.

SAMPLE

All matters relating to the educational and administrative affairs of the college are committed to the dean, the College Assembly, and the college faculty, as delegated by the Board of Regents and in accord with the constitution of the University Senate, and consistent with actions of these bodies heretofore or hereafter taken.

ARTICLE II. DEAN/CHIEF EXECUTIVE OFFICER

Note: This section should contain some statement to the effect that the dean shall by procedures established by the University or by the college constitution have general administrative responsibility in the following areas: educational policy, budgets, and personnel. It should also contain a statement somewhat as follows: The dean of the college shall be appointed by the Board of Regents upon recommendation of the president or the president's designee for an initial fixed term of three years (J appointment). In the third year of the initial appointment, the Senior Vice President or the Senior Vice President's designee shall appoint a committee to conduct a major review of the dean. Subsequent appointments for the incumbent dean shall be annual and renewable (K), based each year on a performance evaluation carried out in accordance with University policy. Every five years this annual review will take the form of a major review to be carried out by a committee appointed by the Senior Vice President for Academic Affairs.

SAMPLE

The dean shall have general administrative authority over the affairs of the college. The dean shall provide leadership in formulating policies, introducing and testing educational ideas and proposals, and supporting efforts toward continued improvement of the college's programs. The dean shall be responsible for the development and periodical review of departmental programs. The dean shall be responsible for the interpretation of the college's programs to the University and community.

The dean or the dean's designee shall serve as the primary medium of communication for official business of the college with other University authorities. Where action of the Board of Regents is requested or required, the dean shall make such recommendations as are necessary to the Senior Vice President for Academic Affairs. Such recommendations shall include, but shall not be limited to, appointment, promotion, tenure, and salary increases.

The dean is responsible for the preparation of the annual budget of the college.

ARTICLE III. FACULTY

Note: This section should include a definition of "faculty" and make a distinction between those with voting rights and those who do not have voting rights. Care should be taken to note that only tenured faculty have the right to vote on tenure decisions and only those with rank above the individual who is being proposed for promotion have the right to vote in the promotion process.

SAMPLE

Section 1. Definition

The faculty of the college shall be all faculty personnel holding appointments as instructor, assistant professor, associate professor, professor, or regents professor who are budgeted through the departments or the office of the dean for teaching, research, and extension, including members on leave, and the dean and associate and assistant deans of the college if they hold faculty rank.

Section 2. Academic Freedom, Faculty Rights, Privileges, Responsibilities, and Grievances

a. Grievance policy (does not apply to UMD and Waseca)

The college shall establish a grievance committee to resolve grievances brought by faculty, staff or students in accordance with the University-wide Grievance Rules or other applicable University Grievance policies.

b. Faculty Rights and Responsibilities (must be topic of meet and confer at UMD and Waseca)

The college faculty shall be governed by the policies (and constitution, where applicable) of the Board of Regents, the Senate, the Twin Cities Campus Assembly, and the University's central administration, and by the University's Regulations Concerning Faculty Tenure, in all matters addressed by those documents or

policies including, but not limited to, academic freedom and responsibility, sexual harassment, and promotion and tenure.

ARTICLE IV. OTHER CONSTITUENCIES

Note: This section should identify constituencies other than the faculty that participate in college activities.

SAMPLE

Section 1. Academic Professional and Administrative (PA) Staff

Academic professional and administrative (PA) staff shall consist of professional personnel who are assigned to duties enhancing the research, teaching, and service functions of the college and administrative personnel who are involved in policy development or execution or in directing, coordinating, or supervising activities in the college.

Section 2. Civil Service Staff

Civil Service employees are support staff and scientific/technical staff hired through the University's Personnel Department, and affiliated with units administratively within the college.

Section 3. Student/Professional Training Appointees

Student/Professional Training appointees are those holding appointments in the 95XX classes, such as graduate assistants, postdoctoral associates, etc.

Section 4. Students

Students are those undergraduate students currently enrolled in the University and graduate students in good standing in the college.

Section 5. Rights and Privileges

Members of these other constituencies are expected to participate in the affairs of the college, including its governance machinery, its committee structure, its grievance procedures, and the revision of the college constitution. Representatives on college

committees shall be chosen according to procedures specified in the bylaws.

