

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

BOARD OF REGENTS MEETINGS

AND

COMMITTEE MEETINGS

**March 2, 2012
March 8-9, 2012**

**Office of the Board of Regents
600 McNamara Alumni Center**

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Minutes of the Board of Regents Meetings
and Committee Meetings

March 2, 2012
March 8-9, 2012

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Ad Hoc Group

March 2, 2012

A meeting of the Ad Hoc Group established by the Chair of the Board of Regents pursuant to Board of Regents Policy: *Code of Ethics for Members of the Board of Regents*, Sec. VI, was held on Friday, March 2, 2012 at 11:00 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; David Larson, and David McMillan. Regents Richard Beeson, Maureen Ramirez, Patricia Simmons, and Steve Sviggum were also present as non-members of the Ad Hoc Group.

Staff present: General Counsel Mark Rotenberg and Acting Executive Director Brian Steeves.

Regent Cohen explained that the purpose of the Ad Hoc Group meeting (Group) was to substantively discuss the potential conflict of interest related to Regent Sviggum's position as a Regent and his employment as executive assistant and communications director for the Minnesota Senate Majority Caucus. She stated that three principles guide this process:

- Be objective and fair;
- Uphold integrity; and
- Do what is in the best interest of the University.

Cohen noted that both an internal and external legal opinion were obtained to help inform the Group. University of Minnesota General Counsel Mark Rotenberg and Fredrickson & Byron attorney John Stout separately concluded that Steve Sviggum's position as a Regent and employment with the Minnesota Senate Majority Caucus create an unmanageable conflict of interest and recommended that he resign one of the positions.

Cohen asked Regent McMillan for his comments. McMillan stressed that this situation is not about anyone's integrity and that Sviggum's ethics are not in question. He emphasized that it also is not an issue about any individual, but rather about the institutions involved and the public trust the Board of Regents are duty bound to uphold and preserve. He added that public trust is the driving factor on where he stands on this issue.

McMillan indicated that he analyzed two Board of Regents Policies: *Responsibilities of the Board and Individual Regents*, and *Code of Ethics for Members of the Board of Regents*. He believes that three of the 12 responsibilities delineated in Board policy are at severe risk in this situation:

- Long-term welfare of the University;
- Preserving institutional autonomy of the University; and
- Enhancing the public image of the University.

McMillan expressed that the public image of the University translates to public trust. If there is a potential conflict that is viewed by the public as an apparent conflict of interest, the Board cannot maintain the public trust. He cited several potential conflicts in this situation including:

- Biennial Election of Regents;
- Annual Bonding Request;
- Operating and Capital Budget; and
- Land Grant Policy and Management.

McMillan concluded by stating that it is impossible to maintain the public's confidence in the University of Minnesota when any Regent holds an employment position that is so inexorably bound to the partisanship of the legislative process as this.

Cohen asked Regent Larson for his comments. Larson expressed disagreement with the characterization of events contained in the document Sviggum provided to the Ad Hoc Group. He also stated that the Board must do what is in the best interest of the University of Minnesota.

Cohen noted four elements that she has considered in this situation:

- Independence of judgment;
- Duty of loyalty;
- Constitutional autonomy of the University and Board of Regents; and
- Representing all of the people of Minnesota and no particular interest.

Cohen explained her belief that Sviggum's position with the Senate Majority Caucus will involve him in high-level partisan legislative deliberations that influence decisions, even though he will not have a vote. He would face continual conflict due to his responsibilities within the caucus. Cohen stressed that the standard is whether a reasonable person would perceive a conflict in this situation, and whether Sviggum's employment may impair his independence of judgment as a Regent. She viewed Sviggum's position as a Regent and his employment with the Minnesota Senate Majority Caucus to be a fundamental, systemic conflict between duties and loyalties owed to each position. Given its pervasiveness, Cohen felt recusal or other management plan arrangements would not work because these methods would not uphold the integrity of the Board nor promote the public's confidence in the Board's obligation and responsibility to fulfill the mission of the University.

Cohen asked Sviggum to present his comments to the Ad Hoc Group. Sviggum stressed that he does not see a conflict between his position as a Regent and his employment with the Senate Majority Caucus, because he is not an elected official, a decision maker at the legislature, or a University employee. He expressed disagreement with the internal and external legal opinions and stated his belief that they were not a productive use of resources.

