

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

MINUTES

BOARD OF REGENTS MEETINGS

AND

COMMITTEE MEETINGS

October 16-17, 2008

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

October 16-17, 2008

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UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Educational Planning & Policy Committee
October 16, 2008

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, October 16, 2008 at 1:30 p.m. in Ballroom A, Kirby Student Center, on the University of Minnesota Duluth campus.

Regents present: David Larson, presiding; Anthony Baraga, Linda Cohen, Steven Hunter, Maureen Ramirez, and Patricia Simmons.

Staff present: Chancellors Charles Casey, Jacqueline Johnson, Stephen Lehmkuhle, and Kathryn Martin; Senior Vice President & Provost Thomas Sullivan; Senior Vice President Robert Jones; and Executive Director Ann Cieslak.

Student Representatives present: Jennifer McCabe and Dustin Norman.

**COORDINATE CAMPUS REPORTS &
STRATEGIC POSITIONING UPDATE**

Senior Vice President & Provost Sullivan introduced Senior Vice President Jones and Chancellors Casey, Johnson, Lehmkuhle, and Martin, who led the discussion. Jones noted that the coordinate campuses, vital components of the University's system, are undergoing their own strategic planning process to ensure that strategic transformations are consistent with the unique mission and vision of each campus and clearly directed towards preparing them for success in the future.

Martin stated that UMD's Fall 2008 undergraduate enrollment of 9,324 is up slightly over last year. Graduate student enrollment declined slightly between 2005 and 2006, but she expects a plan to focus on selective graduate programs to produce economies of scale that will allow future expansions (materials in the docket and associated materials on file in the Board Office).

UMD's 2006 retention rates (78% from Year 1 to Year 2, 70% from Year 2 to Year 3, and 67% from Year 3 to Year 4) are consistent with established targets. With respect to graduation rates, the current six-year graduation rate is 55% and she expects the campus to achieve by 2012 the established 6-year target rate of 65%. Of greatest concern is the 15% disparity between the current 4-year graduation rate and the 4-year target of 40%. Martin described a number of strategies for achieving established graduation and retention goals.

Martin introduced University of Minnesota Duluth (UMD) Student Association President Jason Wittrock, who described the success of the Better Neighbors and Bulldog Taxi programs, two Student Association initiatives that have benefited students and improved community relationships. Regent Simmons applauded the success of these two programs and requested an update on the Better Neighbors Program after a year or two of experience to determine to what extent the program might be transferable.

Casey noted that total undergraduate enrollment at the University of Minnesota Crookston (UMC) this fall rose by nearly six percent over last fall. The first-year retention rate for 2006 increased to 71%, and over the past year a number of initiatives have been introduced to improve retention, including enhanced advising, the creation of a Writing Center, additional scholarships, and new night/weekend student programming. Casey identified a number of challenges facing UMC and the strategies identified for addressing them.

Johnson recalled the unique legacy of the University of Minnesota Morris (UMM) and its niche as one of about 20 public liberal arts colleges nationwide. She highlighted a number of success indicators, including the very high overall satisfaction of students/alumni with their UMM educational experience, a 24% increase in annual giving, substantial participation in faculty-mentored undergraduate research, and progress toward campus sustainability.

With respect to retention, Johnson reported that the 2006 Year 1 to Year 2 rate was 84%, the Year 2 to Year 3 rate was 73%, and the Year 3 to Year 4 rate was 77%. UMM is less successful in retaining students than its private school competitors, and this is especially true after the sophomore year. In 2007, UMM's 4-, 5-, and 6-year graduation rates (44%, 63%, and 61%, respectively) remain below established goals for 2012 (60%, 75%, and 80%, respectively). She described a number of challenges facing UMM and highlighted strategies for enrolling the best and brightest degree-seeking students.