ARTICLE V. GOVERNANCE/ADMINISTRATIVE STRUCTURE

Note: This section is unit specific; for that reason no sample will be given. It should be noted, however, that the governance statement should include representation of civil service staff. PA staff, and students where appropriate.

ARTICLE VI. AMENDMENTS

Note: This section should include a description of how amendments are approved, who may interpret the Constitution, and when amendments shall be implemented after being approved.

SAMPLE

Section 1. Amendments

The Constitution of the college may be amended by a two-thirds majority of those present at a meeting of the Faculty Assembly, such amendment to be introduced by proposal from a standing committee or by a petition signed by members of the faculty and presented to the secretary of the faculty. All amendments shall be reviewed by the College Consultative Committee and their recommendation presented to the Faculty Assembly. Notice of such proposed amendments, together with the recommendation of the College Consultative Committee, shall be given in writing to all members of the faculty at least 30 days before the Faculty Assembly is called upon to act on them. The amendment to the Constitution will become effective when approved by the Senior Vice President for Academic Affairs and Provost.

Section 2. Interpretation

Final authority to interpret this Constitution shall reside in the Faculty Assembly.

Section 3. Implementation

This constitution shall become effective immediately after its adoption by the Faculty Assembly and its approval by the Senior Vice President for Academic Affairs and Provost. Adoption will require a majority vote of the faculty. If a majority vote is not obtained, a mail ballot of the faculty shall be conducted.

ARTICLE VII. BYLAWS

Note: Bylaws should, insofar as possible, spell out specifics that can be omitted from constitutions, thereby obviating the necessity of seeking approval of the Senior Vice President for Academic Affairs and Provost when changes in these specifics may be needed.

SAMPLE

Procedures for operating under this constitution shall be specified in the Bylaws. Any proposed amendment, addition, or deletion of the Bylaws must be submitted as information to undergraduate and graduate student boards as well as at a regular or special meeting of the faculty at least two calendar weeks prior to its presentation for vote (excluding Summer). Bylaws shall be adopted, amended, or deleted by majority vote. No items for action shall be presented during the Summer.

- c) Approval of Regents' Policy on Access to Student Records, as follows:

REGENTS' POLICY ON ACCESS TO STUDENT RECORDS

Students enrolled in the University are required to give certain information in order that the University may make reasonable judgments about them, provide services, and give informed advice regarding courses to be followed. Such personal data and information may become part of the student education record. Students may make the justifiable assumption that the University, as custodian of these data will preserve their private nature. By requiring or requesting such information, the University gives assurance that the information will be protected against improper disclosure.

The University observes the following principles:

1. Appropriate University officials are held directly responsible and accountable for the careful protection of student education records against possible misuse.
2. Within the University, student education records will be used only for appropriate research, educational, and University administrative functions. Access to those records is allowed only to those members of the University community whose designated responsibilities reasonably require access or to persons whom the student has given written permission for access.
3. University officials responsible for the use of student records require that there be no communication of such records outside of the University except under proper authorization, or as provided elsewhere in this policy statement.
4. The University maintains a Directory of Student Education Records that a) lists the types and locations of records, b) designates the officials responsible for the records, c) states the administrative procedures governing student access to student education records on each campus of the University, and d) defines the conditions under which individuals other than the student may have a legitimate educational, administrative or research interest in such records.
5. The University provides the student with the right to access, inspect and obtain copies of all information in student education records except: a) financial information submitted by parents; and b) confidential letters and recommendations collected under established policies of confidentiality or to which the student has waived in writing the right of inspection and review.
6. The University gives students the right to request amendment of the contents of student

education records, to have a hearing if the result of the request for amendment is unsatisfactory and to include a statement for inclusion in the record if the decision resulting from the hearing is unacceptable to the student.

7. The University notifies student annually of their privacy rights, their right to file complaints concerning alleged failures of the University to comply with their privacy rights, and the location of the University Directory of Student Education Records, where copies of the University policy and procedures on access to student records may be obtained.
8. The University maintains a record of external requests for information from student education records other than directory information, and of the disposition of the requests.