Sviggum explained that he felt he had vetted the issue with Rotenberg on January 11, 2012 and in a phone call with Cohen and Larson on January 14, 2012. He indicated that those discussions centered on the Board's Code of Ethics policy, but felt his questions about hypothetical employment situations garnered positive responses from Rotenberg, Cohen, and Larson to ensure he was not creating a conflict of interest.

Cohen addressed the January 14, 2012 phone call with Larson and Sviggum, stating that the phone discussion was about the language of a proposed amendment to the Code of Ethics policy and had nothing to do with Sviggum's current conflict of interest problem.

After a ten-minute recess, the Ad Hoc Group re-convened.

Cohen referred the Ad Hoc Group to a resolution being presented for consideration, and read it aloud.

A motion to approve the resolution was moved and seconded. The Group unanimously approved the resolution.

The meeting adjourned at 12:25 p.m.

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

BRIAN R. STEEVES
Acting Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

March 8, 2012

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, March 8, 2012 at 11:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Clyde Allen, Richard Beeson, Laura Brod, John Frobenius, Venora Hung, Dean Johnson, David Larson, David McMillan, Maureen Ramirez, Patricia Simmons, and Steve Sviggum.

Staff present: President Eric Kaler; Chancellor Charles Casey; Senior Vice President and Provost Karen Hanson; Vice President Timothy Mulcahy; General Counsel Mark Rotenberg; and Acting Executive Director Brian Steeves.

RECOMMENDATION OF AD HOC GROUP

Chair Cohen stated that this meeting is a culmination of a judicious process undertaken to determine whether or not an employment-related conflict of interest exists between Regent Sviggum's role as Regent and his employment with the Minnesota Senate Majority Caucus. She explained that three principles have guided this review: 1) to be objective throughout the process; 2) to uphold the integrity of the Board; and, 3) to do what is in the best interest of the University and the state.

Cohen explained that she had requested two legal opinions to explore whether or not a conflict of interest existed, and if so, the pervasiveness of the conflict. One opinion was provided by General Counsel Rotenberg; the other by John Stout, a shareholder at the firm Fredrikson and Byron, and a nationally known expert in the field of corporate governance. Cohen reported that, after receiving the legal opinions, she appointed an Ad Hoc Group to consider those opinions and make recommendations to the Board. She added that, consistent with Board of Regents Policy: *Code of Ethics for Members of the Board of Regents* (Code of Ethics), the Ad Hoc Group included herself, Vice Chair Larson, and Regent McMillan.

The Ad Hoc group met on March 2, 2012 to review materials provided by the attorneys and by Regent Sviggum and to provide an opportunity for Sviggum to explain his views on the matter. Cohen stated that the Ad Hoc Group discussed the information presented to them and then voted unanimously to recommend a resolution stating that: a conflict of interest existed, that it was too pervasive to be managed by the usual methods, and that it would require a choice be made by Regent Sviggum either to keep his seat on the Board of Regents or to continue his employment with the Minnesota Senate Majority Caucus.

Cohen indicated that a more comprehensive resolution was subsequently prepared for consideration by the Board. A motion was made and seconded to approve the Resolution of the Board of Regents of the University of Minnesota.

Regent Sviggum stated that he now had to choose between confrontation or cooperation. He reiterated his disagreement with the legal opinions prepared by Rotenberg and Stout and stated his belief that the process was unfair. Sviggum explained that, in his opinion, he vetted the Minnesota Senate Majority Caucus position against the requirements in the Code of Ethics and stressed that his position as executive assistant to the caucus does not include decision-making authority. He indicated his firm belief that there is no conflict of interest. Sviggum stated that he has worked for what he thinks is best for the University and for the state, and then announced that for the good of both he would leave something he loves and would resign if asked by Chair Cohen.

Regent Sviggum then left the meeting.

Regent Allen acknowledged how difficult this has been for Regent Sviggum. He commented that this issue was not about Sviggum's integrity, but rather it was about a competition for his services in two jobs that are incompatible. Allen explained the issue was about the two positions, not personalities. Regent Hung expressed agreement, and added that these actions are not a personal attack on Regent Sviggum. She stressed that with decreased state funding, the institution is relying more on private giving to the University. Because of this, it is important to mitigate perceptions of conflict of interest. She indicated that she supports the resolution.