Lehmkuhle explained that UMR is focused on fulfilling a distinct programmatic niche that includes the following:

- **30 new academic program partnerships** – These partnerships include cooperative programs with the local community college, an extensive ITV network, streaming video, and a School of Public Health/Mayo Clinic cooperative program in biostatistics.
- **Biomedical Informatics and Computational Biology Program** – This all-University graduate program, funded by the legislature, was launched in spring 2007 to foster collaborations between UMR and the Mayo Clinic, IBM, and the Hormel Institute.
- **Bachelor of Science in Health Sciences** – Designed for students who wish to pursue a variety of health-related careers, this program consists of a core curriculum and capstone experiences that prepare students to pursue professional health careers, certification in a health professional field, or a master's program in health-related fields.

Larson commented that the University must make every effort to increase graduation rates, but that goals should be increased only if students do not find it necessary to work significantly more than 15 hours a week. He proposed that in addition to making financial aid available, the administration stress to entering students and their parents the economic benefits of graduating in four years rather than working more and delaying graduation.

Sullivan observed that past research indicates that the contribution of Minnesota families to the cost of their child's higher education is the lowest in the nation and that more than 70% of students on the Twin Cities campus work. Statistical and anecdotal evidence suggests, however, that there is a positive correlation between working and timely graduation. He acknowledged that delaying graduation increases debt, but the goal is to convey to students and parents the need for an appropriate balance between academics and work.

In response to a number of questions from the committee regarding anticipated declines in the number of Minnesota high school graduates, Casey stated that these changes are already affecting UMC. A concerted effort is made to attract North Dakota students, but that state's four-year institutions are very competitive. Recruiting efforts have been expanded in Wisconsin among students from small high schools, who often have an interest in the agriculture and natural resource programs UMC offers. UMC also continues to attract students to its online degree programs and students from the Twin Cities, from elsewhere in Minnesota, and from outside the U.S.

Lehmkuhl agreed that changing demographics is a concern, but that UMR also sees opportunities among growing populations of African American, Latino, Asian, and Native American students. Similar demographic changes in Iowa and Wisconsin will make it essential that UMR learn to compete for students, even in states with a weather advantage.

Martin noted that the identification of niche markets will continue to be important for maintaining enrollments at UMD as will maintaining cooperative agreements with institutions in the Minnesota State Colleges and Universities System.

Johnson commented that the challenges posed by Minnesota's changing demographics will be compounded by UMM's history of selective recruiting. The development of niche markets remains an important tool for UMM, especially in the competition for transfer students and for those considering the Twin Cities campus or a selective private school.

In response to a question from Regent Ramirez, Johnson noted that non-traditional students are an appropriate target market. As a land grant institution, the University also has a special mission to use its facilities to educate in many ways.

CONSENT REPORT

A motion was made and seconded, and the committee unanimously recommended approval of the following academic program changes, as described in the docket materials:

- **New Academic Programs**
 - Division of Science and Mathematics (Morris Campus) – Create B.A. Degree in Environmental Science
 - Rochester Campus – Create B.S. Degree in Health Sciences
- **Academic Program Changes**
 - School of Public Health (Twin Cities Campus) – Add Coordinated Option in Public Health Nutrition within M.P.H. Degree
 - College of Liberal Arts (Duluth Campus) – Change Name of Minor in Professional Writing and Communication to Minor Professional Writing

INFORMATION ITEMS

Senior Vice President & Provost Sullivan directed the committee's attention to the Information Items, which included a profile of the class of 2012 and enrollment figures for Fall 2008, as detailed in materials distributed at the meeting and on file in the Board Office. He highlighted the following:

- Total Fall enrollment: 66,312
- Twin Cities campus (UMTC) freshmen enrollees: 5,106
- UMTC high school rank: 45% of incoming freshmen in the top 10% of their high school graduating class
- UMTC average ACT composite score: 26.2 for incoming freshmen
- Diversity of incoming UMTC freshmen: More that 20% are students of color.
- UMD: Total undergraduate enrollment, total number of incoming freshmen, average ACT composite score, and average high school rank increased this year.