The student education records of the University vary in their nature and location. Steps taken to protect against improper disclosure are designed for the circumstance.

STUDENT EDUCATION RECORDS

Directory Information

The student's name, address, telephone number, dates of enrollment and enrollment termination, major, adviser, college and class, academic awards and honors received, and in the event of the student's graduation, the degree received, are matters of public record or directory information. Therefore, University officials and departments may provide this information in answer to inquiries without requiring authorization from the student. However, students may prohibit disclosure of directory information during the term of their enrollment.

Other Student Education Records

Student education records other than directory information include, but are not limited to, transcripts, test scores, college advising records,

disciplinary files, financial aid information, housing records and records of educational services that are provided to students. Such records are not disclosed to anyone except:

- a. the student, and others on written authorization by the student;
- b. persons within the University who have a legitimate interest in the information for educational, administrative, or research purposes;
- c. other educational institutions in which the student seeks to enroll; provided the disclosure is limited to official copies of student transcripts or test scores from the appropriate University office;
- d. other organizations conducting educational research studies; provided the studies are conducted in a manner which will not permit identification of students, and the information will be destroyed when no longer needed for the purpose for which the study was conducted;
- e. persons in compliance with a court order or lawfully issued subpoena; provided that a reasonable attempt is made to notify the student in advance of compliance thereof;
- f. appropriate persons in connection with an emergency if the information is necessary to protect the health or safety of the student or other individuals;
- g. accrediting organizations and state or federal education authorities when the information is needed for auditing, evaluating or enforcing legal requirements of educational programs; provided the accrediting organizations and authorities protect the data in a manner which will not permit the personal identification of students, and personally identifiable information is destroyed when no longer needed;

- h. appropriate persons or agencies in connection with a student's application for or receipt of financial aid to determine eligibility, amount or conditions of financial aid.
- i. Parents of a dependent student as defined under the Internal Revenue Code.

OTHER RECORDS

The University maintains other records which contain information about students.

Information in medical or psychological counseling records, including results of examinations by University physicians, psychiatrists, and psychologists, is afforded greater protection. The University obtains such information with a commitment as to its highly private nature. Such records should not be disclosed, except (a) under direct written authorization by the student, or (b) pursuant to a court order signed by a judge; or (c) as otherwise required by law.

University police, employment, and hospital records contain information about students, but are not student education records, and are not covered by this policy. University offices responsible for such records maintain and observe information release policies that protect the subjects of such records against improper disclosure and are consistent with applicable laws.

- d) Approval of Regents' Policy on Field Staff Study Leave, as follows:

FIELD STAFF STUDY LEAVE

PURPOSE

To encourage and provide for study, research and/or other activities which keep agents up to date; provide for the completion of the master's degree; contribute to the effectiveness of the Minnesota Extension Service program.

ELIGIBILITY

Open to county or cluster agents with an appointment of 75 percent or more time after three years of service (for a single quarter leave) or six years of service (for a two-quarter leave, if no previous single quarter leave was used).

REMUNERATION

Full salary for one quarter after three years of service or for two quarters after six years of service.

Agents granted study leaves may accept grants or scholarships to defray travel, study and/or research expenses, provided such grants or scholarships are not for personal services. Agents are not to accept additional paid employment during the time of the leave.

TYPES OF APPROVED LEAVE ACTIVITIES

1. Graduate level course for an advanced degree
2. Graduate level courses for credit and not intended for an advanced degree (courses are to be related to the job and enhancing job performance and results)
3. In-depth non-credit studies in areas closely related to Extension programs

APPLICATION AND SELECTION PROCEDURES

The Minnesota Extension Service is to maintain procedures and standards for application and selection. The process must include:

- application forms/materials providing detail of the planned activities and the appropriateness to the position
- application and notification deadlines reasonable to allow staff members to make necessary arrangements for coverage, changes in work schedule, travel and housing should the leave be granted

- the use of a review team that makes recommendations to the dean and director
- no more than 3 percent of county and cluster agent staff will be granted leave for any one academic term

OBLIGATIONS AND CONDITIONS

County or cluster agents granted a paid leave assume the obligation to:

- return to University employment for at least one year following the leave
- repay salary paid during the leave for any period of less than one year employment following the leave
- submit a report to the dean and director of the Minnesota Extension Service following completion of the leave

The Minnesota Extension Service agrees, during the time of the paid leave, to:

- continue retirement, insurance and health benefits as already in force for the agent on leave

Vacation leave is not earned or accumulated during the period of the study leave.