Regent Simmons suggested that, in light of Regent Sviggum's comments, it would be appropriate to offer an amendment to the resolution to include the expectation that Chair Cohen ask Regent Sviggum for his resignation from the Board of Regents. Regent Brod explained that the resolution before the Board asks Regent Sviggum to manage the conflict of interest by making a choice, and that she does see a need for the Board to specify which choice he should make. She added that to amend the resolution would take the recommendation of the Ad Hoc Group beyond where the Board needs to go, and that she supports the resolution as presented. Regent Simmons stated that she felt Regent Brod had made a good point and withdrew her suggestion.

The Board of Regents voted unanimously to approve the Resolution of the Board of Regents of the University of Minnesota, as follows:

WHEREAS, pursuant to Section VI, subd. 4 of the Board of Regents Policy: Code of Ethics for Members of the Board of Regents (the "Code"), an ad hoc group was appointed by Board Chair Linda Cohen to determine whether an employment-related conflict of interest exists with respect to the service of Regent Steven Sviggum as a Regent of the University and his simultaneous employment as Executive Assistant to the Minnesota Senate Majority Caucus; and

WHEREAS, at its meeting on March 2, 2012 the ad hoc group determined that an employment-related conflict of interest exists with respect to Regent Sviggum's service as a Regent and his employment as Executive Assistant to the Minnesota Senate Majority Caucus. The ad hoc group further determined that these two positions create a fundamental, systemic conflict that cannot be managed or cured by means commonly used to address transactional, periodic, or incidental conflicts of interest. The ad hoc group therefore recommended that "the Board of Regents require Regent Sviggum to make a choice to relinquish one of these two positions;" and

WHEREAS, the ad hoc group's determinations were in part based on legal opinions from outside counsel John Stout dated February 24, 2012, and from University General Counsel Mark Rotenberg dated February 27, 2012, which have been carefully reviewed and considered by the Board, and which factual determinations and conclusions are hereby accepted by the Board and incorporated herein by reference; and

WHEREAS, at its meeting on March 2, 2012 the ad hoc group gave Regent Sviggum an opportunity to be heard in person, and invited him to bring to the ad hoc group's attention any facts or law that might bear on the matter from his perspective. Regent Sviggum delivered an extensive oral statement and furnished the ad hoc group with a letter from a lawyer whom he declined to identify; and

WHEREAS, the Board has carefully reviewed and considered the statement of Regent Sviggum and the letter from his unidentified lawyer; and

WHEREAS, as of the date and time of this Resolution, Regent Sviggum has relinquished neither his position as a Regent nor his employment as Executive Assistant to the Senate Majority Caucus; and

WHEREAS, pursuant to Section VI, subd. 4 of the Code, the Board is the final authority on all conflict of interest questions involving its members;

NOW, THEREFORE, based on all of the facts and circumstances, and acting pursuant to its authority granted by the Charter of the University and perpetuated by the Minnesota Constitution, including its power and duty to enact laws for the government of the University, the Board finds, concludes, and hereby

RESOLVES, that under the Code an employment-related conflict of interest exists with respect to Regent Sviggum's service as a Regent of the University and his employment as Executive Assistant to the Minnesota Senate Majority Caucus; and

FURTHER RESOLVES, that under the Code the conflict created by these two positions is fundamental and systemic in nature, and cannot be managed or cured by means commonly used to address transactional, periodic, or incidental conflicts; and

FURTHER RESOLVES that preserving the public trust in the Board and the best interests of the University can only be achieved by Regent Sviggum's choosing between his position as a Regent and his employment as Executive Assistant to the Senate Majority Caucus; and

FURTHER RESOLVES that Regent Sviggum is hereby directed to make a choice to relinquish one of these two positions within seven calendar days following this meeting of the Board, to be confirmed by delivery to Chair Cohen of written notice from Regent Sviggum of his compliance with the Board's direction herein.

Chair Cohen stated that, in light of the offer made by Regent Sviggum, she would request that he resign from the Board of Regents.

The meeting adjourned at 11:21 a.m.

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

BRIAN R. STEEVES
Acting Executive Director
and Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Work Session

March 8, 2012

A work session of the Board of Regents was held on Thursday, March 8, 2012 at 2:00 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Clyde Allen, Richard Beeson, Laura Brod, John Frobenius, Venora Hung, Dean Johnson, David Larson, David McMillan, Maureen Ramirez and Patricia Simmons.

Staff Present: President Eric Kaler; Vice President Aaron Friedman; Vice President Kathleen O'Brien; Vice President Richard Pfutzenreuter; and Acting Executive Director Brian Steeves.