The meeting adjourned at 3:40 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff & Student Affairs Committee

October 16, 2008

A meeting of the Faculty, Staff & Student Affairs Committee of the Board of Regents was held on Thursday, October 16, 2008 at 1:30 p.m. in Ballroom B, Kirby Student Center, University of Minnesota Duluth.

Regents present: John Frobenius, presiding; Clyde Allen, Dallas Bohnsack, Venora Hung, Dean Johnson, and David Metzen.

Staff present: Vice President Carol Carrier and Executive Director Ann Cieslak.

Student Representatives present: Jordan Bronston and Adam Yust.

**SUPPORTING EMPLOYEE EXCELLENCE THROUGH
TRAINING, DEVELOPMENT & COACHING**

Vice President Carrier introduced Director Mel Mitchell, Assistant Director Rosie Barry, and Corey Bonnema, Coordinator, Office of Organizational Effectiveness (OOE), to lead a discussion of University training, development, and coaching in support of employee excellence, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Mitchell defined employee engagement as the extent to which employees commit to something or someone in their organization and how hard they work and long they stay as a result of that commitment. He observed that employee engagement is central to the OOE mission of building organizational capacity, increasing individual capabilities, and promoting a culture of excellence through strong leadership. Mitchell reported the OOE works across the University and its services are tailored to the specific needs of an individual, unit, or organization.

Barry explained the OOE model differs from traditional models by being proactive, and that the OOE is involved early in the process when major change is implemented. She described the OOE's synergistic approach to working with teams, leaders, and individuals at all levels with the same tools and techniques.

Bonnema reviewed emerging issues and the response by the OOE including:

- Performance management: Strengthened current programs to enhance coaching skills and providing feedback, and additional support for the performance management process.
- Individual development and engagement: Provided in-depth career counseling and team building support.
- Demographic shifts: Developed new training for understanding generational differences.
- Transitions: Provided services to employees whose contracts were not renewed or who were laid off.

In response to questions from the committee, Bonnema stressed the importance of feedback and coaching models for interaction with staff and for writing performance reviews. Barry explained that involvement by higher-level staff often paves the way for staff at other levels to become involved in OOE programs.

Carrier emphasized the importance of moving from routine human resource functions toward the direction of the OOE programs, which will add to the vitality of higher education.

ENHANCING STUDENT SERVICES IN DULUTH: APPLICATION OF TLP LEARNING

Vice President Carrier introduced Bruce Gildseth, former Vice Chancellor, and Matt Larson, Office of Service and Continuous Improvement, Duluth campus, to present information on the Transformational Leadership Program (TLP) at the University of Minnesota Duluth (UMD), as included in the docket and associated materials distributed at the meeting and on file in the Board Office.

Gildseth explained the TLP program was introduced at UMD in 2006 to support improved retention and graduation rates. The overwhelming success of that program led to use of the TLP program to guide other project development. Two cohorts have successfully completed the yearlong program working on individual and team process improvement projects. The success of the program led to hiring a TLP Coordinator/Trainer at the UMD campus in 2008.

Larson reviewed the TLP leadership talent participant profile which includes staff who: 1) are proactive and results orientated with strong communication skills; 2) possess keen analytical skills; 3) are process oriented; 4) demonstrate facilitation, coaching, and interpersonal skills; and 5) who can act as a change agent with team building and collaboration skills.

Process improvement projects from the two cohorts were detailed. Gildseth invited TLP participants Megan Perry Spears, UMD Academic Support Program, and Mary Cameron, UMD Human Resources, to elaborate on their projects and the TLP experience. Spears described her Welcome Week project and recounted how TLP expedited plans to enhance the program and expanded their evaluation of the program. Cameron illustrated how improved student employment opportunities were developed through the TLP program by enhancing communication and contacts across the campus.

In response to questions from the committee, Larson emphasized the program goal is to permanently change the way leaders and employees think through an issue. Gildseth reported that due to interest about the program from student and community members, UMD is exploring ways to expand this leadership training.

CONSENT REPORT

There was no Consent Report this month.