SOURCE OF FUNDS

All funds paid as salary or to benefits during the study leaves as described above will be provided from sources within the Minnesota Extension Service budget.

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

Regent Anderson reported that the committee also received an update on the Administrative Development Program, a report on Financial Aid and an update regarding incidents of racial harassment and a scheduled Time-Out Convocation.

**REPORT OF THE PHYSICAL PLANNING AND OPERATIONS
COMMITTEE**

Regent Sahlstrom, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Physical Planning & Operations Report which included Purchasing, Project Status Report, and Miscellaneous as presented in the docket materials and filed in the Regents' Office.
- b) Approval of resolution regarding projects already submitted for information, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- a. Stadium Apartments, Domestic Water Pipe Replacement, Duluth Campus
Estimated cost of the project: \$189,500
Funding: Duluth Campus Housing Services
Estimated completion date: July 1991
- b. Medical School Cage Washer Upgrade, Duluth Campus
Estimated cost of the project: \$314,402
Funding: Public Health Service Grant; Program Accommodation Remodeling Funds; UMD Animal Services Department; UMD Office of the Vice Chancellor Academic Support; and UMD Medical School Indirect Cost Recovery Funds
Estimated completion date: July 1991
- c. Campus Center, Scope Increase, Duluth Campus
Project increase: \$100,000
Total estimated cost of the project: \$10,965,000
Funding: 1987 legislative appropriation, 1990 legislative appropriation, and UMD Auxiliary Services
Estimated completion: September 1993

- d. Nolte Garage Dry Pipe Sprinkler System, Twin Cities Campus
Estimated cost of the project: \$142,240
Funding: Parking Services
Estimated completion date: August 1991

 - e. Millard Hall - Fifth and Sixth Floors Remodeling/Physiology, Scope Increase
Project increase: \$120,000
Total estimated cost of the project: \$2,161,700
Funding: Asbestos Settlement Funds, Medical School Funding Internal Loan, Medical School Indirect Cost Recovery, Department of Physiology Funds, and Department of Physiology Research and Teaching Funds
Estimated completion date: July 1991
- c) Approval of resolution re University Hospital Renewal Project Phase II, as follows:
- RESOLVED**, that the Board of Regents approve a revision of Phase II of the Hospital Renewal Project that changes the previous approval of June 1990. The revision reduces the original budget of \$62 million to \$37.6 million. The revision also returns to the concept of adding two floors to the new Hospital building and provision of minimal renovation and mechanical system upgrade in the Mayo Building. The project will be financed from Hospital reserves and/or cash flow.
- d) Approval of the following project approved in the Capital Request and funded by Legislative Appropriation as follows:
- a. Agronomy/Horticulture Research Facility, West Central Experiment Station, Morris
Estimated cost of the project: \$300,000
Funding: 1990 Legislative Appropriation
Estimated completion: July 1991

- e) Approval of the following land transactions:
- a. Land Lease to St. Olaf College for Radio Tower, Rosemount Research Center - authorization requested to execute a 40-year lease for approximately one acre of land at the Rosemount Research Center to St. Olaf College for construction of an FM Radio tower and transmitter building for WCAL Radio.
- The resolution was amended to stipulate that construction will not begin on the project until all reservations on the issue have been resolved to the satisfaction of the College of Agriculture.
- b. Purchase of 508 Worth Street, Duluth for \$25,000
 - c. Sale of Opsahl Trust Property, Duluth for \$45,000 to Charles and Carol Bille.
 - d. Authority to negotiate purchase of property at 1715 4th Street S.E., Minneapolis, owned by McLaughlin Gormley & King Company.

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

Chair Sahlstrom further reported that the committee reviewed the following projects for information:

- a. Pattee Hall, Remodel Rooms 214 and 215, Twin Cities Campus
- b. Folwell Hall, Air Condition Seventeen Classrooms, Twin Cities Campus
- c. Supercomputer Center, Remodel Shell Space, Minneapolis
- d. Willey Hall, Riverbend Restaurant Renovation, Twin Cities Campus
- e. Fish Research Facility, St Paul Agricultural Experiment Station, Twin Cities Campus
- f. Roofing Projects, Duluth Campus

- g. Land Lease to RECOMP, Inc. for Metro Food Waste Facility, Rosemount Research Center

REPORT OF THE FINANCE & LEGISLATIVE COMMITTEE

Regent Schertler, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Finance and Legislative Report including Accounts Receivable, Central Reserves, Debt Management, and Miscellaneous as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution re Modification of Reserve Spending Plan, as follows:

RESOLVED, that on the recommendation of the President and Senior Vice President for Finance and Operations, the appropriate staff are authorized to expend central reserve funds for:

\$114,753 - Rosemount Groundwater Cleanup

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

Chair Schertler reported that the committee also reviewed the Annual Financial Report for fiscal year 1989-90 and received a legislative update.

REPORT OF THE EDUCATIONAL PLANNING AND POLICY COMMITTEE

Regent Kuderer, Acting Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of Delegation of Authority relating to Department of Defense Contract, as follows:

BE IT RESOLVED, that at a meeting of the Board of Regents of the University of Minnesota on January 11, 1991, with a quorum present, the following was voted on and approved:

Those persons occupying the following positions among the officers and members of the Board of Regents of the University of Minnesota shall be known as the Managerial Group, as described in DoD5220.22-M, "Industrial Security Manual For Safeguarding Classified Information," for the negotiating, execution, and administration of Department of Army Contract DAAL03-89-C-0038:

Nils Hasselmo, President and Chancellor;

Leonard V. Kuhi, Provost and Senior Vice President for Academic Affairs;

Gordon M. Donhowe, Senior Vice President for Finance and Operations;

Charles H. Casey, Chair, Board of Regents.

The members of the Managerial Group have been processed, or will be processed, for a Personnel Security Clearance for access to classified information to the level of the Facility Security Clearance granted to this institution, as provided for in the aforementioned Industrial Security Manual.

The said Managerial Group is hereby delegated all of the Board of Regents' duties and responsibilities pertaining to the protection of classified information under Classified Contract DAAL03-89-C-0038 awarded to the University of Minnesota.

- b) Approval of the Senior Vice President's Monthly Educational Planning & Policy Report as presented to the committee in the docket materials.
- c) Approval of Appointment to the Minnesota Landscape Arboretum Foundation Board of Trustees, as follows:

RESOLVED, that the recommendation to appoint Mrs. Thomas C. Savage for a one-year term (to complete Mr. Allan Burdick's appointed term) as introduced at the December 1990 Educational Planning and Policy Committee meeting, is hereby approved.

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

Chair Kuderer reported that the committee also reviewed information on a proposed Master of Science Degree in Health Services Research and Policy, a report on Policy and Allocation of Indirect Cost Recoveries Research Support Fund, and a review of the Accreditation Process. In addition, the committee also received a report on University Libraries.

REPORT OF THE AUDIT COMMITTEE

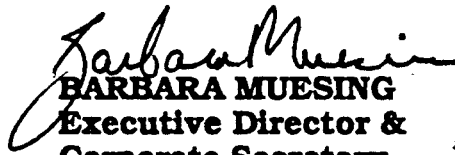
Regent Craig, Chair of the committee, stated that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Compliance Officer's Quarterly Report as presented to the committee in the docket materials.
- b) Approval of the Director of Audits' Quarterly Report as presented to the committee in the docket materials.

The Board of Regents voted unanimously to approve the actions of the Audit Committee.

Chair Craig reported that the committee also reviewed the Management Letter issued by the external auditor Coopers & Lybrand for the fiscal year 1990 and reviewed the Quarterly Report on the Financial Management System (CUFS).

The meeting adjourned at 11:55 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