Regent Cohen introduced Vice President Aaron Friedman, Vice President Richard Pfutzenreuter and Dr. Bobbi Daniels, CEO University of Minnesota Physicians, to present information on the planning activities related to the construction of an ambulatory care center (ACC) on the Twin Cities campus.

Friedman stated that construction of the ACC is essential to enhance teaching and learning as well as support the recruitment and retention of faculty and staff. He noted that current University clinics are well below the market standard for ambulatory clinics nationwide. Daniels added that the new clinic would allow translational research to move more easily from the lab directly to the clinic. She explained that this project would bring the University into greater alignment with its aspirational peer group and increase visibility for the Medical School.

Pfutzenreuter commented that the ACC project has been in development for approximately ten years, but project momentum has changed considerably in the last six months due to contractual deadlines nearing expiration. He reported that the new ACC would provide room for a growing number of patients as well as provide better patient access. He explained that the University would own the land, but that the buildings and clinics would be a joint venture involving Fairview Health Services (FHS) and University of Minnesota Physicians (UMP). Details of these joint ventures are being negotiated. Pfutzenreuter anticipated that the project would begin construction in Fall 2013 and be completed in January of 2016. He noted that the boards of UMP and FHS would discuss and take action on this topic in coming months.

A lengthy discussion ensued in which the following issues and questions were addressed:

- the overall healthcare growth rate;
- the absence of the ACC project from the University's bonding request;
- traffic and public transit access to the new facility;
- the medical payment structure for funding the new facility;

- the risks associated with the new partnership;
- the necessity to pursue public/private partnerships at the University;
- the proposed renovation of the Phillips Wangensteen Building;
- the possibility of expanding the clinic at a later date;
- efforts to consolidate pediatric clinics on the West Bank of the Twin Cities campus;
- the future of the oncology clinic;
- the evolving relationship between the University, UMP and FHS; and
- the potential purchase of surrounding properties adjacent to the proposed construction site.

The work session adjourned at 3:15 p.m.



BRIAN R. STEEVES
Acting Executive Director
and Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

March 9, 2012

A meeting of the Board of Regents of the University of Minnesota was held on Friday, March 9, 2012 at 9:02 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Clyde Allen, Richard Beeson, Laura Brod, John Frobenius, Venora Hung, Dean Johnson, David Larson, David McMillan, Maureen Ramirez, and Patricia Simmons.

Staff present: President Eric Kaler; Chancellors Charles Casey, and Jacqueline Johnson; Senior Vice President and Provost Karen Hanson; Senior Vice President Robert Jones; Vice Presidents Kathryn Brown, Aaron Friedman, R. Timothy Mulcahy, Kathleen O'Brien, and Scott Studham; and Acting Executive Director Brian Steeves.

INTRODUCTION

President Kaler introduced Vice President and Chief Information Officer Scott Studham to the University community. Studham began his appointment February 10, 2012.

RECOGNITION

Recognition was given to the 2012-14 McKnight Land-Grant Professors:

Yingling Fan, Public Affairs
Joshua Feinberg, Earth Sciences
Melissa Gardner, Genetics, Cell Biology & Development
Jason Hill, Bioproducts & Biosystems Engineering
Daniel Keefe, Computer Science & Engineering
Dominque Tobbell, Surgery

APPROVAL OF MINUTES

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

Audit Committee – February 9, 2012
Finance & Operations Committee – February 9, 2012
Educational Planning & Policy Committee – February 9, 2012
Faculty, Staff & Student Affairs Committee – February 9, 2012
Facilities Committee – February 9, 2012
Board of Regents – February 10, 2012

REPORT OF THE PRESIDENT

President Kaler reported on his first State of the University speech delivered March 1, 2012, in which he outlined initiatives for the University's three-part mission of teaching and learning, research, and outreach and engagement. Kaler noted that the theme for the speech was "balances," the balance of risk and reward while seeking operational excellence. Kaler discussed higher education costs and trends in tuition increases and student debt.

Kaler also reported that he has charged each senior leader to implement a risk recalibration initiative in their respective area aimed at addressing the University's risk averse culture by eliminating unnecessary or redundant policies and procedures.

Kaler spoke briefly on recent testimony to the state legislature in support of the University's capital request, his vision for the institution, and about recent reports regarding compensation policies and practices. He also highlighted how he is working to promote the University statewide, and played a radio ad currently running in the Crookston area.