INFORMATION ITEMS

Vice President Carrier referred the committee to the Information Items contained in the docket materials, including:

- Personnel highlights;
- University highlights;
- Faculty and staff activities and awards; and
- Student activities and awards.

The meeting adjourned at 3:09 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Work Session

October 16, 2008

A work session of the Board of Regents was held on Thursday, October 16, 2008 at 3:45 p.m. in the Ballroom, Kirby Student Center, University of Minnesota Duluth.

Regents present: Patricia Simmons, presiding; Clyde Allen, Anthony Baraga, Dallas Bohnsack, Linda Cohen, John Frobenius, Venora Hung, Steven Hunter, Dean Johnson, David Larson, David Metzen, and Maureen Ramirez.

Staff present: President Robert Bruininks and Executive Director Ann Cieslak.

Regent Simmons explained that the work session would focus on University of Minnesota Extension (Extension) and emphasized the importance of Extension to the University's outreach mission. President Bruininks stated that Extension is one of the front doors to the University and is a critical link in bringing the University's research and discovery to the needs of the region. He added that the traditional Extension mission of outreach to rural Minnesota has been expanded to working with urban communities. Bruininks also reported that the reorganization of Extension, which began in 2003, has become a national model and led to a renewal of stakeholder support.

Bruininks introduced Beverly Durgan, Dean of Extension, to provide information on Extension's reorganization, recent accomplishments, challenges, and major initiatives. Durgan made the following observations:

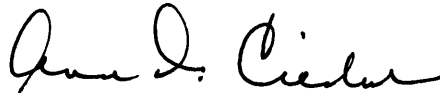
- There were 6 million visits to the Extension website in 2007, which made it the most visited state extension website in the nation.
- Extension offered services to over 700,000 program participants in 2007 and received assistance from 39,000 volunteers.
- Engagement with other states has increased in recent years with examples such as joint faculty appointments with North Dakota State University and the use of Extension-developed curriculum in all 50 states.
- Extension has partnered with the State of Minnesota to lead an initiative in response to Bovine Tuberculosis and has been a leading contributor in the campaign against the transmission of foodborne illnesses.

Durgan explained that the 2003 reorganization resulted in a significant decrease in Extension administration costs, which now account for less than 10 percent of the annual budget. She added that extension funding has diversified in recent years as program fees, grants, and gifts have increased 19 percent since 2005. Extension has also hired a full-time development officer for the first time.

In response to a question from Regent Johnson, Durgan reported that since the 2003 reorganization, counties determine the level to which they want to collaborate with Extension, and pay according to a standard fee structure. She added that Extension currently has contracts with all 87 Minnesota counties. In response to a question from Regent Bohnsack, Durgan raised the possibility of increasing revenues by charging more fees, including the possibility of a membership fee for 4-H.

In response to questions from Regents, Durgan reported that the majority of Extension education is done via the website. She added that information on the Extension website is provided in different languages, as is information for people contacting the Extension call centers. In response to a question from Regent Baraga, Durgan explained that the arrival of new, enthusiastic faculty has been a tremendous asset in maintaining acceptance of the Extension reorganization.

The work session adjourned at 4:50 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

October 17, 2008

A meeting of the Board of Regents of the University of Minnesota was held on Friday, October 17, 2008, at 9:00 a.m. in the Ballroom, Kirby Student Center, on the University of Minnesota Duluth campus.

Regents present: Patricia Simmons, presiding; Clyde Allen, Anthony Baraga, Dallas Bohnsack, Linda Cohen, John Frobenius, Venora Hung, Steven Hunter, Dean Johnson, David Larson, David Metzen, and Maureen Ramirez.

Staff Present: President Robert Bruininks; Chancellors Charles Casey, Jacqueline Johnson, Stephen Lehmkuhle, and Kathryn Martin; Senior Vice President and Provost Thomas Sullivan; Senior Vice President Robert Jones; Vice Presidents Carol Carrier, Timothy Mulcahy, and Richard Pfutzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice President Donna Peterson.