Kaler concluded his report by remembering a member of the University community, Gary DeCramer, who passed away unexpectedly on March 7, 2012.

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

REPORT OF THE CHAIR

Chair Cohen reported that on the previous day, following the passage of a resolution adopted by the Board, she spoke with Regent Steve Sviggum and accepted his resignation from the Board of Regents effective March 8, 2012. She expressed gratitude to Sviggum for his record of public service for over 30 years, and commended the Board for a process that was judicious and fair.

Chair Cohen reported that several regents attended a legislative reception at Eastcliff on February 13, and the Board hosted legislators for a dinner at Eastcliff February 21, 2012. Cohen also spoke briefly about the Board luncheon with students at Sanford Hall the prior day, and dinner with Regents Professors that evening.

Cohen noted President's Kaler's first State of the University speech the prior week. She also congratulated him on his appointment to the U.S. Department of Homeland Security Academic Advisory Council.

Cohen reported that the next regular meeting of the Board of Regents would be held on May 10-11, 2012 on the Twin Cities campus.

RECEIVE AND FILE REPORTS

Chair Cohen noted the receipt and filing of the Quarterly Report of Grant and Contract Activity and the Annual Capital Financing and Debt Management Report.

CONSENT REPORT

Chair Cohen presented the revised Consent Report, which included the items listed below. Senior Vice President and Provost Hanson spoke briefly about Srilata Zaheer's appointment as Dean, Carlson School of Management.

- Report of the All-University Honors Committee recommendation forwarded in a letter from President Kaler dated February 29, 2012;
- Summary of Gifts through January 31, 2012;
- Educational Planning & Policy Committee Consent Report; including:
 - Approval of New Academic Programs:
 - College of Science and Engineering (Twin Cities campus) – Create Bachelor of Industrial and Systems Engineering (B.I.Sy.E.) degree
 - Law School (Twin Cities campus) – Create LL.M. degree in Business Law
 - Changes to Academic Programs:
 - College of Education and Human Development (Twin Cities campus) – Create a Health Education subplan within the M.Ed. degree in Kinesiology
 - College of Science and Engineering (Twin Cities campus) – Discontinue the Industrial Engineering subplan within the B.M.E. degree
- Facilities Committee Consent Report; including:
 - Approval of the following real estate transactions:
 - A. Three-year lease for first floor, 1100 Washington Avenue South, Minneapolis (Twin Cities campus);
 - B. Three-year lease for second floor, 1100 Washington Avenue South, Minneapolis (Twin Cities campus); and
 - Final Project Review (presented as information item):
 - A. 4th Street SE Residence Hall and Dining Facility (Twin Cities campus); and,
- Finance & Operations Committee Consent Report:
 - General contingency – no items this month;
- Faculty, Staff & Student Affairs Committee Consent Report; including:
 - Appointment of Srilata Zaheer as Dean of the Carlson School of Management, effective March 9, 2012.

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

ANNUAL REVIEW OF BOARD OF REGENTS CALENDAR

Chair Cohen presented the Board of Regents 2012-13 calendar. The calendar lists required actions, reports, and other items routinely presented for consideration by the Board and its committees. It is reviewed annually as required by Board of Regents Policy: *Board Operations and Agenda Guidelines*.

The calendar has been revised since the Board last reviewed it in March 2011. The revisions were made to bring the calendar into compliance with amended or new Board policies; reflect existing practice; and correct inaccuracies.

2012 SIX-YEAR CAPITAL PLAN

Chair Cohen introduced President Kaler, Senior Vice President Jones, and Vice President O'Brien to present for action the 2012 Six-Year Capital Plan (Plan), as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. The Plan includes major capital improvements planned system-wide for FY 2013-18. Kaler stated that the Plan is driven by student success, scholarly faculty impacts, outreach and engagement, and the goal being excellent stewards of facilities while responsibly managing finances.

O'Brien explained that the Plan aligns capital planning with strategic academic and financial planning. She described the capital planning process from conception to approval and implementation, and how priorities emerge from the academic compact process and the 'core priorities' of academic units, and facility conditions. She also described the progression of Plan projects and next steps.

Jones summarized the capital planning principles and academic objectives used to evaluate potential projects in the Plan. He reported on a number of key findings that have evolved throughout the planning process, and how these findings drive academic decisions and prioritize projects. He highlighted a number of projects in the Plan, emphasizing that most of the projects fulfill more than one of the capital planning principles.

O'Brien summarized the Plan's \$1.3 billion financial framework, which assumes \$987.2 million of state support, a required one-third University contribution of \$240 million, and \$94 million in University self-funding. O'Brien pointed out that more than half of the request to the state is for Higher Education Asset Preservation and Renewal (HEAPR) funding.

In response to a comment by Regent Brod, O'Brien indicated that a committee chaired by Vice President Pfutzenreuter is exploring ways to refresh the institution's approach to public-private partnerships for capital projects, but that the Plan for action today has not been amended to include such relationships.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the Resolution Related to the University's Six-Year Capital Plan, as follows:

WHEREAS, preserving the University campuses through stewardship of public investments that have been made over 150 years is a commitment the Board has made to the State; and

WHEREAS, advancing key academic priorities is critical for the University to achieve and maintain excellence; and

WHEREAS, continuing investment in research infrastructure is essential for the future competitiveness of the University and the State of Minnesota; and

WHEREAS, enhancing the student experience for both undergraduate education and graduate and professional education is required as the core of its mission in order to generate and disseminate knowledge; and

WHEREAS, improving outreach and engagement is necessary in order to transform State communities, fuel the State economy, address State social issues, and improve the State's health; and

WHEREAS, the administration has developed a capital-planning framework designed to focus its capital planning efforts toward projects that support the University's institutional priorities within a financial strategy that is responsible.

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents approves the University's Six-Year Capital Plan in order to create and maintain facilities that serve as tools in accomplishing the University's education, research and outreach objectives.

RESOLUTION RELATED TO THE AMBULATORY CARE CENTER

Chair Cohen announced that the Resolution Related to the Ambulatory Care Center has been postponed until a future meeting to align the timing of Board of Regents action more closely with that of the Fairview Health Services Board.

THE UNIVERSITY'S LAND GRANT MISSION

Chair Cohen invited Senior Vice President and Provost Hanson and Senior Vice President Jones to discuss the University's land grant mission, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Hanson explained that the discussion would provide historical context for the University's land-grant mission, its establishment, and an overview of how the mission is executed today. Hanson reported that this institution's land-grant mission has been integral to its identity and development throughout its history, and how it remains central to its vitality and impact today. She described the Morrill Act of 1862, which provided federal grants of land that could be used or sold for the purpose of higher education and laid the groundwork for the modern public research university. She highlighted subsequent legislation that further expanded the land grant-mission and noted that the spirit of the land-grant mission is unchanged despite changes in the external environment and needs of citizens. Hanson noted that the University has a

number of features common to other land grant institutions but also has a number of distinctive strengths that contribute to its significant impact on the state.

Jones discussed two anchor components of the land-grant mission: agriculture and natural resource-based work. The notion of an agriculture experiment station has evolved considerably, but agriculture and natural resource innovations have had significant impact on economic vitality and generate significant return on investment. He outlined a number of changes to the agricultural land grant legacy, with a dwindling rural population base, and changes in student demographics and interests in majors.

Jones reported on how decreased state and federal funding has meant creation of a new business model for extension services. He stressed the need for extension to create ways to reach more citizens and serve people more effectively with declining resources.

Jones discussed a number of challenges for land grant institutions of the 21st century:

- Urban age;
- Changing demographics;
- World population;
- The environment and climate change;
- Food security;
- Food safety; and
- Technology.

Jones noted that, moving forward, it is important to consider the role of the land grant institution in solving complex problems, particularly at the global level, and that this institution has a responsibility to address critical challenges.

A lengthy discussion ensued.

Regent McMillan commented on recognizing the importance of mineral resources to the state and what that industry has contributed to the University, and the financial opportunities mining can offer. Jones indicated that the University owns land with mineral resources, and that leveraging that resource is congruent to the original history of the land grant mission.

In response to comments from the Board, Jones agreed that addressing the achievement gap, population growth, food production and food safety, are critical issues facing the state and the world. Jones indicated that failure to close the educational achievement gap among under-represented groups will have far reaching implications and is a priority for this institution. He added that significant increases in world population will require addressing food production and safety issues with new methodologies and thinking systematically about increasing research capacity to resolve those issues in response to the growing global population.

REPORT OF THE COMMITTEES

Chair Cohen reported that the committees did not meet this month.

The meeting adjourned at 11:27 a.m.

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

BRIAN R. STEEVES
Acting Executive Director
and Corporate Secretary