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 – September 11, 2008
Educational Planning & Policy Committee – September 11, 2008
Facilities Committee – September 11, 2008
Faculty, Staff & Student Affairs Committee – September 11, 2008
Finance & Operations Committee – September 11, 2008
Litigation Review Committee – September 11, 2008
Board of Regents – September 12, 2008
Board of Regents Work Session – September 11, 2008

REPORT OF THE PRESIDENT

President Bruininks reported on the University's response to the challenges posed by recent economic changes, which impact endowment levels, loans, long-term debt, and other areas. He has charged Vice President Pfutzenreuter with a comprehensive review of all possible current and future financial impacts on the University. Findings and recommendations will be reported to the President and the Board of Regents in November 2008, with regular updates throughout the current fiscal year.

The President stressed the need during challenging financial times to maintain and enhance the University's mission; compensate and support talented faculty and staff; improve access and affordability for students; and increase productivity. He described cost-reductions the administration will concentrate on to meet financial challenges.

REPORT OF THE CHAIR

Chair Simmons highlighted several activities that took place during the Regents stay in Duluth the past two days. She noted the following: several Regents participated in a tour of two research facilities; the Board recognized 2008 NCAA champions Coach Shannon Miller and the UMD women's hockey team at a luncheon with UMD student leaders, and Regents had the opportunity to meet faculty during an afternoon reception.

On behalf of the Board of Regents, Chair Simmons expressed her appreciation to Chancellor Martin and her staff for their hospitality during the past two days.

Chair Simmons announced that the November 13-14, 2008 Board of Regents meeting will be held on the Twin Cities campus. She also noted a number of Regents will travel with the Gopher football team to Purdue in late October.

RECEIVE AND FILE REPORTS

Chair Simmons noted that there were no reports for receipt and filing.

CONSENT REPORT

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

- Report of the All-University Honors Committee, from a recommendation forwarded in a letter from President Bruininks dated October 3, 2008 to the Board of Regents.
- Finance and Operations Committee Consent Report, including:

Purchase of goods and services over \$250,000 to:

- Comcast Commercial Services, LLC, for an estimated \$1,500,000 for the University of Minnesota and Metropolitan Educational Telecommunications Network.
- Energy & Air Systems and Masaba Electric Group for an estimated \$500,000 for contract electrical services the period November 1, 2008 through October 31, 2009 for the Department of Facilities Management, Duluth Campus.
- LKO Contracting and Nels Nelson & Sons for an estimated \$600,000 of contract machine work labor, materials, and equipment services for the period November 1, 2008 through October 31, 2009 for the Department of Facilities Management, Duluth campus.

Assignment of Remarketing Agreements

Lehman Brothers Inc. (LBI) was the University's underwriter and remarketing agent for four series of bonds. On September 16, 2008, LBI and its parent, Lehman Brothers Holdings, Inc., filed for

bankruptcy. As of September 19, 2008, the bankruptcy court approved the sale of certain assets of LBI, including the first three of the four listed remarketing agreements, to Barclays Capital Inc. (Barclays). The sale transaction closed on September 22, 2008.

On September 24, 2008, the University consented to the assignment to and assumption by Barclays of the first three of the listed remarketing agreements. Beginning on September 25, 2008, Barclays began remarketing the University's bonds. Subsequent bondholder tenders for settlement also have been successfully remarketed by Barclays. The President approved the engagement of Barclays as an underwriter with respect to the assignment of the University's remarketing agreements from LBI to Barclays on September 24, 2008. In accordance with Board of Regents Policy: *Debt Transactions*, the President now seeks the Board's approval of this engagement.

- Summary report of gifts through August 31, 2008.

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

UNIVERSITY PLAN, PERFORMANCE & ACCOUNTABILITY REPORT

Senior Vice President and Provost Sullivan presented the 2008 *University Plan, Performance & Accountability Report (Report)*, as included in the docket and associated materials on file in the Board Office.

Sullivan reported that the Board of Regents received a presentation of the *Report* at its September 2008 meeting. Subsequently, final review of enrollment and admissions for Fall 2008 has become available. He reported that campus-wide enrollment increased slightly over last year, and presented enrollment data from the Twin Cities and coordinate campuses.

A motion was made and seconded to accept the *University Plan, Performance & Accountability Report*.

In response to questions from Board members, Sullivan explained that female enrollment is increasing, with fewer males going to college, both at this and at peer institutions. He suggested that if the trend continues it could be a larger sociological issue for society with potential impacts on the workforce.

The Board of Regents voted unanimously to approve the Resolution Related to the *University Plan, Performance & Accountability Report*, as follows.

WHEREAS, the president of the University and the Board of Regents (Board) are entrusted with the responsibility in their oversight of the University to be good stewards of the public interest, resources, and facilities; and

WHEREAS, it is the responsibility of the Board, in cooperation with the president, to articulate the directions and priorities of the institution; identify and analyze the critical issues and challenges

confronting the University; assess its operations; and evaluate the performance and success of its colleges and campuses; and

WHEREAS, it was resolved that the *University Plan, Performance, and Accountability Report* (Report) shall include the priorities of the institution; statistical profiles of the University at the campus level; selected statistics related to system trends; University-wide strategies to achieve goals; summaries of accomplishments and investments; progress in institutional performance measures; and summaries of special institutional studies and reports; and

WHEREAS, on the recommendation of the senior vice president for academic affairs and provost, the president of the University requests the Board accept the 2008 Report; and

NOW, THEREFORE, BE IT RESOLVED that the Board accepts the 2008 Report as submitted by the administration.

STATE BIENNIAL BUDGET REQUEST 2010-2011

President Bruininks presented for review the Biennial Budget Request (Request) 2010-2011, as contained in the docket and associated materials distributed at the meeting and on file in the Board Office. The Request is developed and aligned with the goals and priorities of the University's long-range strategic plan and framed around the following set of principles:

- Faculty and staff are the backbone of the University. Without continued investment in human capital the University stands to lose very talented employees and jeopardize its competitiveness.
- The University is a key component in advancing the economic viability, health, and wellness of Minnesota's citizens. The University of Minnesota, through its unique contribution in research, education, and outreach, adds to the long-term economic vitality and overall quality of life in the state.
- The University's ability to recruit talented and promising students, regardless of income level, and to provide them with the highest quality educational experience, must be enhanced.

Bruininks noted that the Request is balanced against an awareness that the State may face significant financial challenges given current economic conditions, underscoring the need for priority setting and long-term planning. He stressed the importance of state support to the future of the University of Minnesota, and explained the importance of the institution to the state's economy.

President Bruininks highlighted several areas where the University delivers exceptional education, how research drives innovation, how the institution responds to Minnesota priorities, and his focus on responsible management. He summarized the two-year \$141.2 million Request, detailing investments within three categories: core compensation; the Middle Income Scholarship Program; and research enhancements. Within each investment area is a request from the state and a corresponding University

responsibility. The University responsibilities would be met by a tuition increase of an average of 4.5 percent for each of the two years and an internal reallocation amounting to 1.0 percent of the University's current State appropriation and tuition base (approximately \$13 million).

Dustin Norman, Chair of the Student Representatives to the Board of Regents, provided a student response to the Request. He stated that tuition is the primary concern for students and urged the administration and legislature to seek ways to keep tuition affordable. Loans students assume for college affect their employment decisions, as they may choose a job offering a higher salary in order to pay back their loans.

Regent Metzen observed that the Board and the administration have the responsibility to look at the aspirational goals of the institution balanced with the economic realities. Regent Allen commented that tuition is a complex problem and there is a continuing need to keep tuition low, but recognizes the economic pressures the state is facing. Regent Frobenius commented that the state's investment in the University quickly results in increased returns to the economy of Minnesota.

Board members expressed support for the Request, indicating that it is realistic given the economic realities facing the state while still addressing areas crucial to the University's strategic goals. They applauded the Middle Income Scholarship Program for the number of students it could potentially assist.

The Board of Regents voted unanimously to approve the Resolution Related to the State Biennial Budget Request for 2010-2011, as follows:

WHEREAS, the University of Minnesota as the state's public, land grant university, is charged with the responsibility to pursue knowledge through research and discovery, and apply this knowledge through teaching and learning, and outreach and public service; and

WHEREAS, the University of Minnesota has embarked on a strategic positioning effort grounded in a vision to improve the human condition through the advancement of knowledge; and

WHEREAS, to support the goal of becoming one of the best and most productive public research universities in the world, with similar high aspirations for coordinate campuses and state-wide centers, the University must focus attention on three critical areas: 1) faculty and staff compensation to remain competitive, strengthen recruitment and retention, reward exceptional performance, and recognize the increasing cost of living, 2) middle-income scholarships for Minnesota students and their families to help address the cost of attendance, and 3) research enhancements to increase capacity, meet evolving statewide needs, and strengthen job creation and economic growth for the state; and

WHEREAS, the University of Minnesota recognizes that the aspirations and the corresponding financial needs of the University should not be met solely through requests for increased state appropriations and that the University must also share in the responsibility to meet its mission; and

WHEREAS, the Fiscal Years 2010-2011 biennial budget proposal is designed to address the most critical needs of the University, maintain

the quality improvements achieved over the past 10 years, continue the University's progress toward its strategic positioning goals, and advance the state's economy and quality of life while recognizing the state budget context.

NOW, THEREFORE, BE IT RESOLVED that the Biennial Budget Proposal for the 2010-2011 biennium be adopted by the Board of Regents for presentation to the State of Minnesota; that this proposal, detailed in the docket materials on file in the Board Office, acknowledges the combined responsibility of the State of Minnesota and the University, which represents an investment by the State of Minnesota of \$141.2 million and a University contribution through a tuition increase of an average of 4.5% for each of the two years, and an internal reallocation amounting to 1.0% of the University's current state appropriation and tuition base.

REPORT OF THE CHANCELLOR

Chancellor Martin reported briefly on recent capital projects completed on the Duluth campus that have obtained high level Leadership in Energy and Environmental Design (LEED) certification in sustainability, including the Labovitz School of Business and the Life Sciences Building.

Martin introduced Rick Smith, Director, American Indian Resources Center, and Paul Deputy, Dean, College of Education, who led the discussion. Smith provided an overview of the Center for Indigenous Knowledge and Language Revitalization (Center), describing the resources available to students and programming in the areas of American Indian Studies and language renewal. The Center's mission is to recruit and retain American Indian students while promoting a more culturally diverse campus environment.

Deputy recalled the history and development of UMD's American Indian programs. He introduced Tom Peacock, Associate Dean of Education, and Brian McInnes, UMD Department of Education, and acknowledged their critical role in the development of a comprehensive program. Peacock stated that UMD's offerings in degree and licensure, teacher training, early childhood, special education, tribal masters of education, social work, and American Indian studies are the premier American Indian programs in the country.

McInnes noted that UMD faculty and staff are working with American Indian communities throughout Minnesota and with coordinate campuses to expand language revitalization efforts and teacher training programs. Through its social work programs, UMD also is collaborating with the Tribal Congress, reservation schools, and Minnesota's indigenous population.

Martin stated that these programs are the core of American Indian learning and that the administration is working with architects to develop a concept for a building to house an American Indian Learning Center.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

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

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

- a) Recommend approval of the Consent Report for the Educational Planning and Policy Committee as presented to the committee and described in the October 16, 2008 committee minutes.

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

Larson reported that the committee also received coordinate campus reports and a strategic positioning update, and discussed the information items contained in the docket materials.

REPORT OF THE FACILITIES COMMITTEE

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

REPORT OF THE AUDIT COMMITTEE

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

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

Regent Frobenius, Chair of the committee, reported that the committee received reports on supporting employee excellence through training, development, and coaching; enhancing student services in Duluth; and discussed a number of information items contained in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

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

The meeting adjourned at 11:02 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary