



Board of Regents

July 2017

July 12, 2017

9:00 a.m. - 12:00 p.m.

Boardroom, McNamara Alumni Center

BOR - JUL 2017

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BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Recognition of Chancellor, University of Minnesota Rochester

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan
President Eric W. Kaler

PURPOSE & KEY POINTS

The purpose of this item is to recognize Stephen Lehmkuhle, Chancellor of the University of Minnesota Rochester (UMR). During his tenure, Lehmkuhle has been a tireless advocate for the unique, innovative, and evidence-based educational vision of UMR. He has worked hard to develop public/private partnerships, strengthen the bond between the campus and Mayo Clinic, and create a new model for higher education. Under his leadership, the campus has grown to 650 students, and its academic program is answering the wide-ranging needs of the health care industry. Lehmkuhle has also been critical to the progress of the University's system-wide strategic plan framework.



BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Recognition of NCAA Champion

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan
President Eric W. Kaler

PURPOSE & KEY POINTS

To recognize the following student-athlete for winning an NCAA championship during the 2016-17 academic year:

- Emi Trost, Women's Track & Field, Duluth – Joanna Warmington, Head Coach



BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Introductions

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler

PURPOSE & KEY POINTS

To introduce new members of the University's leadership community.

Mary Holz-Clause, Chancellor, University of Minnesota Crookston, began her tenure June 30, 2017. She previously served as dean of the Huntley College of Agriculture at California State Polytechnic University Pomona (Cal Poly), where she was a tenured professor in the Department of Agricultural Business Management and Agriculture Science. Prior to her role at Cal Poly, Holz-Clause served as vice president for economic development at the University of Connecticut, where she oversaw initial development of the Technology Park in Storrs, CT and created an Office of Economic Development, garnering millions in outside contracts.

Holz-Clause received a Ph.D. in Agriculture Education and Extension, a Master's in Public Administration, and a B.S. in Agriculture Business, all from Iowa State University. She and her husband own and operate a corn/soybean/cattle feedlot in central Iowa.

Bernard (Bernie) Gulacheck, Vice President for Information Technology and CIO, began his tenure on June 12, 2017, prior to which he served as interim vice president and CIO. In his interim role, Gulacheck worked to build relationships, trust, and service excellence within OIT. Under his leadership, the department implemented efforts to diversify the OIT workforce, with recent hiring meeting or exceeding market availability for women, persons of color, and individuals with disabilities. He established the enterprise server service offering, centralizing nearly 4,000 distributed and locally owned servers into centrally managed virtual infrastructure. Through network divestment, Gulacheck eliminated voice and data network costs and, by centralizing IT help-desks on the Twin Cities campus, created resource savings that reinvest directly in the University's core mission.

In 31 years of service at the University, Gulacheck has held various positions in information technology and networking/telecommunications, including overseeing the transition to Google Apps and the installation of the institution's first wireless network. He is a 1985 graduate of the College of Liberal Arts.

Laura Bloomberg, Dean of the Humphrey School of Public Affairs, began her tenure on June 12, 2017. Prior to assuming this role, Bloomberg served as associate dean of the Humphrey School, where she contributed to a wide range of new academic programs and school initiatives that helped advance the school's mission. She led efforts to launch and implement a Master of Human Rights degree program, a Ph.D. degree, a new certificate in election administration, and a summer institute for underrepresented college students with interests in public affairs. Bloomberg previously served as executive director of the University's Center for Integrative Leadership. Prior to joining the Humphrey School, she served in nonprofit and educational leadership roles, including as a K-12 district administrator and program evaluation researcher and consultant.

Bloomberg received a Ph.D. in Educational Policy and Administration from the University of Minnesota, a master's in psychometrics and educational psychology from Cornell University, and a bachelor's degree in special education from St. Cloud State University.

Catherine St. Hill, Academic Professionals & Administrators Consultative Committee Chair, is the Director of Research Advancement for the College of Pharmacy, an Adjunct Associate Professor in the Experimental and Clinical Pharmacology department, and a graduate faculty member in the Pharmaceutical Care and Health Systems department.

Ray Muno, Civil Service Consultative Committee Chair, is the Information Technology Manager in the Department of Aerospace Engineering and Mechanics in the College of Science and Engineering. Ray plays an important role leading his team to meet the technology needs of students and faculty within the department.

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Litigation Review Committee
June 8, 2017**

A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, June 8 at 7:30 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Senior Vice President Brian Burnett; Interim Vice President Michael Berthelsen; General Counsel Douglas Peterson; Executive Director Brian Steeves; Associate Vice President Michael Volna.

Others present: Ken Kerns, Rick Kubler, Dan Piper, Brian Slovut, and Jon Steadland.

**RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE LITIGATION REVIEW COMMITTEE**

The meeting convened in public session at 7:30 a.m. A motion was made and seconded that the following resolution be adopted:

WHEREAS, based on advice of the General Counsel, the Board of Regents Litigation Review Committee has balanced the purposes served by the Open Meeting Law and by the attorney-client privilege, and determined that there is a need for absolute confidentiality to discuss litigation strategy in particular matters involving the University of Minnesota.

NOW, THEREFORE, BE IT RESOLVED, that in accordance with Minn. Stat. § 13D.01, Subd. 3 and 13D.05 Subd. 3(b), a non-public meeting of Litigation Review Committee be held on Thursday, June 8, 2017 at 7:30 a.m. in the East Committee Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters including the following:

- I. Gopher Ordnance Works: Environmental Cost Recovery
- II. *Shannon Miller, Jen Banford and Annette Wiles v. The Board of Regents of the University of Minnesota*
- III. *Regents of the University of Minnesota v. AT&T, et al.*
- IV. *Regents of the University of Minnesota v. LSI Corporation and Avago Technologies U.S. Inc.*
- V. *Regents of the University of Minnesota v. Gilead Sciences, Inc.*
- VI. *Friends of the Electric Steel Elevator, LLC, et al. v. University of Minnesota*
- VII. Electric Steel Elevator and Mathisen/Kurth Elevator Properties:
Environmental Cost Recovery

The committee voted unanimously to adopt the resolution and the public portion of the meeting ended at 7:32 a.m.

The meeting adjourned at 8:30 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents
June 8, 2017**

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

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

Staff present: President Eric Kaler; Chancellors Michelle Behr, Lendley Black, and Stephen Lehmkuhle; Interim Chancellor Barbara Keinath; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice Presidents Kathy Brown, Brooks Jackson, and Matt Kramer; Interim Vice Presidents Michael Berthelsen, Bernard Gulacheck, and Alan Levine; General Counsel Douglas Peterson; Executive Director Brian Steeves; and Associate Vice Presidents Stuart Mason, Julie Tonneson, and Michael Volna.

PRESIDENT'S RECOMMENDED FY 2018 ANNUAL OPERATING BUDGET

Regent Johnson invited President Kaler, Senior Vice President Burnett, and Associate Vice President Tonneson to present for review the President's recommended FY 2018 annual operating budget (budget), as detailed in the docket.

Kaler summarized his budget priorities and noted that salaries for himself and his senior executive direct reports that are approved by the Board would be frozen for one year. He offered that the budget includes substantial reallocations to continue the Operational Excellence program (OpEx). Kaler noted some success with the University's budget request at the Minnesota Legislature, but stated that funding was too low to freeze resident tuition and resulted in the proposed increases.

Burnett outlined the budget development process. Tonneson provided an overview of University budget planning and development and the all-funds budget structure, noting expected revenues of \$3.9 billion for FY 2018. Burnett identified specific revenue sources, highlighting the percentage from tuition and state support. Tonneson outlined the centrally distributed and attributed funds, noting an ending balance of \$16,036,966.

Tonneson reminded the Board that the University received a 4.4 percent increase in state support for the biennium. She cautioned that while FY18 includes a 5.2 percent increase from the previous year, FY 2019 includes a decrease of 1.5 percent compared to the previous year. She provided a detailed overview, noting the available incremental framework resources, unit and institutional resources, and current progress toward the \$90 million reallocation of administrative costs, also known as OpEx.

Burnett presented the tuition rates and related fees for the system. Tonneson described the 2017-18 tuition plan for all academic programs. She provided the non-resident and resident tuition rate history. She specified that current non-resident, non-reciprocity students (NRNR) will see their tuition increased by 5.5 percent. Tonneson specified that the administration does not recommend continuing that program for incoming students. She detailed changes to student aid and provided a summary of the cost of tuition, fees, and room and board for an

undergraduate resident student on each campus. She noted the three categories of student fees and proposed changes.

Burnett detailed the incremental costs and investments planned in the budget, noting that compensation is 47.9 percent of those costs. Tonneson explained that compensation costs are based upon a 2 percent salary increase plus related fringe benefit cost recovery for all employee groups.

Tonneson summarized other investments contained in the budget, including additional state initiatives tied to MnDRIVE and increased mental health services on all campuses. She summarized the indirect cost recovery and the proposed central reserves fund budget. She specified that the central reserves budget would include a loan to the Twin Cities Department of Intercollegiate Athletics to cover costs associated with the transition of football coaching staff. Tonneson outlined potential budget balancing options based on adjusting resident undergraduate tuition.

Tonneson summarized the budget and compared increases to current inflation rates. She noted that 69 percent of the growth in budget spending is due to salaries. She detailed the change in state funds and tuition as total possible revenue available, which combined generate a 2 percent increase in available revenue.

Johnson invited Lauren Mitchell, outgoing chair of the student representatives, to provide a statement on the budget on behalf of the student representatives. Mitchell thanked the Board and administration for including increased funding for student mental health services across the system and for the investment in sexual assault and sexual misconduct prevention and training. She challenged the administration to make the budget process and the budget document itself more understandable, noting the difficulty to evaluate funding for specific items. Mitchell noted that in looking at the University of Michigan budget, she was able to find the total amount spent on counseling services and the size of the budget for their sexual misconduct prevention and education initiative.

In response to a question from Regent Hsu, Mitchell offered that she is very encouraged with the investment in student mental health services. She cautioned that additional work is required to ensure strategic planning at the system level.

Regent Simmons called the budget commendable. She expressed admiration for the cuts made by President Kaler and his leadership team, but stressed that those cuts should not be allowed to compromise the University's ability to deliver on its mission. Simmons noted the accountability enabled by reallocation decisions being made at the local level, but conveyed her desire to ensure that the Board fully understands what cuts are being made. With the current level of state funding, she offered that the University is moving into a hybrid model where some colleges are more heavily funded with state funds and others are more heavily funded with tuition revenue. Given that model, she indicated that the Board should be aware of funding changes and be careful in establishing principles to guide internal reallocations.

Regent Powell wondered how total employee headcount has changed over the past five years. He expressed support for the focus on increasing efficiencies to hold down tuition increases, wondering in addition whether consumer inflation is a better measure to guide tuition rates. He advocated for a continuing program to examine how to create more administrative and other cost efficiencies after OpEx concludes.

Burnett agreed that the University needs to continue to examine ways to reduce costs and make reallocations to higher priorities after OpEx is finished. He cautioned against using headcount alone as a measure of cost savings, explaining that it is important to understand why a position is being added or eliminated. He cited the example of adding new employees

funded through a sponsored grant – while it appears as an increase in headcount, those new employees also generate revenue and value for the University and the state.

Tonneson added that the focus has been to reallocate positions from the leadership and oversight category to the mission or mission support categories of University expenditures. She noted that headcount in leadership and oversight has not increased. She agreed that some of the positions that have moved may look like administrative positions, but are critical to carrying out the mission. Tonneson offered that she views reallocations as offsetting increases to tuition or state funding, without which additional revenue would have to be found to close gaps in the budget.

Regent Sviggum explained that he will support whatever budget is passed on June 20 and thanked staff for their work in preparing the budget and addressing his questions. He offered that while he agrees with Simmons on the University's mission, he also believes that the mission of the University is to provide value to students and the people of the Minnesota. He described salaries for University employees and contrasted them to comparable positions in state government, noting that the University salaries often are significantly higher. He expressed his appreciation to Kaler for freezing senior leader salaries.

Sviggum noted that for the June 20 meeting, he will prepare a budget amendment that reduces employee headcount through attrition by one percent over the next two years and reduces compensation increases for administrative employees to one percent, but maintains faculty salary increases at two percent. He stated that the cost savings could be used to freeze tuition.

Regent Rosha also expressed appreciation for Kaler freezing senior leader salaries. He shared his view that the University did not make a clear case to the Minnesota Legislature for funding a freeze in undergraduate tuition and must do so for the next biennial request or a supplemental request next year. He added that the mission of the University is also to ensure that the flagship campus remains accessible.

Rosha offered that the increase in compensation across job classifications is unrealistic. He requested that the administration make a case for compensation increases for each job family and show comparable data to justify any increase. He expressed his support for keeping NRNR increases lower for current students and for increasing it for incoming students. He stated his concern regarding the continued use of the Promise Scholarship, commenting that the scholarship is subsided by other students.

Rosha noted his concern about continued reliance on institutionally provided aid derived from tuition. He requested that the administration provide additional information on the standing of each campus within its specific higher education market as a way to analyze the proposed tuition increases. Rosha expressed appreciation for the desire to keep the University in step with inflationary increases, but noted that if tuition increases above consumer inflation are the result, it would be unfair for students to make up the difference.

Regent Omari expressed concern with the high NRNR tuition increase and wondered if the University had reached the top of the demand curve for those students. Burnett responded that additional data is needed to reach a conclusion. He noted that a second year of results will help evaluate the impact of NRNR increases.

Regent Beeson thanked Vice President Kramer for his work to secure funding for the University and Governor Dayton and the Minnesota Legislature for the increase in funding. He noted that the state has been defunding the University's operating budget for 20 years with no annual operating increase over that period. He asked how the University can pay for increases in those costs with anything but tuition revenue given the lack of operational fund increases from the state. Beeson suggested that without the ability to increase tuition revenue, the University would have to rely on state support to cover increased costs, which he cited as only being 17.4

percent of the University's revenue. He argued that the University's total spend rate is lower over the last 10 years than the State of Minnesota's, adding that the University is perhaps the most cost-effective agency in the state. Beeson praised OpEx reallocations as having made a real difference, noting the University has seen an increase in productivity by employees. He suggested pursuing more centralization to take advantage of additional cost savings and efficiencies.

Regent Anderson expressed his appreciation for the increased investments in student mental health services. He argued that serving students is at the core of their role as Regents and pointed to the Minnesota resident tuition rate history as an example of the Board's work. He agreed with the increase to NRNR tuition rates, noting that given the higher enrollment yield rates for NRNR students, those who really see the University as the right institution for them are continuing to apply. Anderson observed that middle class families have few supports beyond merit-based scholarships that help them offset the cost of attendance and wondered what else the University can do for those families. He encouraged the administration to continue to develop its vision of cost containment.

Regent Hsu observed that the proposed NRNR increase only moves the University to 13 out of 14 Big Ten institutions. He expressed his appreciation for the alternative resident undergraduate tuition rate scenarios in the budget, and asked if a 1 percent and 1.5 percent increase could be included for the next meeting. He offered his view that the higher yield from NRNR applications demonstrates individuals are recognizing the quality of University instruction due to associating higher prices with higher quality.

Regent Cohen stated that holding Twin Cities resident undergraduate tuition increases to 1.4 percent over five years is a remarkable achievement. She noted that Kaler laid out the goals of access and excellence in his inaugural address, and asserted that the University has made great strides in both areas. She expressed her concern with the high increase in NRNR tuition.

Johnson observed the high engagement by the Board in this budget process. He stated that the Board should seek a balance between cost reductions, increases in tuition, affordability for students, and the University's mission.

The meeting adjourned at 10:22 a.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Academic & Student Affairs Committee
June 8, 2017**

A meeting of the Academic & Student Affairs Committee of the Board of Regents was held on Thursday, June 8, 2017 at 10:30 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellors Michelle Behr, Lendley Black, and Stephen Lehmkuhle; Interim Chancellor Barbara Keinath; Executive Vice President and Provost Karen Hanson; and Executive Director Brian Steeves.

Student Representatives present: Mckenzie Dice and Mina Kian.

UPDATE ON PROGRESS CARD METRICS FOR MINNESOTA STUDENTS

Regent Cohen invited Vice Provost Robert McMaster and Lincoln Kallsen, Director of Institutional Analysis, to present an update on Progress Card metrics for Minnesota students, as detailed in the docket.

Kallsen provided a brief overview of the three Minnesota student-focused Progress Card metrics. He reminded the committee that the Board will discuss the Progress Card in its entirety at the July meeting.

McMaster reported that in fall 2016, 70.6 percent of new incoming freshmen across the system were Minnesota high school graduates, and 71.1 percent of all enrolled undergraduate students were Minnesota high school graduates. He detailed the historical enrollment data and Minnesota high school graduation trends.

Due to time constraints, Cohen asked committee members to bring their comments and questions on this topic to the July Board meeting.

ACADEMIC ELEMENTS OF THE SYSTEM-WIDE STRATEGIC PLAN

Regent Cohen invited Chancellor Stephen Lehmkuhle and Vice Provost Rebecca Ropers-Huilman to present the academic elements of the System-Wide Strategic Plan, as detailed in the docket.

Ropers-Huilman reminded the committee that the Board will take action on the System-Wide Strategic Plan (plan) at its Friday meeting. She explained that the committee's conversation would focus on the plan's academic offerings and opportunities for system collaboration. Lehmkuhle described the plan as a connector plan that combines the distinctiveness of each campus in a comprehensive and distributed plan that leverages system opportunities.

Leaders from each campus provided a brief overview of the strategic planning history of their respective campuses and opportunities for collaboration:

- Michelle Behr, Chancellor, UMM
- Lendley Black, Chancellor, UMD
- Barbara Keinath, Interim Chancellor, UMC
- Lori Carrell, Vice Chancellor for Academic Affairs and Student Development, UMR
- Karen Hanson, Executive Vice President and Provost

Regent Simmons observed that the plan will increase consciousness of how campus-level decisions affect the system. She referenced the work on the Twin Cities campus undergraduate enrollment plan and commented that the plan did not consider implications on system campuses.

In response to a question from Regent Johnson, Keinath suggested creating a tool for campuses to use in requesting funding or internal distribution of resources. She added that such a tool would create greater transparency in the budget process.

Regent Lucas requested that the committee receive progress updates on the implementation of the plan.

Regent Rosha stressed the importance of understanding the unique elements of each campus before implementing the plan. He explained that each campus fulfills needs of both the communities it serves and the state, and those should be considered before taking a system-wide approach.

CONSENT REPORT

A motion was made and seconded to recommended approval of the following, as described in the Consent Report:

- **Request for Approval of New Academic Programs**

- College of Design (Twin Cities campus)—Create undergraduate minor in Public Interest Design
- College of Education and Human Development (Twin Cities campus)— Create undergraduate minor in Health and Wellness Promotion
- School of Public Health (Twin Cities campus)—Create graduate minor in Sexual Health
- Swenson College of Science and Engineering (Duluth campus)—Create B.S. degree in Engineering Physics
- The Crookston Campus—Create an undergraduate honors program

- **Request for Changes to Academic Programs**

- Academic Health Center (Twin Cities campus)—Create sub-plans in Translational Bioinformatics, and Precision and Personalized Medicine Informatics within the M.S. degree in Health Informatics
- College of Biological Sciences (Twin Cities campus)—Change the name of the B.S., M.S., Ph.D., and graduate minor in Plant Biology to Plant and Microbial Biology
- Medical School (Twin Cities campus)—Reinstate M.S. degree in Surgery
- The Crookston Campus—Deliver the B.S. and undergraduate minor in Agricultural Business online

- **Request for Approval of Discontinued Academic Programs**

- College of Liberal Arts (Duluth campus)— Discontinue the undergraduate minor in Ojibwe Language

Provost Hanson called on Fernando Delgado, Executive Vice Chancellor for Academic Affairs from UMD, to respond to a question from Regent Simmons. Delgado explained that although UMD is discontinuing the undergraduate minor in Ojibwe Language, they will continue to offer Ojibwe coursework.

The committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

Provost Hanson referred the committee to the information items contained in the docket materials, which included a report of student activities and awards.

The meeting adjourned at 11:32 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Finance Committee
June 8, 2017**

A meeting of the Finance Committee of the Board of Regents was held on Thursday, June 8, 2017 at 10:00 a.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Senior Vice President Brian Burnett; Vice Presidents Kathryn Brown and Matt Kramer; Interim Vice Presidents Michael Berthelsen and Bernard Gulacheck; Executive Director Brian Steeves; and Associate Vice Presidents Stuart Mason, Julie Tonneson, and Michael Volna.

Student Representatives present: Connor Klemenhagen and Tareyn Stomberg.

OPERATIONAL EXCELLENCE: REALLOCATION UPDATE

Regent Beeson invited Senior Vice President Burnett and Associate Vice President Tonneson to give an update on reallocations made through the Operational Excellence program (OpEx), as detailed in the docket.

Burnett reminded the committee of OpEx's overall goals. Tonneson summarized the reallocation definition, noting that reallocations can be used for new programming, higher priority investments, and debt service. She explained the change in headcount and specified that in some instances, new priority programs could lead to higher net headcounts.

Tonneson reviewed how employee productivity has increased revenue generation from 2002 to 2016. She reported that revenue grew faster than headcount, with an average annual increase of 3.8 percent or a 64 percent increase over that time period. She outlined the planned reallocations and reallocations use. She detailed which expenditure categories the University uses to determine administrative expenditures.

In response to a question from Beeson, Tonneson shared that many people outside the University are unaware of the expenditure categories used to define University costs, and those who are do not all agree on how those categories are defined. Burnett stated that the leadership and oversight expenditure category is only 8.5 percent of the budget; if used as the only source for administrative cuts, it leaves few positions to reach the \$90 million reallocation goal. Because of that, he noted, the University has to look at the mission support and facilities category for additional reallocations.

Regent Hsu noted frequent mentions of the 8.5 percent leadership and oversight expenditures, but suggested that the categories combined are closer to 41 percent for administration. Tonneson responded that leadership and oversight, and mission support and facilities have been reviewed for possible reallocations, but that mission support and facilities includes a wider range of positions beyond administrative.

Beeson commented that the institution needs more detail on the cost of compliance, along with an understanding of where those positions are within each of the expenditure categories.

Regent Omari agreed, adding that additional information would help the University share its story.

Regent Powell expressed his support for OpEx as a constructive way to support a sustainable financial future for the University. He emphasized the need for the University to become more effective as one aspect of helping to manage tuition rates and continue essential research.

Burnett explained that the University is the only institution using this kind of expenditure category analysis, but some Big Ten institutions are interested in adopting the model. He suggested that if peer institutions adopt the model, the University will have comparable data for benchmarking. He offered the example of the University of Wisconsin system, where the cost of employee benefits are in the state budget, not the institution's budget.

Regent McMillan emphasized that future reallocations are difficult to avoid given the University's financial realities. He expressed his desire to better translate OpEx to those outside the institution.

Tonneson summarized the OpEx reallocation priorities and reallocations made by fiscal year since the program was instituted. She outlined high-level results observed during the OpEx program, and presented possible next steps once OpEx concludes after FY 2019.

Regent Svingum observed that if all reallocation resources went toward offsetting tuition, undergraduate tuition would fall by 16 percent. Tonneson responded that while she could not confirm that 16 percent is correct, that could have been an option if there were no additional costs. Svingum noted that the University has prioritized new programs over offsetting tuition. Beeson replied that the units make decisions individually about how to reallocate funds, adding that the Board reviews those decisions and that judgments are being made to reallocate to higher priorities. Omari offered that many reallocations have been used to offset the cost of education and for enhancements to the educational experience. He explained that while those reallocations could have offset tuition, the quality of the student experience might have stayed the same or decreased without that additional investment. Omari shared that he evaluates reallocation decisions from that perspective.

Beeson asked if the employee productivity analysis could be broken out by job family, expressing his hope that faculty would be among the higher revenue-generating employees. McMillan wondered whether degrees per employee or other measures like the revenue analysis should be added to the University Progress Card. Beeson agreed, arguing that the Progress Card does not include the right measures on this right now and suggesting a new measure on employee productivity.

In response to a question from Svingum, Burnett stated that the drop in revenue during 2009 was due to cuts in state funding. He explained that the chart shows all University revenue, including state funds. Given that jobs were not eliminated as fast as funding decreased, the graph shows a steep decrease for that year.

LONG-RANGE FINANCIAL PLANNING: UPDATE 2018-2023

Regent Beeson invited Lincoln Kallsen, Director of Institutional Analysis, to present an update on long-range financial planning, as detailed in the docket.

Kallsen outlined the process of updating the long-range financial plan and noted that the plan now incorporates the President's recommended FY 2018 operating budget assumptions.

Kallsen reviewed the University's current funds, noting which are most or least externally constrained. He highlighted trends in state funding from FY 1997 to FY 2019. He also reviewed

enrollment trends since 2010, budgeted FY18 tuition revenue, federal research funding trends, and auxiliaries. Kallsen defined which restricted funds the University uses and summarized overall revenue sources for FY 2017. He outlined the updated revenue assumptions and investment and expense assumptions. In addition, he summarized the budget levers the University could use to close deficits.

The committee engaged in a broad discussion regarding the updated plan; the assumptions for revenues and expenses; whether trends in non-reciprocity, non-resident enrollment should be added; the use of this analysis in budget planning; and inclusion of both fringe and salary.

CONSENT REPORT

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

General Contingency:

- Transfer of \$350,000 to the Office of the President to offset expenses incurred for executive level searches.

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

- To The Coca-Cola Company, Great Lakes Coca-Cola Distribution, Coca-Cola Bottling Company High Country, and Viking Coca-Cola Bottling for \$6,000,000 for an exclusive beverage and sponsorship agreement extension for the Department of Auxiliary Services for the period of July 1, 2018, through June 30, 2021. Coca-Cola beverages are budgeted by a variety of organizations and subcontractors of the University (Aramark and Sodexo) on all five campuses for resale or consumption. Vendors were selected through a competitive process.
- To Discovery Benefits for the estimated amount of \$369,000 for administering UPlan medical options for the University of Minnesota Office of Human Resources Employee Benefits for the two-year period of January 1, 2018, through December 31, 2019, with optional contract extensions through December 31, 2023, for an additional \$738,000. Total contract value, if all options are exercised would be \$1,107,000. The administrative service fees are funded on an annual basis through the fringe pool. Vendor was selected through a competitive process.
- To Dodge of Burnsville and Saxon Fleet Services for \$4,000,000 for new vehicle purchases for Parking & Transportation – Fleet Services as needed during the contract period from August 1, 2017, to July 31, 2022. Vehicles in the central motor pool are funded through a period fee charged to departments. Purchased vehicles are funded by the department at the time of purchase. Vendors were selected through a competitive process.
- To Sodexo Educational Services, LLC for \$45,000,000 to provide retail food service, residential food service and catering service on the University's Morris campus and Crookston campus for the Department of Auxiliary Services for the period of July 1, 2018, through June 30, 2024. Sodexo residential and catering services are budgeted for by the appropriate departments using these services on the Crookston and Morris campuses. Vendor was selected through a competitive process.

- To Unizin, Ltd. for \$1,282,500 for a three-year renewal of membership in the higher education consortium for the Office of Information Technology (OIT) for the period July 1, 2017, through June 30, 2020. The annual payment of membership fees will be covered from OIT's central O&M funds. The FY18 budget includes planning and funding for this expense. See enclosed documentation regarding basis for vendor selection.
- To Unum Group for the estimated amount of \$8,748,000 for administering claims and providing disability coverage options for the University of Minnesota Office of Human Resources Employee Benefits for the two-year period of January 1, 2018, through December 31, 2019, with optional contract extensions through December 31, 2023, for an additional \$18,854,000. Total contract value, if all options are exercised, would be \$27,602,000. The administrative service fees and Academic Long-Term Disability premiums are funded on an annual basis through the fringe pool. The voluntary Short-Term and Long-Term Disability premiums are funded by employee contributions. Vendor was selected through a competitive process.
- To US Solar, LLC, DG Minnesota CSG 1, LLC; DG Minnesota CSG 3, LLC; DG Minnesota CSG 10, LLC; Minnesota CSG 1, LLC; for an estimated \$130,000,000 in community solar garden subscription fees and related services for Facilities Management for the period of July 1, 2017 through December 31, 2042. These services will be purchased with funds from the Electric Utility ISO. Vendors were selected through a competitive process.

The committee sought additional information regarding the purchase of community solar garden subscriptions, including potential risks, net cost, and net savings to the University, while expressing concern about the item's inclusion in a consent report.

A motion was made and seconded, and the committee voted five to one to forward the community solar garden subscription fees purchase to the Board without recommendation. Regent Hsu voted no.

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

INFORMATION ITEMS

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

- University Tax Compliance Activities
- Quarterly Investment Advisory Committee Update
- Quarterly Asset Management Report
- Debt Management Advisory Committee Update

The meeting adjourned at 11:43 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Facilities, Planning & Operations Committee
June 8, 2017**

A meeting of the Facilities, Planning & Operations Committee of the Board of Regents was held on Thursday, June 8, 2017 at 2:00 p.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Senior Vice President Brian Burnett; Interim Vice Presidents Michael Berthelsen and Bernard Gulacheck; Executive Director Brian Steeves; Associate Vice President Michael Volna; and Associate Vice President Bill Paulus.

Student Representatives present: Mckenzie Dice and Connor Klemenhagen

**PUBLIC COMMENT PERIOD: POLICE USE OF PORTABLE AUDIO/VIDEO
RECORDERS (DULUTH, MORRIS, AND TWIN CITIES CAMPUSES)**

Regent McMillan stated that the Board had noticed time for members of the public to offer comment on the use of portable audio and video recorders by the University of Minnesota Police Departments on the Duluth, Morris, and Twin Cities campuses. He reported that no members of the public had signed up to offer comment. He invited Interim Vice President Berthelsen to provide an overview of the program to the committee.

Berthelsen explained that the public comment period is required under Minnesota State Statute before a police department can use the recording devices. He noted that the policies in the docket are departmental policies included for informational purposes only. He reported that the three campus departments will move into a limited testing phase in the next few weeks to address logistical items, and continue the testing period through the summer. Berthlesen noted the Board could learn more about the program and ask questions during the annual update on public safety in the fall.

RISK MANAGEMENT IN THE ACQUISITION OF REAL ESTATE

Regent McMillan invited Interim Vice President Berthelsen and Associate Vice President Volna to discuss risk management in the acquisition of real estate, as detailed in the docket.

Volna summarized questions raised by the committee in February regarding the increased cost of mitigating environmental hazards discovered during the demolition of the Electric Steel and Mathisen Kurth elevator properties (elevator properties) near the Twin Cities campus. He outlined the stages in the real estate acquisition process. He explained the project management triangle of time, cost, and quality. He noted the risk controls in place for real estate acquisition and the risk of specific transaction or assessment types.

Berthelsen reminded the committee of the location of the elevator properties and the unique factors faced by the University. He walked through the process analysis performed given the unexpected cost of demolishing and mitigating the environmental risks. He outlined the

recommendations based on that analysis that will be used going forward to purchase real estate generally and properties of this type specifically.

In response to a question from McMillan, Volna commented that the University uses a third party to evaluate and assess properties, but that it would not accept an assessment commissioned by the seller since the University would not be able to select the third party doing the assessment.

President Kaler observed that the elevator properties provided an unpleasant surprise. He emphasized that a plan is in place to limit the potential risk for future real estate acquisitions like this one.

UPDATE ON UTILITIES, ENERGY MANAGEMENT, AND SUSTAINABILITY

Regent McMillan invited Interim Associate Vice President Paulus and Shane Stennes, Director of Sustainability, to give an update on utilities, energy management, and sustainability, as detailed in the docket.

Stennes noted that although sustainability efforts are visible across the University's mission, today's discussion focuses on sustainability in operations and energy management. He defined the types of energy used by the University, including electricity that is purchased and self-generated, and the self-generation of steam for heating and hot water. He also cited energy use by campus.

Paulus defined the guiding principles for energy production as sustainable, cost effective, and reliable. He noted that a reliable energy source is critical for University research, and that the University's reliability surpasses that of Xcel Energy. Paulus outlined the cost effectiveness and the breakdown of energy types used by the University. He reported that since 2008, the University has reduced its carbon emissions by 28 percent. Paulus explained that the Combined Heat and Power Plant on the Twin Cities campus, now officially renamed the Main Energy Plant, will combine the generation of both energy and steam, creating higher overall efficiency compared to separate generation.

Stennes summarized the use of renewable electricity and the growth in electrical self-generation on the Twin Cities campus, including the use of community solar gardens. He reported on energy consumption management within buildings.

Paulus described the commissioning and recommissioning process and the energy consumption benefits it provides. He identified energy conservation opportunities such as building control upgrades and LED lighting retrofits. He reported that by adjusting energy consumption to be more efficient, the University saves an average of \$13 million each year. Paulus summarized the 2009 utility master plan and placed it in the context of other planning efforts. He also outlined upcoming energy management projects across the system.

In response to a question from Regent Lucas, Stennes reported that the Main Energy Plant runs on natural gas, but could be run on fuel oil. He noted that the University could be asked to switch over during a low natural gas supply situation given that residential consumers are unable to do so.

Lucas asked if the design for the new Athletes Village included the ability to add solar panels. Stennes responded that the design includes the possible use of solar and identified the football practice facility as having great potential for solar panel installation.

Regent Johnson asked about the possible return on investment if the University installed solar panels. Stennes explained that the cost of purchasing and installing renewable energy sources was falling. He offered that wind energy is the cheapest, with solar energy not far behind, and that both Minnesota Power and Xcel Energy are installing renewable energy generation facilities. He mentioned that the University is trying to balance the three guiding principles noted earlier when determining whether to invest in renewable energy.

In response to a question from Student Representatives Klemenhagen, Stennes commented that the University routinely seeks opportunities to be good sustainable stewards of resources, even if that means pursuing programs that might be cost neutral. He cited the collection of organics as an example of a program that has sustainability benefits but that may require finding additional savings or new revenue streams to offset the cost.

Student Representative Dice noted the long focus on sustainability by the Morris campus. She asked about the Twin Cities campus goal for reaching carbon neutrality. Stennes responded that the Twin Cities campus was working to be neutral by 2050.

In response to a question from Regent Rosha, Berthelsen described how individual units are charged for the energy they use, noting that each building has an energy meter and that the cost of the energy used is allocated to the users of that building. If there are cost savings, units are not billed and those savings stay with the unit. Rosha voiced concern that if the savings continued, the incentive declines. Berthelsen clarified that the savings are not automatic and that the cost pool charge adjusts based on actual usage. He added that units decide how to use their cost savings.

In response to related questions from Regents Anderson and Lucas, Stennes reported that the University does not qualify for federal tax credits for installing solar panels and a program giving grants in lieu of tax credits to public entities has been discontinued. He noted that third-party contractors do qualify for the tax credits and that a market has been created where those contractors lease space from public entities and build the solar arrays at their expense, giving the power to the public entity. Rosha commented that it might be better to petition the federal government to change the program in order to cut out the third-party contractor.

OPEN SPACE PLAN (TWIN CITIES CAMPUS)

Regent McMillan invited Interim Associate Vice President Paulus and Monique MacKenzie, Director of Planning, to present an overview of the open space plan for the Twin Cities campus, as detailed in the docket.

MacKenzie summarized the evolution of the Twin Cities campus and the impact of the desire to have an experience of place. She noted the expansion starting in 1907 and the original campus design for the Northrop Mall area by Cass Gilbert. She outlined the open space needs of the campus, noting that approximately 55,000 people are on campus on any given day. MacKenzie summarized the open space items included in campus planning and the 2009 Twin Cities campus Master Plan, as well as how that has evolved with the 2016 Campus Development Framework. She emphasized the need to create a place-based experience, which she noted gives institutions a competitive advantage in recruitment. She defined what creates a memorable campus experience and the importance of open space both from a functional and design perspective.

MacKenzie described the evolution from quads and malls in the Twin Cities campus design toward future possibilities for connecting to the Mississippi River and the city. She cited three examples to highlight design and future design potential including the Knoll area, Essex corridor, and the West Bank interconnected plazas.

Paulus described how Landcare Management maintains green space. He noted how each district of campus falls into one of three service types – formal, informal, and naturalistic. He reviewed how each of those service types is maintained and the impact on Landcare Management's workload.

Regent Lucas expressed her support for identifying more ways to connect the campus to the river. She asked about plans to connect bike and walking trails to the Stone Arch Bridge. MacKenzie explained that while the University is a user of the land between the Dinkytown Greenway and the Stone Arch Bridge for access to the Main Power Plant, the University does not own the land. A variety of stakeholders, including the railroad, hold that section of land. While the University is open to making that connection, MacKenzie stated that it is not up to the University. She offered the example of working with the Minneapolis Parks and Recreation Board on the use of the Mississippi River Flats as a way for the University to expand connection with the river.

Regent Rosha shared his belief that maintaining green space on campus helps ensure that the University is efficient with its construction and use of buildings. He observed how amazing it would have been if Cass Gilbert's original vision of a clear river view from the steps of Northrop Auditorium been preserved. He noted that the building of Coffman Union became a higher priority than preserving that view. Rosha added that some of the dorms on the Twin Cities campus lack abundant green space around them. He suggested additional access to the Mississippi River flats, and noted that additional recreational sports fields could provide green space in the future. He expressed his hopes that this conversation would continue.

McMillan offered that the creation of green space by eliminating inefficient buildings for newer, multi-use buildings could be a way to frame future capital requests to the Legislature and the governor.

INFORMATION ITEMS

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

- Preliminary 2018 State Capital Request
- Capital Planning and Project Management Semi-Annual Project Report
- Final Project Review: Chemistry and Advanced Materials Science (Duluth Campus)

Regent McMillan noted that this was his last meeting as chair of the committee. He extended his thanks to President Kaler, Interim Vice President Berthelsen and the University Services staff. He offered his appreciation to the Office of the Board of Regents staff for their support during his time as committee chair.

The meeting adjourned at 3:30 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Faculty & Staff Affairs Committee
June 8, 2017**

A meeting of the Faculty & Staff Affairs Committee of the Board of Regents was held on Thursday, June 8, 2017 at 2:00 p.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellors Michelle Behr, Lendley Black, and Stephen Lehmkuhle; Interim Chancellor Barbara Keinath; Executive Vice President and Provost Karen Hanson; Vice President Kathryn Brown; Executive Director Brian Steeves; and Associate Vice President Michael Volna.

Student Representatives present: Lauren Mitchell and Tareyn Stromberg.

UNCONSCIOUS BIAS IN HIRING AND PROMOTION

Regent Simmons invited Vice President Brown, Provost Hanson, and Michael Goh, Associate Vice Provost for Equity and Diversity, to discuss unconscious bias in hiring and promotion, as detailed in the docket.

Hanson conveyed the critical nature of addressing unconscious bias, especially in the faculty search and evaluation process. She explained that faculty hiring relies heavily on networks and references, and often those groups are homogenous in nature. Hanson also stressed the importance in removing bias since faculty hiring and promotion is a meritocracy.

Goh highlighted research on unconscious bias that provided background for the University's training workshops. He explained that the workshops are designed for faculty search committees, but that training for staff and student recruitment are in development. Goh led the committee in a sample exercise from the workshop.

Brown reported that the President's senior leadership team participated in the workshop.

In response to a question from Simmons, Hanson reported that the workshops are not required. She added that some departments have been encouraged to use the workshops and other training resources. Goh explained that two Twin Cities colleges created guidelines for faculty search committees as a result of their workshop participation.

Regent Omari emphasized the importance of diversity in the faculty and urged committee members to consider this when discussing diversity in the student body. He offered that a diverse faculty would attract a more diverse student body.

In response to questions from Student Representative Mitchell, Goh reported that the Twin Cities campus has approximately 18 to 20 percent faculty of color but that the goal of unconscious bias training is not solely to increase the number of faculty of color on campus. Hanson added that certain disciplines seek unconscious bias training in order to increase the number of women, differently abled, or other underrepresented categories of faculty.

Regent Powell commented that large corporations are successful in attracting diverse pools of candidates but that does not often result in hiring and supporting diverse employees. Brown noted that the same is true at the University. She added that diversity recruiters have been successful in expanding candidate pools but that more work remains in hiring and supporting employees, notably through supervisor training.

Simmons asked if the training was available system-wide. Goh confirmed that the resources are available to all University employees.

BENEFITS AT THE UNIVERSITY AND MARKET COMPETITIVENESS

Regent Simmons invited Vice President Brown and Kenneth Horstman, Senior Director of Total Compensation, to discuss benefits at the University and market competitiveness, as detailed in the docket.

Brown provided an overview of benefits available to University employees. She stressed the importance of offering a wide variety benefits in order to be competitive in the marketplace, especially when unemployment rates are low. Brown added that the University also offers mental health and financial counseling, parental leave benefits, and a comprehensive wellness program, which reflect national benefits trends.

Regent Beeson asked what percentage of University employees work off-site or telecommute. Brown responded that telecommuting procedures are handled at the local level to ensure an agreement between the employee and supervisor. Those agreements are not recorded centrally. Beeson stressed the importance of central guidelines and monitoring. Simmons argued that telecommuting is not a benefit but rather an advantage afforded to some employees.

In response to a question from Regent Omari, Brown reported that University employees have access to the same security whether working on- or off-campus on their University-issued technology. Regent Hsu estimated that more than 10 percent of employees work from home or telecommute regularly.

In response to questions from Regent Powell, Horstman reported that Civil Service and labor-representative employee groups are enrolled in the Minnesota State Retirement System pension plan. He noted that the faculty retirement plan is a 403(b), similar to a 401(k), with many employees choosing funds based on their target retirement date.

Powell asked if the University offers military leave. Brown confirmed that the University offers leave, in accordance with federal and state laws, to reservists and active military personnel.

ANNUAL U PLAN UPDATE

Regent Simmons invited Vice President Brown and Kenneth Horstman, Senior Director of Total Compensation, to present the annual UPlan health insurance update, as detailed in the docket.

Brown reported that University employees will not experience an increase in their insurance premiums for calendar year 2018. Horstman provided an overview of UPlan governance and administration and noted that UPlan continues to be below the national average on cost trends. He detailed those cost components and explained how they are managed. Horstman emphasized the success of the wellness program and reminded the committee that the University is entering into a new contract with a new vendor to administer it. He expressed confidence that the new vendor will offer a better experience for University employees.

In response to a question from Regent Powell, Horstman explained that medical and dental benefits are available to retirees but that the University does not subsidize those plans.

CONSENT REPORT

Regent Simmons invited Vice President Brown to present for review and action the Consent Report, which included the following:

- Conferral of Tenure for 10 outside hires.
- Appointment of Bernard Gulacheck as Vice President for Information Technology and Chief Information Officer effective June 12, 2017.

A motion was made and seconded to recommend approval of Bernard Gulacheck as Vice President for Information Technology and Chief Information Officer. Regent Omari expressed his satisfaction with the recommendation and the mindful succession planning and promotion of an internal candidate. Simmons referenced the salary benchmarking data in the docket materials. The committee voted unanimously to recommend approval.

A motion was made and seconded and the committee voted unanimously to recommend approval of the tenure recommendations.

INFORMATION ITEMS

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

The meeting adjourned at 3:33 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Audit & Compliance Committee
June 8, 2017**

A meeting of the Audit & Compliance Committee of the Board of Regents was held on Thursday, June 8, 2017, at 3:45 p.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice President Brooks Jackson; Interim Vice Presidents Bernard Gulacheck and Allen Levine; Executive Director Brian Steeves; Associate Vice President Michael Volna; and Chief Auditor Gail Klatt.

Student Representatives present: Connor Klemenhagen and Tareyn Stomberg.

UPDATE ON HUMAN PARTICIPANT RESEARCH PROTECTION IMPLEMENTATION PLAN

Regent Lucas invited Vice President Brooks Jackson; Interim Vice President Allen Levine; Tim Schacker, Director for Clinical Translational Research Services; and Linnea Anderson, Chief of Staff for Human Research Protection Program, to provide an update on the human participant research protection implementation plan, as detailed in the docket.

Anderson reported that the Institutional Review Board's (IRB) new electronic system, ETHOS, launched in March 2017. She pointed out that over 10,000 research professionals at the University now have access to the system, which replaces a 20-page application. Anderson explained that the new system allows researchers to review the status of their proposal at any time by logging in to ETHOS. The system reduces redundant data entry because it integrates with PeopleSoft and other systems.

Levine provided an overview of the Research Compliance Office and reported that effective April 2017, the office reports directly to the Vice President for Research. He explained that the reporting line ensures the authority and independence of the Research Compliance Office and affords the Vice President for Research direct management and oversight.

Schacker reviewed the Clinical Translational Science Institute's (CTSI) role in the management of clinical trials in the Department of Psychiatry. He reported that CTSI and the Department of Psychiatry have collaborated to make significant progress on all central objectives.

Jackson provided an overview of new requirements for fetal tissue research. He explained that the requirements reinforce existing University policies and formalize reporting to the Legislative Auditor.

In response to a question from Regent Beeson, Schacker confirmed that the Department of Psychiatry has seen an increase in new research engagements and contracts. Beeson proposed the new chair of the Department of Psychiatry attend a future committee meeting.

In response to questions from Regent Simmons, Jackson reported that the time between a researcher submitting a proposal to the IRB and receiving a decision has significantly decreased with the implementation of the ETHOS system.

In response to a comment from Regent Hsu, Jackson confirmed that the University is involved in a limited number of studies that involve the use of human fetal tissue.

Regent Lucas asked if other departments have access to the newly developed training and services. Schacker reported that all research professionals at the University have access.

2017-18 INTERNAL AUDIT PLAN

Regent Lucas invited Chief Auditor Klatt to present the FY 2018 Internal Audit Plan, as detailed in the docket.

Klatt reminded the committee of the process and risk factors used to develop the plan, and noted the nine operation risk factors correlated to audit findings. The plan includes 26 audits of University processes, academic units, and colleges.

In response to questions from Lucas, Klatt explained that Internal Audit is maintaining its current staff level, but that the management team has decreased from four to three due to attrition.

Regent Beeson suggested redoing the institutional risk profile in the coming year, since it was last completed in 2014. Klatt agreed and added that she will discuss the process with new committee leadership.

Regent Hsu inquired about audits that did not make the plan. Klatt explained that her office maintains a list of possible audit activities to address if administrative requests fall below the budgeted 12 percent of their time. She added that the most urgent and high-risk audits are included in the plan.

In response to questions from Regent Simmons, Klatt reported that she and one member of the Audit & Compliance Committee serve on the University of Minnesota Foundation's Audit Committee, but that the University does not have representation on the University of Minnesota Physicians Audit Committee.

In response to a question from Regent Powell, Klatt explained that information technology (IT) security is a priority for Internal Audit and that several audits in the plan address it. She reminded the committee that IT security and technology risks are often identified in audits that are not specific to IT.

INTERNAL AUDIT UPDATE

Regent Lucas invited Chief Auditor Klatt to present the Internal Audit Update, as detailed in the docket.

Klatt reported that since the last update in February 2017, University departments implemented 45 percent of the outstanding recommendations rated as "essential," exceeding the expected implementation rate of 40 percent. Six units fully implemented all remaining "essential" recommendations. Seven audit reports containing 30 recommendations rated as "essential" were issued in the last four months.

In response to questions from Regent Hsu, Klatt explained that the control charts for each audit will continue to have red sections until the risk no longer exists. She noted that even though a risk may not be fully resolved, often a plan is in place and the risk is being addressed.

INFORMATION ITEMS

Chief Auditor Klatt referred the committee to the semi-annual controller's report, included in the docket.

The meeting adjourned at 4:54 p.m.



**BRIAN R. STEEVES
Executive Director and
Corporate Secretary**

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Governance & Policy Committee
June 8, 2017**

A meeting of the Governance & Policy Committee of the Board of Regents was held on Thursday, June 8, 2017 at 3:45 p.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Michelle Behr, Lendley Black, and Stephen Lehmkuhle; Interim Chancellor Barbara Keinath; Interim Vice President Michael Berthelsen; and Executive Director Brian Steeves.

Student Representatives present: Lauren Mitchell

OVERVIEW OF THE UNIVERSITY SENATE

Regent Cohen invited Vickie Courtney, director of the University Senate Office, and Colin Campbell, associate professor and chair of the University Senate and Faculty Senate Consultative Committees, to give an overview of the University Senate (Senate) structure, as detailed in the docket.

President Kaler applauded the work of the University Senate Office under Courtney's leadership, the work of the members of the Senate, and Campbell's leadership over the last two years. He expressed his pride in the Senate system and appreciation for the partnerships it creates.

Courtney articulated the vision of the Senate system. She shared that it is considered a vibrant and active shared governance model by peer institutions. Campbell noted that other Big Ten institutions have similar senate structures but lack the close working relationships of the University Senate. He asserted that those positive relationships have enabled the Senate to make progress on a variety of topics.

Courtney outlined the responsibilities of the Senate system, noting that it might be the only one in the country with a comprehensive senate body of nearly all constituent groups. Campbell suggested that while Senate recommendations are not always instituted, a mutual respect and desire for dialogue exists across the many constituencies and between the Senate and the administration.

Courtney shared the timeline for development of the Senate system. She reviewed the Senate organizational chart, noting the committees that facilitate participation of about 1,000 people. Campbell explained that much of the Senate's work is done in committees. He observed that the strength of the Senate system is mutual respect between its members. He stated his belief that the structure helps empower students and creates an avenue to bring forward topics that are important to them. Courtney agreed that the members of the Senate work together on the same topics, identifying recent discussions of mental health and Title IX reporting as examples.

Regent Johnson stated that the meetings he has had with the Faculty Consultative Committee (FCC) have been a highlight of his time in Board leadership. He asked Courtney and Campbell to comment on a recent quote from a Big Ten president that criticized the amount of time shared governance requires. He also asked about ways to increase efficiency of the Senate given its many committees. Courtney responded that the Senate Office and the Senate Committee on Committees review annually the number of committees and work with members to evaluate effectiveness. She explained that during the 2013-14 academic year, 311 committee meetings were scheduled versus 245 meetings scheduled this year. She emphasized that scheduled meetings only take place when there is business to address and that joint committee meetings on topics of broader interest have helped increase efficiency. Campbell noted that committee members often learn more serving for one year on a committee than being in a department for 10 years since the committee experience gives them the opportunity to look beyond their department and see areas that are not functioning well.

Regent Anderson praised the work of Campbell and the Senate system as great collaborators and partners.

Regent Sviggum asked about the interaction of labor-represented groups and the Senate. Kaler agreed that labor representation complicates employee participation within the Senate system. He noted that while chancellors have built consultation pathways with those employees, there are restraints given the limitations of the law.

In response to a question from Regent Rosha, Courtney explained that the Senate is present at new employee orientation to ensure new employees are aware of the Senate and how it functions. Individuals are subscribed to the specific Senate newsletters based on their role at the University.

Rosha asked how the system campuses interact with the Senate. Courtney described how each campus elects students and non-labor-represented staff and faculty to the Senate. She noted that the Senate Office has a budget for travel and has expanded use of video conferencing.

Regent McMillan noted that inability of labor-represented faculty on the Duluth campus to participate in the Faculty and other Senates creates friction. Chancellor Black agreed. He noted that a similar consultative structure has been established for those faculty, but that the complexities of collective bargaining limit what can be discussed.

RESOLUTION RELATED TO BOARD COMMITTEE STRUCTURE

Regent Cohen invited Executive Director Steeves to review the resolution related to Board committee structure, as detailed in the docket.

Steeves reminded the committee of its previous discussion in May. He summarized the changes since the May meeting, noting that the new Finance & Operations Committee would absorb the Faculty & Staff Affairs Committee, with the exception of faculty promotion and tenure, which would be moved to the Mission Fulfillment Committee. He added that the July meeting no longer includes committee meetings and that the number of possible meetings of the Governance & Policy Committee was reduced. Steeves reviewed how the number of meeting hours compare to the current structure based on the changes and described the specific actions laid out within the resolution.

Regent Johnson noted his initial reluctance to the idea, but stated that he is willing to support the new structure. He offered that the Board's expanded work sessions have been well received and expressed his view that the initial operating budget review with the full Board went well. He indicated that he would be willing to try the new format for a year and evaluate after that.

Regent Anderson commented that he felt similar to Johnson and now supports the new structure. He added that having all viewpoints expressed at one meeting is very helpful in considering what action to take.

President Kaler stated that he strongly favors the proposed structure, suggesting that the new system should be more efficient for his administration. He offered that it has been difficult at times to address specific action items at the full Board meetings when only half the Board has reviewed it in committee. He noted that a possible minor downside might be that adding six Regents to discussions could increase the amount of time a topic will take since more Regents will comment on it.

Regent Rosha asked how the new structure would affect the student representatives to the Board. Steeves responded that the role of the student representatives would be unchanged and committees would continue to have two student representatives as non-voting members. He proposed that with fewer committees, student representatives might rotate between committees. He emphasized that the Board Office remains committed to ensuring the continued function of the student representative role.

Rosha stated that in the absence of monthly meetings of the Board, the proposed structure is a great approach and he is enthusiastic to see it implemented.

Regent Sviggum expressed his support for the change but asked how more public input and testimony could be added to the Board's process. Steeves offered that the Board has no tradition of accepting public testimony at its meetings. He explained that for major approval items, review at one meeting and action at a subsequent meeting creates time for the public to send comments to the Board. Steeves added that having the omnibus committee meetings held in the Boardroom means they will be live streamed and archived on the Board's YouTube channel, creating increased and improved public access. He noted the chair's ability to invite additional comment.

Sviggum asked what other institutions do. Steeves responded that the amount of direct public engagement at meetings varies across the Big Ten.

Regent McMillan commented that he is interested in and supportive of increasing transparency. He observed that a portal for individuals to submit comments, like the one for operating budget comments, is one option. He cautioned that the increased workload on the two omnibus committees might limit the amount of time available for potential public comment given the need to approve various action items. He offered that the Friday full Board meeting might be a better option for a public comment period.

Cohen responded to Kaler's concern by expressing her hope that not every Regent would have to comment on every item. She expressed her support for the proposed structure.

A motion was made and seconded, and the committee voted unanimously to recommend that the Board consider the resolution at the June 20, 2017 special meeting.

BOARD OPERATIONS: ANNUAL PLANNING & AGENDA DEVELOPMENT

Regent Cohen invited Executive Director Steeves to review the Board's annual planning and agenda development, as detailed in the docket.

Steeves noted that this discussion is the final step in the comprehensive review of Board of Regents Policy: *Board Operations and Agenda Guidelines*. He outlined the Board's three levels

of planning. He summarized the Board's agenda development and the four steps included in that process as defined by policy.

The committee discussed the current policy, including: how members not in committee leadership can surface potential agenda items; the role of the Board and committee chairs in determining the agenda; the possibility of adopting the agenda at the start of a meeting; the need for some avenue for topics not added to an agenda by a chair to be addressed another way; the use of work plans to address topics; and continuing to seek input for possible topics during that process.

The meeting adjourned at 5:09 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents Work Session:
Diversity in Undergraduate Enrollment at the Twin Cities Campus –
Aligning the University's Outcomes with Its Aspirations
June 9, 2017**

A work session of the Board of Regents of the University of Minnesota was held on Friday, June 9, 2017 at 7:30 a.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellor Michelle Behr; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice President Matt Kramer; Interim Vice President Michael Berthelsen; Executive Director Brian Steeves; and Chief Auditor Gail Klatt.

Student Representatives present: Lauren Mitchell.

Chair Johnson invited Provost Karen Hanson; Julie Sweitzer, Executive Director of the College Readiness Consortium; Shakeer Abdullah, Assistant Vice President for Equity and Diversity; and Muhammad Khalifa, Professor in the College of Education and Human Development, to lead a discussion on diversity in undergraduate enrollment at the Twin Cities campus, as detailed in the docket.

Hanson reviewed a number of opportunity gaps across the state and conveyed the significance of the gaps that exist along racial lines, especially educational inequity. She summarized the University's successes in addressing that inequity and challenged Board members to consider how the University, as the state's land-grant institution, can uniquely address those challenges.

Sweitzer reported that diversity in Minnesota's school-aged population is significantly greater than the diversity in the state's current workforce. She noted that an estimated 70 percent of jobs will require a 2- or 4-year college degree and that school-aged children need more education and awareness of their post-secondary options.

Abdullah provided an overview of the Office for Equity and Diversity's mission. He shared examples of programming including initiatives that educate students, families, and teachers on post-secondary options and support students in college readiness.

Khalifa summarized research in culturally responsive leadership that shows the University must earn the trust, rapport, and credibility with the communities it serves. He noted the success of pipeline initiatives with rural Minnesota communities and that they can serve as a model for the Twin Cities urban population.

In response to questions from Regent Simmons, Abdullah explained that diversity is increasing across the state and similar disparities exist in rural and urban areas. Regent Anderson urged the Board to consider the state's diversity changes and stressed the importance of the University using its resources to support the future of Minnesota.

Regent McMillan asked how the University engages with the business community to address the achievement gap. Abdullah reported that the University of Minnesota Foundation is engaged with the business community and that opportunities are emerging from their collaboration. He explained that first-generation college students often require support in the transition from college to business, which presents an opportunity for partnership with businesses.

In response to comments from Regent Beeson, Hanson explained that high-achieving Minnesota high school graduates are often recruited by out-of-state colleges. She added that those students often enroll at colleges that offer the greatest financial aid, and that the University cannot always compete with those offers.

Regent Omari urged Regents to consider a bold directive to the administration that addresses the issues that have been identified.

Regent Powell noted the importance of strengthening diversity on the Twin Cities campus in response to the business community, which seeks more diverse candidate pools and employees. He added that the demand from the business community will only be greater in the future, so the University must address this issue now.

In response to comments from Student Representative Mitchell, Sweitzer reported that the University relies on secondary schools to report data on prospective students, which presents challenges and limitations. Hanson confirmed that socioeconomic status is collected for prospective students when it is available from secondary schools.

Regent Cohen asked about the appropriate time to start educating students about college. Sweitzer reported that little related research exists for elementary school children, but that research shows that middle school is an appropriate time to introduce children to careers, which leads to education decisions. She noted that educating parents and school counselors is equally important since they influence a student's decision on career and college.

Regent Rosha commented that as the state's land-grant institution, the University's mission includes developing the future workforce for Minnesota by addressing the achievement gap. He asked how the University shares that message. Khalifa emphasized the importance of the University's outreach mission and importance of early communication to parents and teachers, in addition to students, about educational opportunities.

In response to questions from Regent Lucas, Hanson proposed that the University identify what it is uniquely qualified to do in order to support more diverse pipelines to colleges. She noted that the University has many programs related to diversity, but does not have a unified approach. Hanson added that partnerships with schools and other organizations will remain important. Chair Johnson asked that the administration develop proposals for the Board to consider in the fall.

Regent Hsu shared application and enrollment data from the Carlson School of Management, explaining that 670 African American students applied, 42 were admitted, and nine ultimately enrolled. He suggested that the issue exists with students being admitted. Hsu proposed the University adopt a test-optional admissions policy, citing that similar policies at other colleges have increased diversity in the student body.

In response to questions and comments from Regent Sviggum, Abdullah explained that significant disparities exist in Minnesota's Asian population. He noted that federal race definitions do not differentiate between Asian ethnic groups where those disparities exist, and that some federal programs even prohibit Asian students from participating in programming for underserved students, which creates an even bigger gap.

The meeting adjourned at 8:53 a.m.



**BRIAN R. STEEVES
Executive Director and
Corporate Secretary**

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents
June 9, 2017**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, June 9, 2017 at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Michelle Behr, Lendley Black, and Stephen Lehmkuhle; Interim Chancellor Barbara Keinath; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice Presidents Katrice Albert, Kathy Brown, and Matt Kramer; Interim Vice Presidents Michael Berthelsen, Bernard Gulacheck, and Alan Levine; General Counsel Douglas Peterson; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt, Julie Tonneson, and Michael Volna.

ANNUAL MEETING

Chair Johnson called the Annual Meeting to order at 9:05 a.m.

ESTABLISHMENT OF MEETING DATES

Chair Johnson outlined proposed meeting dates for 2017-18. A motion was made and seconded and the Board of Regents voted unanimously to approve the following meeting schedule:

- July 12-13, 2017 (includes retreat)
- September 7-8, 2017
- October 12-13, 2017
- December 14-15, 2017
- February 8-9, 2018
- March 21-23, 2018 (includes retreat)
- May 10-11, 2018
- June 7-8, 2018

NOMINATING COMMITTEE REPORT: ELECTION OF BOARD OFFICERS

Regent Johnson, Chair of the Nominating Committee, presented the committee's report. The following individuals were recommended to serve as Board officers for the 2017-19 term:

Chair: David J. McMillan
Vice Chair: Kendall J. Powell
Secretary: Brian R. Steeves
Treasurer: Brian D. Burnett

Chair Johnson asked if there were any additional nominations; there were none. Regent Rosha made a motion to close nominations and approve a unanimous ballot. The Board of Regents voted unanimously to approve the slate as presented.

The annual meeting adjourned at 9:08 a.m.

REGULAR MEETING**RECOGNITIONS****Academic Professionals & Administrators
Consultative Committee Outgoing Chair**

Recognition was given to Etty DeVeaux, Chief of Staff and Assistant to the Vice Provost and Dean of the Graduate School and outgoing 2016-17 chair of the Academic Professionals & Administrators Consultative Committee.

Civil Service Consultative Committee Outgoing Chair

Recognition was given to Duane Orlovski, Internal Medicine Residency Coordinator in the Office of Medical Education and outgoing 2016-17 chair of the Civil Service Consultative Committee.

Student Representatives to the Board of Regents

Recognition was given to the 2016-17 Student Representatives to the Board of Regents:

Lauren Mitchell, Chair Twin Cities (COGS)	Mike Kenyanya, Vice Chair Duluth
Lauren Anderson Rochester	Mckenzie Dice Morris
Phillip Guebert Twin Cities (PSG)	Mina Kian Twin Cities (MSA)
Connor Klemenhagen Twin Cities (MSA)	Tareyn Stomberg Crookston

APPROVAL OF MINUTES

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

Special Oversight Committee – May 4, 2017
Emergency Board of Regents Meeting – May 11, 2017
Facilities, Planning & Operations Committee – May 11, 2017
Faculty & Staff Affairs Committee – May 11, 2017
Audit & Compliance Committee – May 11, 2017
Governance & Policy Committee – May 11, 2017
Academic & Student Affairs Committee – May 11, 2017
Finance Committee – May 11, 2017
Board of Regents Meeting – May 12, 2017
Nominating Committee – May 2017

REPORT OF THE PRESIDENT

President Kaler reported on the legislative session, highlighting funding for facilities in the Academic Health Center. He noted that overall funding fell short of the University's request. He discussed international partnerships, including his recent visit to Iceland and an upcoming visit to China. Kaler reported on the accomplishments of the Medical Devices Center and its work to advance issues affecting public health.

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

REPORT OF THE CHAIR

Chair Johnson reported that the Presidential Performance Review Committee is in the process of completing the president's annual review and will present its final report at a future meeting.

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

RECEIVE AND FILE REPORTS

Chair Johnson noted the receipt and filing of the Report of the Academic Professionals and Administrators Consultative Committee, the Report of the Civil Service Consultative Committee, and the Quarterly Report of Grant and Contract Activity.

CONSENT REPORT

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

- Gifts
- Report of the All-University Honors Committee
- Appointment of Regents Professor

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

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Chair Johnson invited Professor Colin Campbell, chair of the Faculty Consultative Committee (FCC), to report on the committee's recent activities. Campbell highlighted the committee's focus on student mental health, the system-wide strategic plan, a statement reaffirming the committee's values, a proposal to the legislature to amend the data practices act, meeting with Regents, and equity and diversity.

Campbell announced FCC leadership for the 2017-18 academic year: Joseph Konstan, Professor of Computer Science and Engineering, as Chair and Greta Friedemann-Sánchez, Associate Professor, Humphrey School of Public Affairs, as Vice Chair.

Speaking personally, Campbell urged the Board to set aside individual differences and come together for the University.

Several Regents thanked Campbell for his service to the University and for his comments about Board unity.

RECOGNITION OF FACULTY CONSULTATIVE COMMITTEE OUTGOING CHAIR

Professor Colin Campbell was recognized for his service during two terms as FCC chair, from 2015-2017.

ANNUAL REVIEW – BOARD OF REGENTS POLICY: CODE OF ETHICS FOR MEMBERS OF THE BOARD OF REGENTS

General Counsel Doug Peterson reviewed Board of Regents Policy: *Code of Ethics for Members of the Board of Regents*. The Board, with assistance of the general counsel, annually reviews the requirements and procedures set forth in the policy.

Peterson highlighted the guiding principles Board members are obligated to follow. Board members are responsible for the governance of the University and must be accountable in the areas of financial disclosure, gifts, expenses, and conflicts of interest. Board members also are expected to set aside parochial interests, keeping the welfare of the entire University paramount at all times. Peterson described when conflicts of interest exist, how to manage them, and what to do if a Regent has a conflict.

SYSTEM-WIDE STRATEGIC PLAN

Chair Johnson invited Chancellor Stephen Lehmkuhle and Vice Provost Rebecca Ropers-Huilman to present the System-Wide Strategic Plan (plan) for approval, as detailed in the docket.

Lehmkuhle reviewed the plan framework, detailing the University's mission and guiding principles as well as the system's purpose and strategic intentions. Ropers-Huilman reported on the strengths of the plan, including high-impact changes, a focus on the land-grant mission, and connections among units. She called attention to the plan's appendix, which details the responsibilities for staff and administrators who have system-wide roles. She acknowledged that those responsibilities may need further refinement as the plan takes shape. Lehmkuhle noted that conversations with staff, faculty, and students across the system have been invaluable. He emphasized that this is an ongoing process and urged system-wide conversations to continue.

A motion was made and seconded to approve the plan.

Regent Lucas expressed hope that the plan will be used and asked for suggestions for keeping the process dynamic. Ropers-Huilman suggested that the Board keep a system-wide perspective when making decisions and consider the impact – positive or negative – on each of the campuses. Kaler added that he will include elements of system perspective in his annual work plan.

Regent Rosha voiced concern that several key external stakeholders were not consulted in the plan's development. He added that the plan should help those outside the University understand its direction and priorities. He remarked that the plan does not clearly lay out steps toward achieving institutional goals, which he believes is the purpose of the document.

Regent McMillan commented that the plan does not provide the guidance he feels is necessary for the Board to make key decisions. He voiced support for the document as a framework around which the administration could build an actual plan.

Rosha suggested changing the name from a plan to a framework.

President Kaler replied that the plan is an ongoing process and shared his belief that the next steps are clear. He noted that steps will include different groups for various strategic objectives, such as enrollment, admissions, and student life.

In response to a question from Regent Simmons, Lehmkuhle responded that changing the name would likely not change stakeholders' reaction to the plan itself. Simmons agreed to Rosha's suggestion to modify the name to: The University of Minnesota Strategic Plan Framework. There were no objections.

Regent Hsu stressed that the plan include an investment strategy and suggested that future steps include an estimate of the cost of implementation.

The Board of Regents voted unanimously to approve the University of Minnesota Strategic Plan Framework.

**PRESIDENT'S RECOMMENDED FY 2018
ANNUAL CAPITAL IMPROVEMENT BUDGET**

Chair Johnson invited Senior Vice President Burnett and Interim Vice President Berthelsen to present for approval the President's Recommended FY 2018 Annual Capital Improvement Budget (capital budget), as detailed in the docket.

Burnett reminded the Board that policy directs the administration to develop a capital budget with a six-year timeline and updated annually. He explained that approval of the budget allows individual projects with completed predesigns and financing plans to proceed with design and construction.

Berthelsen reviewed the major components of the capital budget, including HEAPR, system-wide projects, and repair and replacement (R&R) pools. He outlined several changes made since review of the capital budget in May. Burnett explained that approximately 44 percent of the budget is state-supported debt from the University's 2017 capital request; the remaining 56 percent supports the University's share of the state bonding projects.

A motion was made and seconded.

Regent Hsu observed that the capital budget often includes projects that are never completed. He suggested a broader discussion about the development of the six-year plan and the ways the University addresses necessary projects.

Regent Beeson suggested more discipline in establishing the six-year plan and maintaining priorities, to avoid unplanned projects being included in the capital budget. In response to a question from Beeson, Regent Sviggum remarked that HEAPR projects are not as showy as other capital projects, which makes them more difficult to promote to the legislature. He suggested the next legislative request only include HEAPR projects.

Regent McMillan agreed with the idea of a HEAPR-only request. He added that the Facilities, Planning & Operations Committee has been working on a dashboard to track facilities projects and help prioritize infrastructure needs.

Regent Simmons expressed concern with a HEAPR-only request. She noted that since the costs of HEAPR projects are not shared with the University, it could be difficult to promote the idea to the legislature.

Rosha remarked that improved marketing could help the legislature understand HEAPR requests. He suggested that providing additional information on those projects, and ways they affect the state, could help legislators feel more comfortable with the request.

The Board of Regents voted unanimously to approve the Resolution Related to the FY 2018 Capital Improvement Budget, as follows:

WHEREAS, the Board of Regents (Board) directed the administration to annually submit a capital improvement budget and a six-year capital improvement plan; and

WHEREAS, the Board has adopted principles to guide the formulation of the capital improvement budget and six-year capital improvement plan; and

WHEREAS, the Board recognizes the importance of sustaining and improving the University's facilities in support of teaching, research, and outreach; 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 realistic; and

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the FY 2018 Capital Improvement Budget and reaffirms its prior year capital expenditure authorizations.

BOARD OF REGENTS POLICY: SEXUAL MISCONDUCT

Chair Johnson invited EOAA Director and Title IX Coordinator Tina Marisam and Deputy General Counsel Brian Slovut to present for review Board of Regents Policy: *Sexual Misconduct*, as detailed in the docket.

Slovut provided context for establishment of a new policy, outlined next steps for the development of the Board and administrative policies, and reviewed the legal factors considered in this process.

Marisam reviewed changes to the policy, which she noted includes more information about processes and procedures related to sexual misconduct. She explained that the policy provides better definition of terms used in the student conduct code, making the two documents more congruous. She outlined the administrative policy and explained that it provides more detail about what can be expected following a report of sexual misconduct. Marisam shared goals met by the new policy, including ease of access to policy information, improved transparency and consistency, and fair processes for all students.

In response to a question from Regent McMillan, General Counsel Peterson explained that the work of the Board's Special Oversight Committee is not directly linked to the ongoing policy development process. He noted that the committee's review and Board action on the policy may occur on a similar timeline. Peterson added that the committee's report will provide another perspective through which the Board can evaluate the issue of sexual misconduct.

Regent Omari observed that stalking is not necessarily linked to sexual activity. He asked whether a person who is accused of stalking will be charged with sexual misconduct, even without evidence of sexual activity. Marisam responded that the Violence Against Women Act

requires that stalking be included in the policy, but agreed some instances of stalking are unrelated to sexual misconduct. She reported that the Student Conduct Code addresses stalking but acknowledged it would only apply to students, not staff or faculty.

In response to a question from Regent Hsu, Marisam noted that the Office for Civil Rights (OCR) can take years to resolve a claim. She explained the importance of having a clear policy in place now, rather than waiting for a final response from OCR.

Regent Rosha noted the importance of clarity around the policies and processes in place. He commented that OCR recommendations should be seen as a guide to establishing procedures and policy, but that the University can do more than is required.

Regent Powell agreed with the importance of education and prevention efforts, but suggested a goal of zero cases of sexual misconduct. He argued that a shift in culture is necessary. Regent Omari cautioned that a goal of zero incidents could lead to a culture of non-reporting. He emphasized that the focus should be on education and training.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent Anderson, Acting Chair of the committee, reported that pursuant to notice sent by the University, the Litigation Review Committee met on June 8, 2017. A resolution was considered and adopted that authorized the closing of the meeting. In the closed meeting a discussion was held on matters subject to the attorney-client privilege.

REPORT OF THE ACADEMIC & STUDENT AFFAIRS COMMITTEE

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

1. Approval of the Consent Report for the Academic & Student Affairs Committee as presented to the committee and described in the June 8, 2017 minutes.

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

Cohen reported that the committee also received an update on the University Progress Card; discussed academic elements of the system-wide strategic plan; and reviewed several information items as detailed in the docket.

REPORT OF THE FINANCE COMMITTEE

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

1. Approval of the Consent Report for the Finance Committee as described in the June 8, 2017 minutes.

Beeson noted that the committee voted five to one to forward the community solar garden subscription fees purchase to the Board for consideration at its meeting on June 20, 2017.

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

Beeson reported that the committee also received an update on Operational Excellence; discussed long-range financial planning; and reviewed several information items as detailed in the docket.

REPORT OF THE FACILITIES, PLANNING & OPERATIONS COMMITTEE

Regent McMillan, Chair of the committee, reported no participants for a planned public comment forum on the topic of police use of portable audio/visual recorders at the Duluth, Morris, and Twin Cities campuses. McMillan reported that the committee discussed the campus open space plan; received an update on utilities, energy management, and sustainability; and reviewed several information items as detailed in the docket.

In response to a question from Regent Omari, Interim Vice President Berthelsen clarified that the Board does not take action on the use of body-worn cameras; the only requirement was holding a public comment period. He added that administrative policy dictates when footage from the cameras can be viewed.

REPORT OF THE FACULTY & STAFF AFFAIRS COMMITTEE

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

1. Approval of the Consent Report for the Faculty & Staff Affairs Committee as presented to the committee and described in the June 8, 2017 minutes.

The Board of Regents voted unanimously to approve the recommendation of the Faculty & Staff Affairs Committee.

Simmons reported that the committee also discussed unconscious bias in hiring and promotion; reviewed University benefits and market competitiveness; received an update on the annual U Plan; and reviewed several information items as detailed in the docket.

REPORT OF THE AUDIT & COMPLIANCE COMMITTEE

Regent Lucas, Acting Chair of the committee, reported that the committee received an update on the human participant research protection plan; discussed the 2017-18 internal audit plan; received an update on recent internal audits; and reviewed information items as outlined in the docket materials.

Regent Simmons remarked that the human participant research protection plan is yielding positive outcomes and ensuring greater protection of participants. She added that faster responses to grants and research processes help provide improved service to the state. She stressed that targeted investments were necessary for these improvements.

REPORT OF THE GOVERNANCE & POLICY COMMITTEE

Regent Cohen, Chair of the committee, reported that the committee received an overview of the University Senate; recommended full Board consideration of a resolution related to Board committee structure on June 20, 2017; and discussed Board operations, including annual planning and agenda development.

The meeting adjourned at 11:42 a.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary



BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Report of the President

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler

BACKGROUND INFORMATION

It is customary for the President to report on items of interest to the University community at each Board meeting.



BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Report of the Chair

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

BACKGROUND INFORMATION

It is customary for the Chair to report on items of interest to the University community at each Board meeting.



BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Receive & File Reports

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

The following item is included for receipt and filing:

- A. Board of Regents Policy Report



Office of the Board of Regents

2017 Board Policy Report

2016-17 POLICY REVIEW SUMMARY

The objective of the policy review process is to ensure that the Board's policies align with the strategic direction and mission of the University as defined by the Board. Over the past year, the Office of the Board of Regents coordinated review of policies identified for comprehensive review and those policies identified for amendment by the Board or President.

Policies Comprehensively Reviewed - No Revisions Recommended	
1.	Campus Public Art
2.	Disability Services
3.	Employee Health Benefits
4.	Employee Performance Evaluation and Development
5.	Historic Preservation
6.	Responsibilities of the Board and Individual Regents
7.	Student Financial Aid
8.	University of Minnesota Press

Policies Amended by the Board of Regents	Date Amended
9. Animal Care and Use*	September 2016
10. Board Policy Development	May 2016
11. Investment of Reserves	June 2016
12. Reservation and Delegation of Authority (Board Authority)	May 2016

Policies Repealed by the Board of Regents	Date Repealed
13. Board Authority	May 2016

Policies Pending Action by the Board of Regents	Anticipated Action
14. Reservation and Delegation of Authority (Appointment Authority)*	July 2017

* Added to the work plan at the request of the Board or President.

2017-18 POLICY WORK PLAN

Each year, the Office of the Board of Regents develops an annual policy work plan that includes policies scheduled for comprehensive review, policies requested for inclusion by the Board or the President, or policies held over from the previous year.

Policies for Comprehensive Review in 2017-18	Last Reviewed	Adopted or Last Amended	Policy Implementer
1. Attorneys and Related Services	July 2009	October 2014	General Counsel
2. Conflict Resolution Process for Student Academic Complaints	February 2011	July 2006	Provost
3. Copyright	February 2011	December 2007	Provost
4. Employee Compensation and Recognition	July 2012	July 2012	Human Resources
5. Employee Recruitment and Retention	July 2010	July 2010	Human Resources
6. Employee Work-Life and Personal Leaves	February 2011	February 2007	Human Resources
7. Founding Date, Corporate Name and Seal, and University Marks	February 2010	February 2010	Board of Regents
8. Health and Safety	February 2011	February 2011	University Services
9. Intercollegiate Athletics - Twin Cities Campus	July 2009	July 2009	President
10. International Education and Engagement	June 2008	June 2008	Provost
11. Investment Functions	First Review	June 2011	University Finance
12. Legal Claims and Settlements	March 2009	October 2014	General Counsel
13. Mission Statement	September 2009	February 2008	Board of Regents
14. Research Involving Human Subjects	September 2012	November 2004	Research
15. Sexual Harassment	First Review	May 2012	Equity and Diversity

Policies Carried Over from 2016-17 Plan	Last Reviewed	Adopted or Last Amended	Policy Implementer
16. American Indian Advisory Boards	October 2015	January 1994	Equity and Diversity
17. Associated Organizations	First Review	March 2007	General Counsel
18. Board Operations and Agenda Guidelines	December 2012	December 2012	Board of Regents
19. Central Reserves Fund	March 2010	June 2006	University Finance
20. Legal Review of Contracts and Transactions	February 2010	February 2010	General Counsel
21. Openness in Research	February 2010	February 2010	Research

Policies Included for Possible Amendment	Last Reviewed	Adopted or Last Amended	Policy Implementer
22. Debt Transactions	December 2012	December 2012	University Finance
23. Institutional Conflict of Interest	July 2012	July 2012	President

TYPES OF REVIEW

Board policies undergo three main types of review and change:

1. Comprehensive Review

The purpose of the comprehensive review is to determine:

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

The comprehensive review also ensures that policies are monitored and reviewed in a timely manner. Each of the 92 Board policies is comprehensively reviewed every six years. Policies are divided into “classes,” which seek to balance review load across policy implementers and Board committees. Comprehensive review does not automatically lead to changes in a given policy; policies not requiring amendments are noted as current and placed back into the review cycle.

2. Off-Cycle Change

Off-cycle changes to Board policies focus on specific, essential, and time-sensitive changes and are outside of the comprehensive review cycle. When opened for an off-cycle change, the policy is not comprehensively reviewed and remains in its regular review cycle. Off-cycle changes follow the policy review process.

3. Technical Change

Board of Regents Policy: *Board Policy Development* Section III. allows for minor corrections that do not alter the substance of the policy to be made by the executive director & corporate secretary, with review by the Board chair. Technical changes are noted on the policy and updated in the Board's policy index.



BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Consent Report

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

The purpose of this item is Board action on items in the Consent Report:

A. Gifts

The President recommends approval of the Summary Report of Gifts to the University of Minnesota through May 31, 2017.

B. Finance & Operations Committee Consent Report

The President recommends approval of the Finance & Operations Committee Consent Report items, as detailed in the docket.

• *General Contingency*

The purpose of this item is to seek approval for allocations from General Contingency greater than \$250,000. There are no items requiring approval this period. The General Contingency fund ends fiscal year 2017 with a balance of \$615,213, which will carryforward into fiscal year 2018.

• *Purchase of Goods and Services \$1,000,000 and Over*

The purpose of this item is to seek approval for purchases of goods and services of \$1,000,000 and over.

- To Ameresco, Inc. and associated finance/ownership partners for a contract not to exceed \$5,500,000 to design, finance, construct, commission, maintain, own, and operate solar electric generating facilities for Facilities Management at the Twin Cities campus for a period beginning July 15, 2017, and ending no later than July 14, 2038. The prepayment will be made with University issued debt. Debt service will be paid with funds from the Electric Utility ISO. Supplier was selected through a competitive process. See enclosed documentation for additional information.

- To Dell Marketing, a Microsoft Education Large Account Reseller, for an estimated \$1,084,100 to provide software licensing for commonly used Microsoft products for all University of Minnesota faculty and staff for the Office of Information Technology (OIT) for the period August 1, 2017, through July 31, 2018. OIT will fund utilizing O&M funds. Supplier was selected through a competitive process.
- To Unizin, Ltd. for \$5,023,000 for a purchase of Canvas Learning Management System (LMS) for the Office of Information Technology (OIT) for the period July 1, 2017, through June 30, 2022. OIT will fund the annual payments utilizing O&M funds. See enclosed documentation regarding basis for supplier selection.
- *Purchase of Underwriting/Investment Banking Services*
The purpose of this item is to seek approval of the firms for underwriting and investment banking services for long-term debt to be issued during FY2018. The issuance is expected to total approximately \$380 million (par) that is a combination of new funding and the refunding of four existing outstanding general obligation series.
 - To RBC Capital Markets, LLC (RBC) as senior manager for underwriting and investment banking services for the issuance and sale of long-term debt.
 - To Wells Fargo Securities, Goldman Sachs, Barclays Capital, Inc., and Bank of America Merrill Lynch in various co-manager roles for underwriting and investment banking services for the issuance and sale of long-term debt.
- *Appointment of Robert Kase, Dean of the School of Fine Arts, University of Minnesota, Duluth.*

C. Approval of North Dakota Reciprocity Agreement

The President recommends approval of modifications to the University's reciprocity agreement with North Dakota. These modifications include termination clause language changes, mutually agreed upon changes between the Minnesota and North Dakota, and improvements to the annual memorandum of understanding between the states.

The Minnesota State Colleges and Universities Board of Trustees has approved these modifications. Additional information is included in the docket.

BACKGROUND INFORMATION

Approvals are sought in compliance with Board of Regents Policy: *Reservation and Delegation of Authority*; Board of Regents Policy: *Debt Transactions*; and M.S. 136A.08, Subd. 6.

PRESIDENT'S RECOMMENDATION

The President recommends approval of the Consent Report.

**MEETING OF THE BOARD OF REGENTS
GIFTS TO BENEFIT THE UNIVERSITY OF MINNESOTA
SUMMARY REPORT***

July 2017 Regents Meeting

	May		Year-to-Date	
	2017	2016	07/01/16 05/31/17	07/01/15 05/31/16
U of M Gift Receiving	\$ 2,236,932	\$ 86,570	\$ 3,954,589	\$ 3,133,121
4-H Foundation	48,653	130,207	628,686	831,152
Arboretum Foundation	595,786	409,809	5,228,131	9,368,608
Univ of MN Foundation	<u>40,168,514</u>	<u>24,122,755</u>	<u>303,721,042</u>	<u>263,691,377</u>
Total Gift Activity	<u>\$ 43,049,885</u>	<u>\$ 24,749,341</u>	<u>\$313,532,448</u>	<u>\$ 277,024,258</u>

*Detail on gifts of \$5,000 and over is attached.

Pledges are recorded when the commitment is made. To avoid double reporting, any receipts which are payments on pledges are excluded from the report amount.

Gifts to benefit the University of Minnesota

Gifts received in May 2017

<u>Donor</u>	<u>Gift/Pledge</u>	<u>Purpose of gift</u>
<u>\$1 Million and Over</u>		
3M Fdn. Inc.	Pledge	Various Colleges
James R. and Carmen D. Campbell	Pledge	College of Education and Human Development
Richard and Beverly Fink Fam Fnd-Fidelity Charitable	Gift	College of Liberal Arts
Childrens Cancer Research Fund	Pledge	Medical School, Academic Health Center
<u>\$500,000 - \$1,000,000</u>		
Lynne and Andrew Redleaf Fdn.	Pledge	College of Education and Human Development
Joseph M. and Mary H. Meland	Gift	Scholarships
Carl and Eloise Pohlad Family Fdn.	Pledge	Academic Health Center
Donald E. Jacobson Estate	Gift	Scholarships
Dean A. and Amy J. Sundquist	Pledge	Carlson School of Management
<u>\$250,000 - \$500,000</u>		
Hill's Pet Nutrition Inc.	Gift	College of Veterinary Medicine
Minnesota Crop Improvement Assn.	Gift	College of Food, Agricultural and Natural Resource Sciences
Lucas Brothers Fdn.	Gift	Medical School
Richard L. and Nancy M. Christiansen	Gift	School of Dentistry
Edelstein Family Fdn.	Gift	College of Liberal Arts
The Hormel Fdn.	Gift	Hormel Institute
<u>\$100,000 - \$250,000</u>		
Anonymous	Gift	Medical School
Timothy J. and Lee G. McGrath	Pledge	Intercollegiate Athletics
Leonard E. Munstermann	Pledge	University of Minnesota Morris
Douglas C. Mohl Estate	Gift	Medical School
Doris Swenson Estate	Gift	College of Veterinary Medicine
Lee B. and Margaret J. Skold	Pledge	Carlson School of Management
Blandin Fdn.	Gift	University of Minnesota Duluth
Target Corp.	Gift	Bee Research, Intercollegiate Athletics, Carlson School of Management
Wallace Johnson Estate	Gift	Medical School
3M Co.	Gift	Medical School, College of Science and Engineering
Arnold S. Leonard Cancer Research Fund	Gift	Medical School
Frank J. Vineyard Estate	Gift	Academic Health Center

\$100,000 - \$250,000

Cargill Fdn.	Gift	Minnesota Landscape Arboretum
Bezos Family Fdn.	Gift	College of Education and Human Development
Philip L. Gardner	Gift	Medical School
St. Jude Medical Inc.	Gift	College of Science and Engineering, Medical School
TransMedics Inc.	Gift	Medical School
William R. Kueffner Estate	Gift	Medical School

\$50,000 - \$100,000

Melissa Waggener Zorkin	Gift	College of Liberal Arts
Helen S. Henton Trust	Gift	Unrestricted
Anonymous	Gift	Medical School
Eugene E. Morath Estate	Gift	Undesignated
Ames Construction Inc.	Gift	Intercollegiate Athletics
DSM Nutrition Organization	Gift	College of Science and Engineering
Leon D. Birnberg Estate	Gift	Medical School
Minnesota Turf and Grounds Fdn.	Gift	College of Food, Agricultural and Natural Resource Sciences
S. and T. McCarthy Fund-Vanguard Charitable	Gift	College of Veterinary Medicine, Minnesota Landscape Arboretum
Frida A. Xhonga-Decker Estate	Gift	School of Dentistry
The Toro Co.	Gift	College of Science and Engineering
Anonymous	Gift	Humphrey School of Public Affairs
BASF Corp.	Gift	College of Science and Engineering
Dick and Peggy Lidstad	Gift	Carlson School of Management
Eric W. and Karen F. Kaler	Pledge	Medical School
Fahning Heritage Fund-National Christian Fdn.	Gift	Academic Health Center
John and Sharon Haugo Donor Advised Fund II	Gift	College of Education and Human Development, Medical School
Mark D. and Jennifer C. Labovitz	Pledge	University of Minnesota Duluth
Nii-Ayite Quaye	Pledge	Carlson School of Management
Richard and Judi Huempfner	Gift	College of Biological Sciences
Richard S. Magnusson	Gift	College of Food, Agricultural and Natural Resource Sciences
Ryan Wersten MIOP Fdn.	Gift	Medical School

\$25,000 - \$50,000

Wanhua Chemical Group LTD	Gift	College of Science and Engineering
Arvid Olson Estate	Gift	Medical School
Johnson Brothers Liquor Co.	Gift	Intercollegiate Athletics
Martin E. Davis	Gift	Intercollegiate Athletics
Luella S. Shaw Estate	Gift	Minnesota Landscape Arboretum
Katharine E. Dumas	Gift	University of Minnesota Duluth

\$25,000 - \$50,000

CoBank	Gift	College of Food, Agricultural and Natural Resource Sciences
Crawling for Reid	Gift	Medical School
Xerox Corporation	Gift	College of Science and Engineering
Shane W. Huether	Gift	Medical School
Steven J. Thomas Jr.	Gift	Scholarships
Minnesota Landscape Arboretum Auxiliary	Gift	Minnesota Landscape Arboretum
Peter A. Vorbrich	Gift	Medical School
Harold N. and Cynthia E. Goldfine	Pledge	Carlson School of Management
Robert K. Eddy	Gift	Intercollegiate Athletics
Teambackers	Gift	University of Minnesota Crookston
Land O'Lakes Inc.	Gift	Carlson School of Management, Minnesota Landscape Arboretum, College of Veterinary Medicine
American Center for Philanthropy	Gift	University of Minnesota Duluth
Blythe Brenden-Mann Fdn.	Gift	Medical School, Academic Health Center
Camfil USA Inc.	Gift	College of Veterinary Medicine
Carolyn Ward	Pledge	University of Minnesota Crookston
Chinese American Assn. of MN	Gift	Minnesota Landscape Arboretum
Cincinnati Zoo and Botanical Garden	Gift	College of Biological Sciences
Despain-Odlaug Thoughtful Fund-Fidelity Charitable	Gift	University of Minnesota Duluth
Douglas and Martha Miller Family Fund-Schwab Charitable	Gift	Medical School
E. I. DuPont De Nemours and Co.	Gift	College of Food, Agricultural and Natural Resource Sciences
Fond du Lac Band of Lake Superior Chippewa	Pledge	University of Minnesota Morris
Jacque F. and Ronald M. Frazzini	Pledge	College of Liberal Arts
Jane N. Moaty Fdn. Trust	Gift	Medical School
John and Julie Heinmiller	Pledge	Medical School
John R. and Teresa M. Kuehne	Gift	Carlson School of Management
Kathryn L. and Warren J. Plaisance	Pledge	College of Liberal Arts
Lois H. Eil Estate	Gift	Medical School
McElroy Family Fund-Fidelity Charitable	Gift	Intercollegiate Athletics
Midcontinent Communications	Pledge	University of Minnesota Crookston
Robert C. Hansen	Pledge	University of Minnesota Morris
Soran Fdn.-Signature Fund of the Mpls Fdn.	Gift	College of Education and Human Development, Intercollegiate Athletics
Supervalu Inc.	Gift	Undesignated

\$25,000 - \$50,000

Thomas A. Baden Sr.	Pledge	Scholarships
Zoetis/Pfizer Animal Health	Gift	College of Veterinary Medicine
<u>\$10,000 - \$25,000</u>		
Minnesota Veterinary Medical Fdn.	Gift	College of Veterinary Medicine
Carolina Ortiz Cordero	Gift	Medical School
Liselotte Gumpel Estate	Gift	Weisman Art Museum
Pursell Agri-Tech	Gift	College of Food, Agricultural and Natural Resource Sciences
Justin Carroll	Gift	Intercollegiate Athletics
Carol J. Lilyquist	Gift	University of Minnesota Duluth
Ameriprise Financial Inc.	Gift	Weisman Art Museum
Lyle Johnson Estate	Gift	Law School
Leonberger Health Fdn.	Gift	College of Veterinary Medicine
Cy and Paula DeCosse Fund-Mpls Fdn.	Gift	College of Liberal Arts
Leonard R. Olds and Hugh G. Rouse Trust	Gift	Libraries
MN Golf Course Superintendents Assn. Inc.	Gift	College of Food, Agricultural and Natural Resource Sciences
Diane Katsiaficas	Pledge	College of Liberal Arts
Jeannine M. Rivet	Gift	Minnesota Landscape Arboretum
Ryan Colich	Gift	Intercollegiate Athletics
Associates of the James Ford Bell Library	Gift	Libraries
Richard A. and Rene L. Zona	Gift	Medical School
Jeffrey K. and Nancy E. Berg	Gift	Intercollegiate Athletics
Syngenta Crop Protection LLC	Gift	College of Food, Agricultural and Natural Resource Sciences
Craig R. and Robin J. Dahl	Gift	Medical School
The Minneapolis Fdn.	Gift	4H Foundation, College of Education and Human Development
Cargill Inc.	Gift	Carlson School of Management, Minnesota Landscape Arboretum
Benjamin J. Peake	Gift	Medical School
Acist Medical Systems Inc.	Gift	Medical School
Boston Scientific Corp.	Gift	College of Science and Engineering
Carole Cooper Martin Fdn.-Fidelity Charitable	Gift	College of Food, Agricultural and Natural Resource Sciences
James T. Van Meter	Gift	Minnesota Landscape Arboretum
Jay and Rose Phillips Family Fdn. of MN	Gift	Humphrey School of Public Affairs
John Jaros	Gift	University of Minnesota Duluth
Matthew and Jenni Hanson	Gift	Medical School
McVay Fdn.	Gift	College of Continuing Education
RBT International Co.	Gift	Minnesota Landscape Arboretum

\$10,000 - \$25,000

Richard K. and Theresa A. Davis	Gift	Scholarships
Seagate Technology LLC	Gift	College of Liberal Arts
Spinal Cord Society	Gift	Medical School
Pohlad Companies	Gift	Intercollegiate Athletics
Chloe Cunagin	Gift	Medical School
Bradley A. Hoyt	Gift	Intercollegiate Athletics
Christopher J. Kahler	Gift	Intercollegiate Athletics
Genz-Ryan Plumbing and Heating Co.	Gift	Intercollegiate Athletics
Mann Lake Ltd	Gift	College of Food, Agricultural and Natural Resource Sciences
MN Annual Conference-United Methodist Church	Gift	College of Food, Agricultural and Natural Resource Sciences
American Legion Family Brain Sciences Fdn.	Gift	Medical School
John E. and Nancy E. Lindahl	Gift	Medical School
James Forbes	Gift	Intercollegiate Athletics
Cliffs Natural Resources Inc.	Gift	University of Minnesota Duluth
National Crop Insurance Services	Gift	College of Food, Agricultural and Natural Resource Sciences
Mocon Inc.	Gift	College of Science and Engineering
UnitedHealth Group Inc.	Gift	Various Colleges
Thomas C. Giel	Gift	Intercollegiate Athletics
The Duane Rost Fund	Gift	Medical School
Christopher J. and Christina L. King	Gift	Medical School
Hugh Edmondson Jr. and Joyce Edmondson	Gift	Minnesota Landscape Arboretum
Larry A. Zavadil	Gift	Intercollegiate Athletics
Best Buy Purchasing LLC	Gift	Humphrey School of Public Affairs
Scott H. Fisher	Gift	Minnesota Landscape Arboretum
Laurie K. Houle	Gift	Medical School
Harvey B. Mackay	Gift	Intercollegiate Athletics
Ann and Brian Folkman	Gift	Medical School
Charles C. and Dora Lee Fund-Fidelity Charitable	Gift	Minnesota Landscape Arboretum
Allina Health System	Gift	Medical School
Anonymous	Gift	College of Design
Association of USFWS Retirees	Gift	University of Minnesota Extension
Barbara Forster and Lawrence Hendrickson	Gift	Academic Health Center
Carlson Family Fdn.	Gift	Northrop
Cub Cares Community Fund-Signature Fund	Gift	Academic Health Center
Mpls Fdn.		
Cynthia M. Page	Gift	Minnesota Landscape Arboretum

\$10,000 - \$25,000

Detroit Zoological Society	Gift	College of Biological Sciences
Di and Lynn C. Chen Charitable Fund-Schwab Charitable	Gift	Minnesota Landscape Arboretum
Federated Insurance Co.	Gift	Intercollegiate Athletics
Great Clips Inc.	Gift	Medical School
Growth Energy	Gift	Hormel Institute
Hugh and Vera Miller	Gift	Medical School
J. W. Johnson Family Charitable Trust	Gift	Hormel Institute
James A. Johnson	Gift	Humphrey School of Public Affairs
James W. and Roberta L. Ramsey Charitable Fund	Gift	College of Science and Engineering
Joseph D. Miller Family Fund of the St. Paul Fdn.	Gift	Medical School
Kevin and Cindy Roberg	Gift	Medical School
Kjell Bergh's Borton Volvo Inc.	Gift	Humphrey School of Public Affairs
Minnesota Corn Growers Assn.	Gift	Minnesota Landscape Arboretum
Minnesota Ornithologists Union	Gift	College of Food, Agricultural and Natural Resource Sciences
Pelican Lake Association of Crow Wing County	Gift	College of Food, Agricultural and Natural Resource Sciences
Robert and Paula Maisel Charitable Account	Gift	Medical School
Timothy T. K. Jung	Gift	Medical School
<u>\$5,000 - \$10,000</u>		
American Academy of Dermatology	Gift	Medical School
Miami-Dade County Florida	Gift	College of Biological Sciences
The Living Desert	Gift	College of Biological Sciences
Vivid Seats	Gift	Intercollegiate Athletics
Kristen Kowalski	Gift	Medical School
Kohl's Corp.	Gift	Minnesota Landscape Arboretum
Mark Peer	Gift	Intercollegiate Athletics
Scott A. Harris	Gift	Medical School
William and Kristin Henak	Gift	Medical School
Institute of Electrical and Electronics Eng. Inc.	Gift	College of Science and Engineering
Precision Lens	Gift	Intercollegiate Athletics
Sylvia M. Turbis Estate	Gift	Academic Health Center, Medical School
U S Bank-National Corporate Banking	Gift	Minnesota Landscape Arboretum
Robert F. Crosby	Gift	Intercollegiate Athletics
Center for Computer-Assisted Legal Instruction	Gift	Law School
Dugout Club	Gift	Intercollegiate Athletics

\$5,000 - \$10,000

Jacob L. Toledo	Gift	Medical School
Noel P. Rahn Sr.	Gift	Intercollegiate Athletics
Richard D. Koats	Gift	Academic Health Center
Valent USA	Gift	College of Food, Agricultural and Natural Resource Sciences
Vishva and Manjul Dixit	Gift	College of Biological Sciences
Willis and Dorothy Peterson Fund-Fidelity Charitable	Gift	College of Food, Agricultural and Natural Resource Sciences
Truist	Gift	Various Colleges
Directors Philanthropy Trust-US Char Gift Trust	Gift	Law School
Dryer Family Fdn.	Gift	Medical School
Fred C. and Katherine B. Andersen Fdn.	Gift	Minnesota Landscape Arboretum
Nancy Ebert and Stephen Jensik Trust	Gift	Medical School
Roger A. Lubke	Gift	Minnesota Landscape Arboretum
The St. Paul Radiology Fdn. of The St Paul Fdn.	Gift	Medical School
Watson-Forsberg Co.	Gift	Humphrey School of Public Affairs
Jason D. Alt	Gift	Medical School
Lucas and Libby Detor	Gift	Medical School
Debra J. Joelson	Gift	Medical School
Rita E. Gengler	Gift	School of Nursing
Richard B. Sachs	Gift	Intercollegiate Athletics
David Keller	Gift	Medical School
David L. Ekstrand and Mary K. St. John	Gift	Intercollegiate Athletics
Minnesota Mental Health Community Fdn.	Gift	Medical School
Lyle and Jane Fahning	Gift	Medical School, Intercollegiate Athletics
Michael B. Wright	Gift	Intercollegiate Athletics
Susan DeNuccio and Family Fdn-Fidelity Charitable	Gift	Northrop
Gregory M. and Julie A. Frandsen	Gift	Medical School, Academic Health Center
H. William Walter	Gift	Intercollegiate Athletics
Gregory S. Mitsch	Gift	Intercollegiate Athletics
Robert C. Klas Sr.	Gift	Intercollegiate Athletics
Shannon and Jeff Horsager	Gift	Medical School
Hubbard Broadcasting Inc.	Gift	Intercollegiate Athletics
James W. Nelson	Gift	Intercollegiate Athletics
Phillip and Heather Fleck	Gift	Medical School
Wells Fargo Fdn.	Pledge	Various Colleges
Bernard P. Aldrich	Gift	Intercollegiate Athletics

\$5,000 - \$10,000

Carthage Veterinary Service LTD	Gift	College of Veterinary Medicine
Demeter Services Veterinaires Inc.	Gift	College of Veterinary Medicine
Ernest C. Pierson	Gift	Intercollegiate Athletics
Fairmont Veterinary Clinic LLP	Gift	College of Veterinary Medicine
John R. Bruellman	Gift	Intercollegiate Athletics
Louis F. Lawrence Estate	Gift	College of Veterinary Medicine
Pioneer Hi-Bred International Inc.	Gift	College of Food, Agricultural and Natural Resource Sciences
Pipestone Veterinary Services	Gift	College of Veterinary Medicine
Schwartz Wilke Farms LLP	Gift	College of Veterinary Medicine
Swine Vet Center PA	Gift	College of Veterinary Medicine
Lola Red PR	Gift	Academic Health Center
Thomas M. and Laura L. Davidson	Gift	College of Veterinary Medicine
Joseph Gehlen	Gift	Intercollegiate Athletics
General Mills Inc.	Gift	College of Food, Agricultural and Natural Resource Sciences, Intercollegiate Athletics
Diana L. Hippel	Gift	Intercollegiate Athletics
Susan R. Doherty	Gift	Medical School
Alta M. Oben	Gift	University of Minnesota Duluth
Minnesota Department of Corrections	Gift	Undesignated
Wells Fargo Bank NA	Gift	Medical School
GlobalTranz Enterprises Inc.	Gift	Academic Health Center
Robbin Hilgert	Gift	Medical School
Philip O. and Ludmilla J. Isaacson	Gift	College of Veterinary Medicine
Carson Kipfer	Gift	Medical School
Wells Fargo Bank Minnesota	Gift	Intercollegiate Athletics
Shanaz and James Costa	Gift	Medical School
John K. Lamoreaux Jr.	Gift	Intercollegiate Athletics
Gary A. Reetz	Gift	Northrop
Allan and Evelyn Gebhard Charitable Fund of UBS	Gift	Minnesota Landscape Arboretum
Anonymous	Gift	University of Minnesota Duluth
Barbara J. Merrill	Gift	School of Nursing
Boehringer Ingelheim Vetmedica Inc.	Gift	College of Veterinary Medicine
Bryce and Phyllis Cunningham	Gift	College of Biological Sciences
Charles H. Swenson	Gift	Medical School
CSM Corp.	Gift	Medical School
Danisco	Gift	College of Food, Agricultural and Natural Resource Sciences
Darigold Inc.	Gift	College of Food, Agricultural and Natural Resource Sciences
Dayton Fdn. Depository Inc.	Gift	Minnesota Landscape Arboretum

\$5,000 - \$10,000

Devra Miller Breslow	Gift	School of Public Health
Donald C. MacMillan	Gift	Minnesota Landscape Arboretum
Dorion L. Taylor	Gift	Office for Equity and Diversity
Dorit P. Ansari	Gift	College of Science and Engineering
Elayne B. Wolfenson	Gift	College of Liberal Arts
Elizabeth Lo	Gift	Minnesota Landscape Arboretum
Fairview Health Services	Gift	Medical School
Fluid Fertilizer Fdn.	Gift	College of Food, Agricultural and Natural Resource Sciences
Genomic Health Inc.	Gift	Academic Health Center
Hammel Green and Abrahamson Inc.	Gift	Academic Health Center
Hubert Joly	Gift	Carlson School of Management
J. Hayes Batson and Alicia Kunin-Batson	Gift	Medical School
James Brustad	Gift	Humphrey School of Public Affairs
James FX Fahy	Gift	University of Minnesota Duluth
Jenelle M. Rank	Pledge	Medical School
Joanne A. Stohl	Gift	Libraries
John C. Goetz	Gift	Law School
John N. and Joan W. Petroff	Pledge	College of Liberal Arts
Joni Koptizke	Pledge	University of Minnesota Morris
Joseph R. Favour	Gift	College of Design
Katherine and Dana Eaton	Gift	College of Food, Agricultural and Natural Resource Sciences
Kathleen M. Schmidtkofer	Gift	Medical School
King Family Fund-Fidelity Charitable	Gift	College of Food, Agricultural and Natural Resource Sciences
Lois A. Anselment	Gift	Minnesota Landscape Arboretum
Lydia Roth-Laube and Herbert Laube	Pledge	Medical School
Marc E. and Kathy Uknis	Gift	Medical School
Marie E. Manthey	Gift	School of Nursing
Matthew Shamp	Gift	Academic Health Center
Mississippi Valley Properties LLC	Gift	Urban Research and Outreach-Engagement Center
Navigate Forward Inc.	Gift	College of Veterinary Medicine
Oppidan Inc.	Gift	Medical School
Parke W. Kunkle	Pledge	College of Food, Agricultural and Natural Resource Sciences
Patricia A. Erlandson	Gift	Medical School
Paul Taskalos	Gift	Academic Health Center
Richard M. and Mary C. Fowler	Gift	College of Food, Agricultural and Natural Resource Sciences
Rob and Barb Schaller Charitable Fnd-Fidelity Charitable	Gift	College of Food, Agricultural and Natural Resource Sciences

\$5,000 - \$10,000

Robert and Diane Meierhoff	Gift	University of Minnesota Duluth
Roger H. and Phyllis H. Sherman	Gift	College of Veterinary Medicine
Russell Cowles II	Gift	Weisman Art Museum
Schreiber Foods	Gift	College of Food, Agricultural and Natural Resource Sciences
Sheet Metal Connectors Inc.	Gift	Medical School
Shirley S. Olson Estate	Gift	Libraries
SipcamAdvan	Gift	College of Food, Agricultural and Natural Resource Sciences
Sping Lin	Gift	Minnesota Landscape Arboretum
Susan Phipps-Yonas and Albert Yonas	Pledge	Medical School
Swenson Family Fdn.	Gift	University of Minnesota Duluth
The Mosaic Co.	Gift	College of Food, Agricultural and Natural Resource Sciences
The Nerdery	Gift	College of Science and Engineering
The Sauer Family Fdn.	Gift	College of Education and Human Development
Thor P3 Development LLC	Gift	Urban Research and Outreach-Engagement Center
Tillamook County Creamery Association	Gift	College of Food, Agricultural and Natural Resource Sciences
Travis G. Dhein	Gift	Academic Health Center
Veterans of Foreign Wars Post 5039 of Morris	Pledge	University of Minnesota Morris
Vital Images Inc.	Gift	College of Science and Engineering
Wiswall Endodontics PC	Gift	School of Dentistry
Yenchi P. Lo	Gift	Minnesota Landscape Arboretum

General Contingency

Fiscal Year 2016-17

Recipient	Amount	Balance	Purpose
1 FY2017 General Contingency		\$1,000,000	
2 Carryforward from FY16 to FY17	(22,500)	1,022,500	
3 Facilities Management	88,000	934,500	Eastcliff small capital & large maintenance projects in FY16
4 U Services	(5,515)	940,015	Return of unused funds from reconstruction of Eastcliff Event Lawn Space
5 Capital Planning & Project Mangement	125,000	815,015	Replacement of 3 boilers at the North Central Research & Outreach Center in Grand Rapids
6 Capital Planning & Project Mangement	(180)	815,195	Return of unused funds from Rare Books pre-design funds given to CPPM in FY16
7 Capital Planning & Project Mangement	(18)	815,213	Return of unused funds from Rare Books-MINITEX predesign
9 President's Office	* 350,000	465,213	Offset expenses incurred for executive level searches
10 Capital Planning & Project Mangement	(150,000)	615,213	Return of funds for TCF Bank Stadium security bollards
8 New items this reporting period:			
None			
11 FY 2016-2017 Ending Balance		615,213	

* Subject to Board approval due to cost of \$250,000 or more

FY17 r. FYE 2017

Purchase of Goods and Services \$1,000,000 and over

To Ameresco, Inc. and associated finance/ownership partners for a contract not to exceed \$5,500,000 to design, finance, construct, commission, maintain, own, and operate solar electric generating facilities for Facilities Management at the Twin Cities campus for a period beginning July 15, 2017 and ending no later than July 14, 2038.

The University delivers energy services based on three principles – cost effectiveness, reliability, and sustainability – and staff regularly evaluate opportunities to improve performance relative to these principles. To that end, in November 2015, University Services with participation from Office of General Counsel, the Controller's Office, Office of Tax Management, and other University stakeholders, and supported by an external consultant, began evaluating the financial feasibility and risks associated with on-site solar. As a result of the evaluation, the University determined that an on-site solar electricity facility offered an opportunity to advance our energy management principles. Through the process, the University also determined that partnering with a private party to develop and own the facility could result in better management of operating risks and improved cost effectiveness.

The University issued a request for proposal in November 2016 for a vendor to design, finance, construct, commission, maintain, own and operate solar photovoltaic (PV) facilities. Four vendors submitted proposals. Ameresco, Inc. was selected based on their competitive pricing, their experience developing large renewable energy installations in Minnesota and for higher education clients across the US, the strength of their team, and their capacity to find and willingness to implement the financing and contracting structure the best fulfills the University's needs.

The purchase is for a 20-year contract. The University will purchase power from the facility via a Power Purchase Agreement. The University will make a prepayment for some of the expected power generation. The prepayment amount will not exceed \$5,100,000. The contract includes provisions for the University to purchase the solar facility at regular intervals and terminate ownership by Ameresco and their partners. If the University exercises that option and operates the facility over its 25 year service life, avoided utility costs are estimated to total \$9,500,000.

The prepayment will be made with University issued debt. Debt service will be paid with funds from the Electric Utility ISO.

Submitted by: Shane Stennes
Donhowe Building, Room 300
Twin Cities Campus
Phone: (612) 626-2588
Fax: (612) 626-0234

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Approval for this item requested by:

Michael Berthelsen

Interim Vice President, University Services

6-28-17

Date

Additional Information for Board of Regents Consent Item
Recommended Purchase of On-Campus Solar Energy
July 12, 2017

Background

The University delivers energy services based on three principles – cost effectiveness, reliability, and sustainability – and staff regularly evaluate opportunities to improve performance relative to these principles. To that end, the University issued a request for proposal in November 2016 for a vendor to design, finance, construct, commission, maintain, own, and operate solar electric generating facilities on the University campus to provide electricity for University consumption. Four vendors submitted proposals. Ameresco, Inc. was selected based on their competitive pricing, their experience developing large renewable energy installations in Minnesota and for higher education clients across the US, and their capacity to work with various financing and contracting structures.

This recommended purchase is a public-private partnership. Ameresco and their partners will be responsible for capital financing, design, construction, commissioning, maintenance, and ownership of the facility, while the University will host the facility on its property and be the consumer of the electricity generated.

The proposed solar facilities will comprise approximately 1% of our total electrical portfolio. Over the solar facilities' service life, we anticipate modest savings. This project is a way to advance our carbon reduction commitment and demonstrate sustainability leadership. It also hedges our electricity financial portfolio while limiting our institutional risk that we would have if we did it all ourselves.

Terms, Financial Impacts, Emissions Impacts

The purchase is a 20-year contract, with a term date based on the date of commercial operation. The University will purchase power from the solar facility via a Power Purchase Agreement. The steps in the development are as follows:

- The University makes a prepayment of the expected electricity generation for the first seven years. The prepayment amount will be \$5,100,000 or less. The University will not make any additional payment for the purchase of solar electricity until the prepayment volume of electricity is received.
- Ameresco and their partners design, engineer, purchase equipment, construct, own, and operate the array over the life of the contract. The developer bears the risk for the project and operations.
- After year 7, when the developer has realized the tax benefits and depreciation, the University will have an option to purchase the array.
 - If the University does not exercise the purchase option, we will continue to purchase electricity from the array at a rate of \$0.055 per kilowatt hour or an average of \$152,000 per year for the remainder of the 20 year contract.
 - If the University exercises the purchase option, the University will own the asset and receive electricity from the solar facility without paying a per kilowatt hour cost.

However, we will be responsible for operating and maintaining the equipment at an estimated average annual cost of \$41,000 per year for the remaining service life of the solar facility.

- As comparison, the projected average annual cost we will pay to Xcel over the same period, for the same quantity of electricity is \$367,000.

These financial projections assume: a 3% annual increase in purchased electricity costs from Xcel and a solar facility degradation of 0.5% annually.

The costs under either buyout scenario above will be offset by the University's avoided costs of electricity that would otherwise have been purchased from Xcel Energy. The value of the electricity not purchased from Xcel over 25 years is estimated to be \$9,500,000.

The solar facilities are guaranteed to produce a minimum of 2,944,000 kilowatt hours of electricity in year 1, which is equivalent to the electric consumption of 323 average Minnesota homes or approximately 1% of the campus' annual electrical consumption.

Additionally, the solar electricity will reduce greenhouse gas emissions by over 35,000 metric tons of CO₂ equivalents.

The requested purchase authority of \$5,500,000 accounts for the anticipated cost of the future purchase option, but the University will not be obligated to purchase the solar facility. We may choose not to exercise our purchase option for a variety of reasons such as changes in solar technology or the convenience of having another party responsible for operations and maintenance.

Installation Locations

The solar facilities will be hosted on sites on the Twin Cities campus. Ameresco and their partners will have a site license for use of these locations for the purposes of the solar facilities. The proposed installation sites are listed below along with the type of installation in parenthesis:

- St. Paul
 - Gortner Avenue Ramp (Carport)
 - Ruttan Hall Roof (Ballasted Roof-Mount)
 - Learning and Environmental Sciences Roof (Ballasted Roof-Mount)
 - Continuing Education Building Roof (Ballasted Roof-Mount)
- West Bank
 - Lot C86 (Carport)
 - West Bank Field (Ground Mount)
 - Mondale Hall Roof (Ballasted Roof-Mount)
 - Wiley Hall Roof (Ballasted Roof-Mount)
- East Bank
 - Center for Excellence Roof (Ballasted Roof-Mount)

Photos and renderings of the different installation types are included below.



Figure 1- Roof-Mount Example from Arizona State University



Figure 2 - Rendering of West Bank Lot C86 Carport Installation

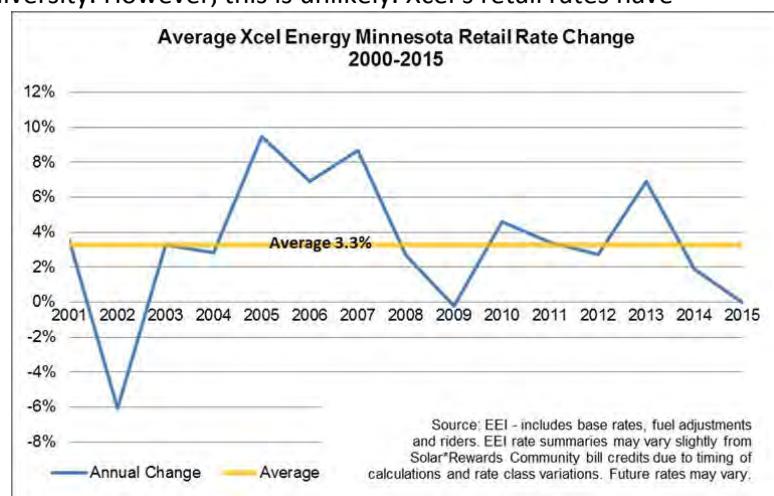


Figure 3 - Rendering of West Bank Ground Mount Installation

Risks

Summarized below in **Bold** are some potential risks to the institution. Following each bold statement is a brief analysis of the risk and how it is mitigated.

1. **Production Risk – the solar facility does not produce as much electricity as projected.** Under the terms of the power purchase agreement, Ameresco guarantees a specific amount of generation from their facilities. If the facility does not generate the expected amount, Ameresco will provide some monetary compensation to the University for the generation not delivered. The University will continue to receive electricity from the grid, so teaching and research are not disrupted.
2. **Avoided Rate Risk – the cost of utility power does not increase, does not increase at the expected rate of 3% annually, or decreases.** The financial returns to the University may diminish or may result in a net cost to the University. However, this is unlikely. Xcel's retail rates have increased consistently over time, an average of 3.3% annually from 2001-2015 and they are projected to increase in the future. Even if the retail rates increase at a slower rate or decrease, we will realize savings on the rest of our electricity costs paid to Xcel, offsetting the impact. Having multiple sources of energy moderates rate risk across the portfolio.
3. **Solar PPA Rate Risk – the rate or other costs we pay to Ameresco changes.** Pricing paid to Ameresco and their partners is set for



the life of the contract. The pricing is all inclusive as the PPA provider has responsibility of operations and maintenance costs for as long as they own the array.

4. **Counterparty Insolvency - the solar operator/developer goes bankrupt.** Our RFP process screened partners for financial health and viability. However, in the event of a developer bankruptcy, the contract includes provisions for the developer's financers to assume the contract. Alternatively, the University can buyout the contract and assume ownership of the array continuing to receive the benefits of the electrical generation provided.

Purchase of Goods and Services \$1,000,000 and over

To Dell Marketing, a Microsoft Education Large Account Reseller, for an estimated \$1,084,100 to provide software licensing for commonly used Microsoft products for all University of Minnesota faculty and staff for the Office of Information Technology (OIT) for the period August 1, 2017 through July 31, 2018.

This is a renewal of an Enrollment for Education Solutions (EES). This subscription program is an annual comprehensive licensing program specially created to address the needs of higher education institutions. Utilizing this Agreement ensures that Microsoft software will be available to University of Minnesota faculty, staff and students. This subscription is a benefit to faculty, staff and students supporting standardization of documents, analysis and reports.

Included in this purchase is a product, Windows Remote Desktop Services Device Client Access Licenses (CALs) that will provide part of the mechanism to deliver applications to any device. Students will be able to download and use free of charge Microsoft Office 365 ProPlus desktop applications.

Faculty/Staff Benefits:

This Agreement includes current versions and upgrade as well as downgrade rights over the course of the contract for: Microsoft Office Pro Plus for Windows, Office Standard for Macintosh, Windows Enterprise Operating System upgrades, Software Assurance benefits, all versions of Windows Servers, SharePoint Servers, Exchange Servers, System Center Endpoint Protection, standard Client Access Licenses (CALs), SQL Server CALs, Microsoft Desktop Optimization Pack (MDOP) and Windows Remote Desktop Services Device CALs.

Student Benefits:

Students are allowed to use Microsoft Office in University-managed computer labs and take advantage of a Microsoft program called Student Advantage enabling students to download and install Microsoft Office 365 ProPlus desktop applications on up to 15 devices, including mobile devices.

The vendor was selected as a result of an earlier competitive bid process among Microsoft Education Large Account Resellers.

OIT will fund utilizing O&M funds.

Submitted by: Ron White
Purchasing, OIT Business Office
Phone: (612) 625-2333

Approval of this Item is requested by:

Vice President and CIO

06 - 26 - 17

Date

Purchase of Goods and Services \$1,000,000 and over

To Unizin, Ltd. for \$5,023,000 for a purchase of Canvas Learning Management System (LMS) for the Office of Information Technology (OIT) for the period July 1, 2017 through June 30, 2022.

This five year cost includes initial implementation and training along with a dedicated test cluster, annual subscription and support.

After a two-year pilot of Instructure's Canvas cloud-based LMS, senior leadership at the University of Minnesota have decided to move to Canvas from Moodle. Unizin, a consortium of which the University of Minnesota is a founding member, did a Request for Proposal (RFP) and selected Canvas by Instructure as its Learning Management System (LMS). This was a competitively bid RFP followed by a detailed evaluation process.

This is the second of two financial commitments with Unizin. The first (Unizin membership fee) was a consent item that was approved in June 2017.

Canvas will provide the following benefits to the University of Minnesota:

- *A standards-based environment for accessible and universally designed courses*
- *Data for analytics to help students, faculty and researchers understand and potentially optimize digital learning behaviors and environments*
- *Supports collaboration in allowing institutions to discover and contribute content across universities*
- *When used in tandem with the applications and services designed for the Unizin consortium, Canvas will provide a platform for major initiatives in teaching and learning and leverage collaborative efforts with our peer institutions in the Unizin consortium*
- *Supports accessibility for all learners*

OIT will fund the annual payments utilizing O&M funds.

Submitted by: Ron White
Purchasing, OIT Business Office
1300 South Second Street
Mpls. Campus
Phone: (612) 625-2333
Fax: (612) 625-3521

Approval of this Item is requested by:

Vice President and CIO

06-22-2017

Date

Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid directly by the University of Minnesota because we are a founding member of Unizen, a consortium of twelve higher education institutions including seven Big Ten schools.

Unizen, on behalf of its member institutions, conducted a competitive Request for Proposal followed by a detailed evaluation process. Through this process Canvas by Instructure was selected as a Learning Management System (LMS). The University then conducted a two year pilot of Canvas and a majority of the stakeholders preferred Canvas to the University's current LMS, Moodle. Most of the Big Ten schools have adopted or are adopting Canvas.

The University receives an additional 30% discount by purchasing Canvas through Unizen rather than purchasing directly through Infrastructure and 3% caps on annual increases, rather than 5%, has been negotiated.

The Director of Purchasing and the University Controller concluded that this is a reasonable exception.

Purchase of Underwriting/Investment Banking Services

- To RBC Capital Markets, LLC (RBC) as senior manager for underwriting and investment banking services for the issuance and sale of long-term debt
- To Wells Fargo Securities, Goldman Sachs, Barclays Capital, Inc., and Bank of America Merrill Lynch in various co-manager roles for underwriting and investment banking services for the issuance and sale of long-term debt

These vendors make up the pre-qualified firms in the senior manager pool for the period FY2016 – FY2020 that was chosen through a competitive bidding process and approved by the Board of Regents in February 2016.

The University is seeking authorization to issue debt in the amount up to \$141,000,000 for various capital projects. In addition, in October 2016, the Board of Regents authorized the refunding of up to five series of general obligation bonds within the following twelve months if deemed appropriate. Based on current market conditions, net present savings for four of the five series total approximately \$21.1 million with an expected average annual debt service savings of approximately \$1.2 million.

Efficiencies can be gained by combining a new money issuance with a refunding issuance. The combined par value of bonds to be issued with the new money of \$141 million and the refunding of the four general obligation series is expected to be approximately \$380 million. Therefore, it is prudent to use the entire approved underwriting pool in various capacities to enable a successful and competitive sale of bonds for the University.

RBC is recommended as senior manager since they were approved as senior manager in February 2016 for the sale of bonds related to Twin Cities Athletic facilities through FY2020. Debt related to Athletes Village and the new track makes up approximately \$100 million of the \$141 million needed in new money proceeds.

Cost for the services (referred to as “underwriter’s discount”) will be negotiated at the time of the actual sale of bonds and is dependent on the amount of bonds to be sold and the current market value of underwriter services at that future date. This fee is allocated among the five investment banking firms based on their respective roles and services they provide. Underwriter’s discount is considered a “cost of issuance” which is paid for with bond proceeds received.

Submitted by: Carole J Fleck, Director of Debt Management

Approval is requested by:

Brian D. Burnett, Senior Vice President for Finance and Operations, CFO & Treasurer

Background Information for the Approval of Dr. Robert Kase Dean, School of Fine Arts, University of Minnesota Duluth

Personnel Appointment

Pending approval by the Board of Regents, **Dr. Robert Kase** will be appointed Dean of the School of Fine Arts on the University of Minnesota Duluth (UMD) campus, effective June 30, 2017.

Position Overview

The Dean is responsible for the academic leadership of the School of Fine Arts (SFA), administration of and oversight and accountability for the school, overseeing the planning, stewardship management, fiscal, capital and human resources of the college. The Dean also oversees the ongoing programs and resources, program development and assessment, promotion and maintenance of effective relationships with the community, development of effective fund raising strategies and maintenance of productive administrative relationships at UMD and with the other units of the University of Minnesota System.

Appointees Background and Qualifications

Dr. Kase is an accomplished academic leader, administrator, and performer who, since 2009, has been Dean of the College of Arts and Sciences – University of St. Francis (USF). Previously, he was the Chair of the Department of Music at University of Wisconsin Stevens Point. Dr. Kase is an accomplished performer and has performed on more than 200 recording projects, and is a GRAMMY-nominated, international trumpet artist that has heralded high acclaim from around the world.

Dr. Kase is an alumnus of UMD and has completed graduate degrees at North Texas State University, Masters Music Education, and the University of Minnesota Twin Cities, from which he received a Doctorate of Music Arts.

An active music administrator and leader, Dr. Kase has led many music education organizations Wisconsin School of Music Association, Wisconsin Music Educators Association and the Wisconsin Foundation for School of Music. He often gives presentations and lectures on trumpet performance, music education issues, leadership seminars and liberal arts workshops. He has written four books and numerous journal and magazine articles. He has conducted various ensembles and honor groups all over the United States and continually appears as guest artist in residence in Europe and Scandinavia. He is an active trumpet artist for the Schilke Music Corporation and his successful work as an artist/clinician has placed him in high demand as soloist and lecturer in a wide variety of mediums including appearances as soloist with the International Trumpet Guild in Germany, tours to Russia, France, Sweden, Switzerland, Germany and more. He has been a regular solo artist at festivals, concerts, schools and universities around the world.

Dr. Kase is an experienced fund-raiser. His fund raising efforts allowed for a New Fine Arts Building at University of Wisconsin Stevens Point. He raised outside funds for the completion of a new Digital Audio Recording Studio at University St. Francis and assisted in

establishing new annual scholarships and endowments. He utilizes his performance abilities to create a campaign and endowment for CD recordings for Faculty and Ensembles along with a Jazz Scholarship Endowment.

Recommended Salary and Appointment Type

Dr. Robert Kases' annual salary will be \$142,000. His appointment as Dean is a 100%-time, A-term (12-month), L-type (limited) appointment, reporting to and serving at the pleasure of the Executive Vice Chancellor of Academic Affairs at the University of Minnesota Duluth. The full employment agreement between the University of Minnesota and Dr. Kase is attached as an exhibit.

Individually Negotiated Terms of Employment or Separation Agreements

There are no individually negotiated terms of employment or separation agreements.

Comparable Market Data

The 2016* median salary for Dean of Fine Arts is \$157,749 among UMD's most comparable peers: California Polytechnic State University-San Luis Obispo, CA; College of Charleston, SC; Minnesota State University-Mankato, MN; South Dakota State University, Brookings, SD; Southern Illinois University at Edwardsville, IL; University of Massachusetts Dartmouth, MA; University of Michigan-Dearborn, MI; University of North Carolina at Charlotte, NC; University of Northern Iowa, Cedar Falls, IA; Western Michigan University, Kalamazoo, MI; and Western Washington University, Bellingham, WA.

According to the Chronicle of Higher Education's 2016* Almanac, the median salary for Dean of Fine Arts is \$141,873 for all institutions national-masters.

With respect to a broad set of all doctoral institutions that submitted salary data for the 2016 CUPA-HR (College and University Professional Association for Human Resources) survey, including public and private institutions, the median salary for the position of dean of fine arts is \$145,000.

Finally, in determining Dr. Kases' compensation, the outgoing Dean's salary of \$142,000 was also a factor, with similar years of experience and expertise.

President's Recommendation

The president recommends the appointment of Dr. Robert Kase as the Dean of the School of Fine Arts at the University of Minnesota Duluth.

*2015 data aged to 2016

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of this 2nd day of June, 2017, by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the "University"), and Robert Kase ("Robert Kase," "you").

WHEREAS, the University wishes to employ Robert Kase as the Dean of the School of Fine Arts (SFA) at the University of Minnesota Duluth and Robert Kase wishes to accept employment as Dean of the UMD School of Fine Arts;

WHEREAS, this Employment Agreement is subject to the approval of the Board of Regents of the University of Minnesota and the completion of a background check satisfactory to the University;

THEREFORE, the University and Robert Kase agree as follows, subject to the approval of the Board of Regents:

I. EMPLOYMENT TERM AND DUTIES

Subject to the terms and conditions of this Agreement and University Policies and Procedures, the University appoints Robert Kase as the Dean of the School of Fine Arts and he agrees to be so employed by the University for a one year term commencing on June 30, 2017, and renewable on an annual basis. The Dean of the School of Fine Arts is a 100-percent time, 12-month L appointment in the professional and academic personnel classification who serves as an at-will employee at the pleasure of the Executive Vice Chancellor for Academic Affairs. As such, you report to and serve at the pleasure of the Executive Vice Chancellor for Academic Affairs and your appointment may be terminated at any time without advance notification.

II. DUTIES

During the term of your employment as Dean of the School of Fine Arts you will diligently and consciously devote your full-time attention and best efforts in performing and discharging the duties of Dean of the School of Fine Arts as they are set forth in the job description for this position (attached) including, but not limited to, the following duties:

- A.** Work collaboratively with SFA faculty, students, staff, and others across the University and externally to advance the School's overall quality, reputation, and aspirational goals;
- B.** Provide administrative oversight of the School, including overall strategic leadership and accountability; oversee planning, stewardship, and management of fiscal, capital, and human resources of the School;
- C.** Promote and represent the interests of the School in positive fashion in private and public forums; serve as a leader for public policy research, scholarship, teaching, and engagement in the University community and the broader community;
- D.** Provide the creative, strategic leadership, resource management skills, and collaborative leadership to leverage the full interdisciplinary breadth of the School, incorporate forward-looking trends in fine arts and higher education, and catalyze new opportunities for innovation and collaboration;

- Exec Oper/Stud
- E. Oversee recruitment and retention of outstanding faculty, students and staff;
 - F. Support the School through fundraising; lead efforts to secure philanthropic support; and garner support for the School from both internal and external stakeholders;
 - G. Promote and strengthen international and multicultural research and education; advance diversity across the School and productive engagement with local and global communities;
 - H. Work collaboratively with other academic deans and administrators to advance the School and UMD;
 - I. Perform such other duties as related to your employment position and assigned to you by your appointing authority.

III. PERFORMANCE

In accordance with University policy, you will receive regular annual performance evaluations.

IV. FACULTY APPOINTMENT

In addition to your appointment as School of Fine Arts, you will also be considered for appointment as a tenured, full professor in the college. Any such appointment as a professor is subject to Board of Regents Policy: *Faculty Tenure*. During the time you serve as Dean of the School of Fine Arts, you will not receive any compensation for your faculty appointment, but a salary for this appointment will be established each year by the University, based on the average increase to base of your same-ranked collegiate peers. In the event you no longer are employed as Dean of the School of Fine Arts and retain this faculty appointment, your bifurcated salary will start at \$92,000 for a 9-month appointment.

V. COMPENSATION

- A. Subject to the terms of this Agreement for all services provided by you on behalf of the University, the University shall pay you an annual salary of One Hundred and Forty Two Thousand and No/100 Dollars (\$142,000).
- B. All base salary shall be paid in accordance with the University's regular payroll procedures for Professional and Administrative employees and shall be subject to withholding for applicable federal and state income taxes, federal social security taxes, and other applicable taxes and deductions.
- C. In accordance with University policies and procedures, you shall be eligible for salary increases on an annual basis based upon the evaluation of the appointing authority or his/her designee.
- D. The base salary is subject to furloughs, pay freezes, salary reductions or other adjustments to the same extent they are required of other employees of the University.

VI. BENEFITS

The University shall provide you with a benefits program as provided generally for its Professional and Administrative employees as described in its policies and Procedures (<http://www.umn.edu/ohr/benefits/summary/>). These programs shall be subject to amendments and modifications by the University.

VII. RELOCATION

The University will pay for actual and reasonable costs associated with your move, in accordance with the University's relocation policy (<http://www.policy.umn.edu/Policies/Finance/Travel/EmployeeRelocation.html>). In accordance with the policy, relocation expenses reimbursed will not exceed Seven Thousand Five Hundred and No/100 Dollars (\$7,500).

VIII. SEPARATION

A. Your appointment as Dean of the School of Fine Arts is an L appointment, which means you serve at the pleasure of your appointing authority. Your appointment may be terminated without any required notice period.

B. In the event you are separated from your administrative position, you may be eligible for certain benefits provided by the University, in accordance with University policy. Any exception from or waiver of University policy related to your separation must be approved by the Board of Regents.

C. If you are a faculty member at the end of your administrative appointment, you may return to the faculty at your established faculty salary.

IX. UNIVERSITY POLICIES AND GENERAL CONDITIONS

A. Your appointment is subject to the University's policies and procedures that govern your position (<http://policy.umn.edu/>), which may be amended from time to time.

B. **Amendment.** Any amendment to this Agreement shall be in a writing executed and delivered by the parties.

C. **Parties In Interest/Assignment.** This Agreement shall be binding upon and the benefits and obligations provided for herein shall inure to the parties hereto and their respective heirs, legal representatives, successors, assigns, transferees or donees, as the case may be. No portion of this Agreement shall be assignable without the prior written consent of the other party.

D. **Effect of Prior Agreements.** This Agreement is intended by the parties as the final and binding expression of their contract and agreement and as the complete and exclusive statement of the terms thereof. This Agreement supersedes and revokes all prior negotiations, representations, and agreements, whether oral or written, relating to the subject matter hereof.

E. **Enforceability.** If any provision contained herein shall be deemed or declared unenforceable, invalid, or void, the same shall not impair any of the other provisions contained herein, which shall be enforced in accordance with their respective terms.

F. Construction. The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and shall not in any event be employed or used for the purpose of construction or interpretation of any portion of this Agreement. No waiver by any party of any default or nonperformance hereunder shall be deemed a waiver of any subsequent default or nonperformance. As used herein and where necessary, the singular shall include the plural and vice versa, and masculine, feminine and neuter expressions shall be interchangeable.

**X. BOARD OF REGENTS APPROVAL
AND APPROVAL OF TENURED APPOINTMENT**

This agreement is subject to the approval of the Board of Regents and a background check that is satisfactory to the University. This agreement is also subject to the approval of the faculty appointment provided for in Section IV of this agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

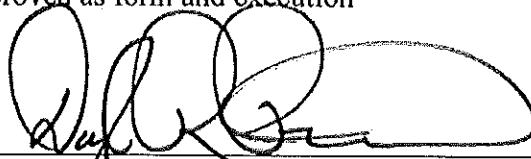
Robert
By: Kase
Robert Kase

Digitally signed by Robert Kase
DN: cn=Robert Kase, o=College
of Arts and Sciences, ou=Dean,
email=rkase@francis.edu, c=US
Date: 2017.06.02 11:27:19 -05'00'

REGENTS OF THE UNIVERSITY OF MINNESOTA

By: 
Fernando Delgado
Executive Vice Chancellor for Academic
Affairs

Approved as form and execution



Douglas R. Peterson
General Counsel
University of Minnesota

Dr. Robert Kase

Education

D.M.A.	University of Minnesota	1987
M.M.E.	North Texas State University	1975
B.S. (cum laude)	University of Minnesota, Duluth	1973

Administrative Experience

Dean of the College of Arts and Sciences – University of St. Francis (USF) – 2009-present

- Administrated 15 Departments in the College of Arts and Sciences (CAS)
- Managed a \$19 million dollar budget
- Developed and added a new Digital Audio Recording Arts Program
- Collaboratively led a new restructuring of the College
- Led successful fund raising for the College for new and existing programs
- Increased outside gifts for College Programs
- Led the fundraising for new facilities for new Biology Labs, Recording Studios, Mass Communication, TV Station, and Radio Station.
- Organized the starting of a new Physicians Assistant Program in Joliet
- Led the expansion of the Criminal and Social Justice Program
- Led the development of the Center for Restorative Justice in Joliet, IL
- Created new and successful clinical rotation sites for USF Physician Assistant Program
- Oversaw the National Accreditation Review of the Physician Assistant Program, hired new PA Director, added 4 new staff hires
- Administrated Allied Health Program and provided new and successful clinical rotation sites
- Administrated the Accreditation Process for the Department of Music with NASM
- Administrated and oversaw the development and opening of a brand new Art and Design Facility at the Historic Rialto Theater Building
- Worked to Develop the International Program at USF
- Facilitated the development of a new Visual Arts Education Graduate Program
- Expanded the breadth and quality of the Joliet Symphony Orchestra
- Expanded ensemble offerings in music and theater

Executive Director of the Wisconsin School Music Association – 2007-2009

Executive Director of the Wisconsin Music Educators Association – 2007-2009

Executive Director of the Wisconsin Foundation for School Music – 2007-2009

- Served as Chief Executive Officer of three state wide non-profit organizations housed at the Wisconsin Center for Music Education, the only center for music education in the nation.
- Worked with three boards of directors
- Responsible for all fiscal (\$2.5 million budget), personnel (18 staff), development, policy and bylaws, management.
- Administrated programs for 220,000 music students in Wisconsin

- Developed Policy and Bylaws Committees and documents for all three organizations.
- Produced the Wisconsin State Music Educators Conference
-

Chair, Department of Music, UW-Stevens Point – 1997-2007

- Served as Chair of the Music Department at University of Wisconsin-Stevens Point, which includes 24 full-time faculty and 3 part-time faculty, 265 music majors, 43 minors.
 - Managed a department budget of \$1.5 million dollars, maintained a balanced budget, eliminated deficits, and created additional funding for the department.
 - Led the music department into developing a new mission and vision statements and developing them into curriculum
 - Developed and implemented new department goals and objectives
 - Increased scholarship funds by 700% and collaboratively assisted in raising an additional \$400,000 in endowments
 - Worked with college and university development personnel to raise \$1 million in outside funding
 - Worked collaboratively to raise funds for Great Artists/Speakers Program
 - Led curricular development to create a unique and successful music education curriculum that serves as a national model (For example, the development of a musicianship program that successfully incorporates composition and improvisation for all music majors, utilizing state-of-the-art music technology lab for all students, through collaboration with music industry, university administration, and faculty)
 - Facilitated collaborative programs and courses with Art, Theater, Dance, Physics, Communications, Foreign Languages, Multicultural Affairs and Campus Radio/TV station
 - Taught and facilitated the development of collaborative courses such as “Physics of Sound” utilizing faculty in Music, Physics, and Communicative Disorders
 - Participated in the collaboration of the University’s writing emphasis guidelines with music composition and English composition
 - Developed strong relationships with faculty and administrators in many other disciplines
 - Led the development of the Association of Wisconsin College and University Music Administrators and served as its first president
 - Chair of National Association of Schools of Music – Region 4 (2006-07)
 - Aggressively worked to increase the number of diversity students in Music by 40% through active and successful recruiting efforts
 - Worked to provide 5 cultural exchange programs, supported a potential dual diploma program in Magdeburg, Germany, promoted 8 semester abroad programs, and a diversity sensitivity program
 - Worked successfully with University Admissions to secure work-study programs to help recruit more minority students, while addressing diversity objectives in every course in the music curriculum
 - Active speaker and presenter in the community through various organizations such as Kiwanis, Rotary, Chamber of Commerce, local hospitals, and other local major corporations
 - Developed personal relationships with community and business leaders worked in collaborative programs with university, business, charitable, and community programs
 - Served on the Central Wisconsin Symphony Orchestra Board first President of the Wisconsin Association of College and University Music Administrators
 -
- Chair of the National Association of Schools of Music – Region 4. (2005-07)**

- Represented the Midwest Region of University and College Members to the National office
- Arranged for guest speakers at the national conference each year
- Served a representative board member for accreditation of schools of music.

Coordinator, Graduate Studies (Department of Music) UW-Stevens Point - 1989-1999

- Coordinated Master of Music Education Degree program with 32 candidates at UWSP
- Served as advisor for all graduate students
- Facilitated the integration of graduate faculty and the M.M.E. degree program into music department curriculum.
- Taught graduate music education seminars.
- Established the first fully “online” music course.

Director of Jazz Studies, UW-Stevens Point -1989-1999

- Coordinated the complete Jazz Studies Program with 5 full-time faculty and a complete course of study for the B.M. in Jazz Studies Degree.
- UWSP was first Jazz Studies Degree granting Institution in the State of Wisconsin.
- Created and administrated the UWSP Jazz Festival and the UWSP Jazz Ensembles.
- Produced and recorded two UWSP Jazz Ensemble compact discs.
- Received 3 awards for “Outstanding College Jazz Ensemble” at national jazz festivals.

Development/Fund-Raising Experience

- Collaboratively raised funds for New Fine Arts Building at UWSP
- Raised outside funds for the completion of a new Digital Audio Recording Studio at USF
- Assisted in establishing \$400,000+ in new annual scholarships and endowments - UWSP
- Assisted in creating 5 new annual fund-raising events for music scholarships - UWSP
- Assisted in creating a new million dollar campaign for COFAC outreach
- Established campaign and endowment for CD Recordings for Faculty and Ensembles
- Established John Radd Memorial Jazz Scholarship Endowment
- Established the annual UWSP alumni reception at the WMEA Conference
- Produced the annual “Soiree Musicale” which raises \$20,000 annually for scholarships
- Established the “Friends of Music” endowment campaign
- Established the “Steinway Campaign” which raised \$88,000 for a new concert Steinway piano
- Maintained and strengthened alumni relationships

Awards/Honors

- 8 University Grant Awards
- 15 composition commissions
- Recipient of the Promethean Award – University of Minnesota, Duluth (2006)
- 3 awards for Outstanding College Jazz Ensemble (1992, 1993, 1995)
- Director of the National Band Directors Association - National Honors Jazz Ensemble (1989)
- Received the W- IAJE Outstanding Jazz Educator of the Year Award
- Recipient of the Liberace Scholarship Grant for UWSP (1999, 2000, 2001)
- Special guest soloist at the Montreux Jazz Festival (Switzerland) (1981)
- Guest Trumpet Soloist – 2003 Moscow Conservatory of Music – Russia
- Coordinator for the International Jazz Trumpet Improvisation Contest – 2001
- Director of the Wisconsin Collegiate Honors Jazz Ensemble (1988)
- Pi Kappa Lambda Honors Fraternity

- Guest Speaker at the National Honor Society Meeting

Teaching Experience

Professor of Music 1986-2007 - University of Wisconsin - Stevens Point

Courses taught:

Applied Trumpet	Music Education Methods
Jazz Ensemble	Jazz Chamber Ensembles
Jazz Improvisation	Jazz History
Jazz Arranging	Jazz Pedagogy
Teaching Creative Music	Concert Band
Band Arranging	Conducting
Brass Methods	Music Business
Physics of Sound	Music Education Graduate Seminars I & II

Public School Teaching

Band Director 1975-81 -- Anoka, MN 55303 (Elementary, Jr. high and High school band)

Adjunct Faculty

1984-86 - University of Minnesota – Applied Trumpet

1981-83 - MacPhail Center for the Arts – Jazz Studies/Applied Trumpet

1979-81 - Anoka Ramsey Community College – Music History

Professional Performing

- International Recording Artist – Altenburgh Records
- Guest Jazz soloist at the Euro-ITG Conference in Germany, 1999
- Guest Jazz Soloist – Swedish Radio Jazz Orchestra, 2000
- Featured Jazz Artist at the 1990 Montreux Jazz Festival - Switzerland
- Guest Soloist – Moscow, Geneisen, Saratov, & Surgut Conservatories, – Russia – 2003/2006
- Guest Soloist – Göteborg Conservatory of Music – Göteborg, Sweden – 2000,2001,2002, 2003, 2005, 2006
- Guest Trumpet Soloist with over 800 High School Band, Orchestra and Jazz Ensembles across the country
- 8 national tours with Bob Kase Quartet/Quintet
- 3 solo recordings releases
- 200+ professional recording projects
- Performances with the Minnesota Orchestra (1979-86)
- Schilke Performing Artist 2002 – present
- Edwards Performing Artist 1998-2002
- Yamaha Performing Artist – 1979-98
- Trumpet Soloist with 13 Professional Symphony Orchestras
- Trumpet Soloist with 80 university/college jazz ensembles in U.S. and Europe
- Guest Lecturer/Clinician at 8 State Music Educators Conventions (list available upon request)
- Guest Lecturer/Clinician at over 800 schools and universities in the U.S., Canada, and Europe (list is available upon request)
- 40 years of professional performing as a trumpet artist with international star performers and entertainers such as Sammy Davis, Sonny & Cher, Tony Bennett, Johnny Mathis (list

- available upon request)
- Performed over 40 Broadway Musical Shows – Minneapolis/Chicago/NY (list available upon request)

Publications

- Twenty-One Studies in Style and Interpretation – Southern Music
- Twenty-Two Advanced Studies for Trumpet – Eighth Note Publications
- Fundamental Flexibility Studies – Studio K
- Selections from the BEST IN CLASS Band Series – Kjos Publications
- CALL - Trumpet Quartet – Southern Music
- The Orchestral Trumpeter's REAL BOOK – Studio K
- Jazz Improvisation - Course Conception - UWSP
- Jazz History - The Future of Jazz Education – MENC Journal
- Millennium Overture – for Concert Band – Southern Music
- 6 Arrangements for Jazz Ensemble – Really Good Music Publications
- 14 various Journal/Magazine Articles (list available upon request)

Professional Associations

- Council of Colleges of Arts and Sciences
- International Trumpet Guild (charter member)
- National Association of Schools of Music
- International Assn. of Jazz Educators
- Phi Mu Alpha
- Music Educators National Conference
- Wisconsin Music Educators Association
- Minnesota Music Educators Association
- American Federation of Musicians (AFM)
- National Association of College Wind and Percussion Instructors (NACWAPI)
- National Association of Schools of Music
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Requesting Approval for Modifications to the North Dakota Reciprocity Agreement

BACKGROUND

Pursuant to Minnesota Statutes 136A.08, Subd. 6, tuition reciprocity agreements must be approved by the governing boards of the University of Minnesota and Minnesota State Colleges and Universities. The Minnesota Office of Higher Education and the North Dakota State Board of Higher Education recently made some modifications to the reciprocity agreement which requires Board of Regents approval. These modifications do not have a direct impact to the University of Minnesota system or students.

Minnesota's reciprocity agreement with North Dakota requires a contractual payment from Minnesota to North Dakota. The North Dakota payment calculation is based on Minnesota consistently sending more students to North Dakota than vice versa. Minnesota reciprocity students and the state's general fund are responsible for the marginal instructional costs associated with educating the gap number of full-time equivalent (FTE) Minnesota students studying in North Dakota. Minnesota students pay a portion of the marginal instructional cost of their education through tuition, with the Minnesota general fund picking up the residual. All else being equal, increasing the tuition paid per student decreases a state's general fund obligation.

Over the years, payments from Minnesota to North Dakota have ebbed and flowed based on the main drivers within the payment calculation: student flow, tuition rates and marginal instructional costs. During the past decade, Minnesota's reciprocity payments to North Dakota have continued to increase. Current projections show that Minnesota's required interstate payment will exceed the appropriated amount for the current biennium. As a result, the Office of Higher Education renegotiated the terms of the agreement to ensure the future reciprocity payments did not exceed available funds.

CHANGES TO THE AGREEMENT

Under the terms of the proposed modified agreement, there are four key changes (presented in order of appearance in the proposed modified agreement).

1. The agreement now includes a termination clause that allows either party to cancel the agreement.
 - a. There was no termination clause in the existing agreement.
 - b. The party must provide written notice at least 90 days prior to the date of termination.
 - c. Additionally, any students currently participating under the reciprocity agreement would be permitted to finish their currently enrolled program (up to a maximum of four additional years) under the tuition rates agreed upon in the last Memorandum of Understanding (MOU) prior to the termination of the agreement.

- d. The formula to determine any state obligation during this phase out period would be based on the remaining marginal expenditures per FTE outlined in the last MOU prior to the termination of the agreement. Any state payments would be waived once the GAP FTE levels reached 100 or less in the fall term.
- 2. The modified agreement now allows either OHE or NDUS with the mutual agreement of the other party to increase the surcharges charged to Minnesota residents attending North Dakota institutions.
 - a. Under the current agreement, only NDUS had the ability to request an increase in the surcharge.
- 3. Both the undergraduate and graduate/professional surcharges will be outlined in the annual MOU between NDUS and OHE.
 - a. This allows the surcharge paid by Minnesota residents to be modified on an annual basis in order to offset increased interstate obligations, if necessary.
- 4. The interstate payment obligation shall be limited to the lesser of the marginal expenditure calculation for each fiscal year or the annual amount appropriated by the state legislature for the current biennium (as outlined in the annual MOU). If a state's annual fiscal year appropriation decreased in a current or future biennium, the state receiving the interstate payment, with mutual agreement with the state making the payment, could increase the student undergraduate and graduate surcharges sufficient enough to cover the reduction in appropriations.
 - a. This provision caps Minnesota's annual and biennial obligation to North Dakota to the lesser of the actual program costs or the appropriated amount from the legislature.
 - b. If the legislature reduces the annual or biennial appropriation, North Dakota could request to increase the surcharge paid by Minnesota residents attending North Dakota institutions to offset the lost revenue with the Mutual agreement of OHE.

There were no changes to the agreement affecting what North Dakota residents are charged at Minnesota public colleges and universities. They will continue to be charged the higher of the Minnesota resident rate at the campus attended or the resident rate at a comparable North Dakota institution.



BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Annual University Progress Card Review

- Review** **Review + Action** **Action** **Discussion**
- This is a report required by Board policy.*

PRESENTERS: President Eric W. Kaler
Lincoln Kallsen, Director, Institutional Analysis

PURPOSE & KEY POINTS

The purpose of this item is to provide an update on the University Progress Card and related policy implications with respect to University Progress Card results.

As envisioned, the Progress Card will:

1. Focus oversight on a limited number of strategically measurable goals (Gold measures) that establish an at-a-glance roadmap for the future and provide insights into important trends (Maroon measures) that signal institutional strength.
2. Inform and help align operational metrics and strategic plan implementation.
3. Be referenced frequently and updated annually.

The University Progress Card is one of several metrics efforts at the University. It is related, to but does not substitute for, other operational metrics and measuring success of strategic plan implementation. Some examples of these differences include:

	University Progress Card	Operational Metrics & Strategic Plan Implementation
Purpose	Focus is on governance and moving the organization forward. Limited number of strategic but measurable goals.	Focus is on implementing the strategic plan, including establishment of numerous operational metrics that will sustain strategic plan momentum over a long period.

	University Progress Card	Operational Metrics & Strategic Plan Implementation
Measures	Sets clear targets and measures that connect to establish a strategy roadmap for the future. Uses a mix of leading indicators (or performance drivers) and lagging indicators (or outcomes).	Tracks data points to assist management and articulate how the University community will know if implementation of the plan is having the desired impact. In some cases, may use small groups of proxy metrics since cultural change can be difficult to measure.
Timeframe	5- to 8-year goals; progress reviewed annually.	Establish baselines and track progress throughout the strategic plan horizon.

To clarify the Board's expectations and establish targets for measuring success, the University Progress Card includes a limited number of focused measures.

Gold measures are defined by the following characteristics:

- Well understood and agreed upon data sources.
- Ability to set a quantifiable goal for 2021.
- Reasonable historic data and accuracy.
- University can take actions to influence.

Maroon measures are defined by the following characteristics:

- Directional goals, or goals may change.
- May only need to be monitored.
- May need to be developed/added/deleted.
- University action alone does not significantly influence.

The docket includes the annual update on the University Progress Card, with the most recent data available for all measures, as well as definitions for each measure

BACKGROUND INFORMATION

The Board has engaged in the following discussions related to the University Progress Card:

- June 2017: *Update on Progress Card Metrics for Minnesota Students, Academic & Student Affairs*
- July 2016: *University Progress Card Update*, Board of Regents
- February 2016: *Progress Card Metrics for Minnesota Students, Academic and Student Affairs*
- October 2015: *University Progress Card*, Board of Regents
- May 2015: *Draft Progress Card*, Board of Regents Work Session

Progress Card: Gold Measures

- Well understood and agreed upon data sources
- Able to set a quantifiable goal for 2021
- Reasonable historic data and accuracy
- University can take action to influence

Entering year	Campus	2009	2010	2011	2012	Goal/Year
4-year graduation rate	Crookston	34.7%	42.5%	44.5%	46.5%	45%/2017 cohort
	Duluth	37.5%	38.2%	39.0%	38.9%	45%/2017 cohort
	Morris	53.2%	53.4%	52.6%	54.3%	60%/2017 cohort
	Rochester	50.0%	50.0%	63.1%	56.4%	60%/2017 cohort
	Twin Cities	59.1%	60.9%	63.3%	65.2%	65%/2017 cohort
Entering year		2007	2008	2009	2010	Goal/Year
6-year graduation rate	Crookston	46.6%	51.7%	48.4%	56.7%	60%/2015 cohort
	Duluth	66.7%	65.5%	66.5%	64.7%	68%/2015 cohort
	Morris	68.2%	73.5%	68.1%	69.1%	80%/2015 cohort
	Rochester	NA	NA	60.0%	62.0%	60%/2015 cohort
	Twin Cities	75.7%	78.7%	77.6%	78.9%	82%/2015 cohort
Entering year		2009	2010	2011	2012	Goal/Year
4-year graduation rates of Pell-eligible students	System	41.7%	43.9%	45.4%	47.4%	54%/2017 cohort
		2013-14	2014-15	2015-16	2016-17	Goal
Freshman average ACT	Twin Cities	27.9	27.9	28.2	28.3	>28.0
		2012-13	2013-14	2014-15	2015-16	Goal/Year
Institutional gift aid	System	\$216M	\$223M	\$233M	\$246M	\$275M/2021
		FY2012	FY2013	FY2014	FY2015	Goal/Year
R&D expenditures	Twin Cities	\$826M	\$858M	\$877M	\$881M	\$900M/2021
		FY2013	FY2014	FY2015	FY2016	Goal/Year
Medical School ranking	Twin Cities/ Duluth	27	30	32	34	Top 20/2021
		2010-11	2011-12	2012-13	2013-14	Goal/Year
Faculty awards (N and Rank: Public Universities)	Twin Cities	25 (10th)	33 (5th)	32 (6th)	26 (8th)	35+ (Top 10)/2021
		2013	2014	2015	2016	Goal/Year
% Participation, Employee Engagement Survey	System		57%	64%	67%	72%/2021
		FY2014	FY2015	FY2016	FY2017	Goal/Year
Op Ex—continued progress on \$90M	System	\$18.8M	\$38.3M	\$53.8M	\$68.4M	\$90M/FY19

Maroon Measures

Strategic Focus	Campus	Performance Drivers/Outcomes	2010	2011	2012	2013	Goal
Undergraduate Education	Twin Cities	Twin Cities transfer student 3-year graduation rate	58.6%	62.5%	61.4%	62.4%	>65%
			2012-13	2013-14	2014-15	2015-16	Goal
Graduate Education	Twin Cities/ Duluth	Graduate and professional degrees awarded	5,242	5,294	5,305	5,184	>5250
			2012-13	2013-14	2014-15	2015-16	Goal
Financial Accessibility	System	Median undergraduate debt at graduation	\$24,880	\$24,854	\$24,776	\$24,645	Grow no faster than CPI; Correct for federal/state policy changes
			2013	2014	2015	2016	Goal
Inclusive Success	Twin Cities	Students of color with a favorable sense of belonging on campus (SERU survey)	59.2%	57.5%	57.3%	Data available early July	Match to non-SOC response (currently 71.5%)
			2013	2014	2015	2016	Goal
Serving Minnesota Students	System	Percent of incoming new (and all currently enrolled undergraduate) students who are Minnesota high school graduates	72.3% (71.9%)	71.0% (71.4%)	70.0% (71.0%)	70.6% (71.1%)	Maintain historical access
	System	Percent of Minnesota high school graduates that elect to attend college in Minnesota and enroll at the U of M as freshmen	16.2%	16.7%	16.6%	Awaiting MOHE update	Maintain historical access
			2013-14	2014-15	2015-16	2016-17	Goal
Health Sciences	Twin Cities/ Duluth/ Rochester	Enrollment in in-demand health science specialties (Nursing, Pharmacy, Dentistry)	2,000	2,051	2,085	2,072	>2,100
	Twin Cities/ Duluth/ Rochester	The total combined fall enrollments in the Academic Health Center schools and the AHC Center for Allied Health	6,292	6,194	6,198	6,316	>6,350
			2012-13	2013-14	2014-15	2015-16	Goal
Research	Twin Cities	National public research ranking	9	9	8	8	Maintain top 10
	System	MN-IP agreements	41	51	69	81	10% annual growth
			2012-13	2013-14	2014-15	2015-16	Goal
Land Grant Mission	System	Public service expenditures	\$249M	\$253M	\$248M	\$258M	>\$245M
			2011-12	2012-13	2013-14	2014-15	Goal
Academic Excellence	Twin Cities	Citations per faculty member	127	126	124	133	>125
			2000-05	2005-10	2010-15		Goal
	System	National scholarships awarded to students		31	52	75	>80 from 2015-2020
			FY2013	FY2014	FY2015	FY2016	Goal
Operational Excellence	System	Spending on leadership & oversight vs. mission and mission support (%)	8.7%	8.4%	8.5%	8.6%	Decrease over time
	System	GSF in poor or critical condition (facility condition assessment)	7.61M	7.73M	8.32M	8.43M	Decrease over time
	System	Sustainability—Metric tons of greenhouse gasses (2008 base level: 703,311)	626,599	603,504	592,269	571,595	50% reduction from 2008 levels by 2021 (351,656)
	System	Credit rating	Aa1	Aa1	Aa1	Aa1	Maintain per Board policy
			2003-06	2004-07	2005-08	2006-09	Goal
Athletics	Twin Cities	Graduation Success Rate (GSR)	83.6%	86.4%	88.4%	90.4%	Maintain recent gains

UNIVERSITY OF MINNESOTA PROGRESS CARD MEASURES DEFINITIONS

GOLD MEASURES

Measure: 4– and 6–year graduation rates, by campus

Definition/Discussion: The percentage of first-time, full-time new entering freshmen that graduated within four or six years. The University counts as a successful completion a student that first enrolls at any U of M campus and graduates from any U of M campus in the given timeframe. (For federally reported measures, a student must begin and graduate from the same campus to be counted as a successful completion for that institution.)

The four-year graduation rates reported in 2021 will be based on the 2017 entering cohorts, while the six-year graduation rates in 2021 will be based on the 2015 entering cohorts. The Provost on the Twin Cities campus and Chancellors on the system campuses were asked to set reasonable stretch goals for their individual campuses given incoming student characteristics, availability of degree programs, and peer comparisons.

Measure: 4–year graduation rates of Pell–awarded students (system)

Definition/Discussion: The percentage of first-time, full-time new entering freshmen who received federal Pell grants their first year and graduated within four years.

This is a system-level measure of undergraduates at all campuses. Similar to overall four-year graduation rates, this measure takes an incoming cohort of students receiving Pell grants and examines their graduation levels four years later. Ideally financial need would not be a barrier to graduation, yet we know that Pell eligibility can also correlate with other graduation risk factors such as being a first-generation student.

The ultimate goal for these students would be to bring their graduation rate up to that of the student body as a whole. Although this may be unrealistic in a shorter time frame, the proposed goal grows the graduation rate of Pell–awarded students at twice the rate of the proposed growth rate for the student body overall.

Measure: Twin Cities entering freshman average ACT

Definition/Discussion: The composite score on the ACT exam for entering students. The ACT uses a 36-point scale on four multiple-choice testing areas: Math, English, Science, and Reading.

A long-time measure of the academic preparedness of the incoming class, the average ACT score of the freshmen class has been rising steadily, from 24.8 in 2003 to 28.3 in 2016. However, given state demographics, natural limits, and the desire to meet multiple goals for the incoming class (including access for students across Minnesota, students of color, and students from diverse socio-economic backgrounds), it is unlikely that the University will see or desire a significant increase in this measure in the near future.

The University has a goal of exceeding an average ACT of 28.0 while continuing to monitor student access to a University education.

Measure: Institutional gift aid (system)

Definition/Discussion: The total amount of student gift aid provided by the University across all campuses. Gift aid includes Promise scholarships, admissions scholarships, collegiate and department scholarships, athletic scholarships, Regents scholarships, and graduate assistant tuition benefits. This measure does *not* include state or federal grants, student employment, or loans.

While there is no “correct” level of institutional gift aid, the University has a long standing commitment to making education as affordable as possible for students, and increasing gift aid through fundraising and institutional resources is an important strategy in meeting that commitment. The goal represents a three-percent annual increase in institutional gift aid through 2021.

Measure: R&D expenditures (Twin Cities)

Definition/Discussion: The total dollar amount of research and development expenditures defined and collected annually by the National Science Foundation through the Higher

Education Research & Development Survey. All institutions expending at least \$150,000 on R&D in the fiscal year are surveyed, and the data is comprehensive of all sources of R&D expenditures. For FY 2015, UMTC had \$881M in R&D expenditures; for the University system, R&D expenditures were \$910M.

Though this measure includes the many sources of an institution's R&D funding, the largest source continues to be federally sponsored funding. The federal investment in sponsored research projects has been flat for several years and is predicted to remain so for the foreseeable future. Despite this, the Office of the Vice President for Research has proposed a goal that would increase R&D expenditures by nearly five percent over the next few years.

Measure: Medical School ranking (Twin Cities/Duluth)

Definition/Discussion: An annual ranking based on the total dollar amount of grants from the National Institute of Health to medical schools as analyzed by the Blue Ridge Institute for Medical Research.

Medical school rankings have traditionally been based on National Institute of Health (NIH) awards to U.S medical schools in a given year. In 2016, the University of Minnesota's medical school received \$132 million in NIH awards and ranked 34th in the country. In 2016 the University of California – San Francisco Medical Center was the top-ranked school in the country, with \$519 million in NIH awards. Minnesota ranked 4th in the Big 10, behind Michigan (11th), Northwestern (17th), and Wisconsin (25th). The Mayo Clinic in Rochester was 19th in the country in NIH funding in 2016.

Senior Vice President and Dean of the Medical School Brooks Jackson has stated the desire to return to being a "Top 20" medical school. The 20th ranked school in 2016, the Baylor College of Medicine, had \$210 million in NIH awards, so achieving that ranking is an ambitious goal over a relatively short time period.

Measure: Faculty awards (Twin Cities)

Definition/Discussion: The number of prestigious national awards received by faculty in the arts, humanities, sciences, engineering, and health fields and the institutional ranking based on those awards as measured annually by the Center for Measuring University Performance (MUP) at Arizona State University.

The MUP analyzes and ranks research universities in nine different areas, including the number of prestigious national faculty awards. The twenty-four awards included in their analysis range from the Guggenheim Fellowships, MacArthur Foundation Fellowships, and National Humanities Center Fellowships to the NSF CAREER awards.

This measure can be quite variable from year to year, but the University desires to maintain its place among the top 10 public research universities with regard to prestigious national awards. The ranking goal requires approximately 25–30 of these faculty awards annually, and the numeric goal of 35 or more faculty with annual awards aligns with the strategic emphasis on faculty excellence.

Measure: Participation in the employee engagement survey (system)

Definition/Discussion: The system-level survey response rate for faculty and staff on the biennial Employee Engagement survey. Though employee engagement is a nebulous concept to attempt to measure at the all-University level, a private-sector standard is to measure participation in such a survey so that local-level units can receive as much rich and comprehensive data as possible. The University measures faculty and staff participation in this survey.

Although employee survey participation is already high compared to other higher education institutions, the University strives to increase participation by 2 percent with each administration of the survey. The next survey administration will be fall 2017.

Measure: Operational excellence (system)

Definition/Discussion: The President has set as a goal a minimum of \$90M in cost savings over a six-year period (FY14–FY19). The cost savings are identified annually in the budget process and must come from categories not directly related to mission activities of instruction, research, or public service.

The goal for this measure is \$90M by FY19.

MAROON MEASURES

Measure: Twin Cities transfer student 3-year graduation rate

Definition/Discussion: The percentage of students who previously attended a postsecondary institution outside the University system and graduated within three years of transferring to the Twin Cities campus.

Though not generally reported on a nation-wide basis, the ability to graduate transfer students is an equally important and worthy goal to traditional freshman graduation rates. There is more variability in these cohorts, with some students entering with 30 credits or less, while a few bring in as many as 90 credits. The three-year graduation rate for transfer students would be comparable to the five-year traditional rate, understanding the additional variability among these students. Much like goals for increasing the traditional four- and six-year rates, the University believes it should also increase these graduation rates.

The University has a goal of exceeding a 65 percent graduation rate for transfer students.

Measure: Graduate and professional degrees awarded (Twin Cities/Duluth)

Definition/Discussion: The total number of master's, doctoral, and professional degrees awarded annually across the University.

The University is the primary generator of graduate and professional degree recipients for the State of Minnesota. The ongoing need for an educated workforce, both throughout

the general population but also at the highest levels of education, requires the University to maintain its priorities in this area.

Graduate enrollments have predictably been falling as the economy has improved. However, the University has been opening new programs at the professional master's level, filling demand for new emerging areas in technology, business intelligence, international law, and other fields. The University will need new programs such as these to maintain current degree completions above 5,250 per year.

Measure: Median undergraduate debt at graduation (system)

Definition/Discussion: The median amount of student debt accumulated by undergraduates with student debt at the time of their graduation.

This measure can be heavily influenced by many factors, only some of which the University controls. Along with tuition and institutional aid policies, other factors that influence student debt include federal and state financial aid policies, program choice and time to degree, and student and parent behaviors and choices. Because this measure is relevant to all students in the U of MN system, we monitor this at the all-University level.

The University proposes a goal of limiting increases in the median amount of cumulative debt for undergraduates with debt to no greater than the consumer price index, with adjustments according to state and federal policy changes. Although a wide variety of factors will influence this measure, it is an important priority for the Board and administration to continue to monitor.

Measure: Students of color with a favorable sense of belonging on campus (Twin Cities)

Definition/Discussion: Percentage of undergraduate students of color responding agree or strongly agree to the statement "I feel that I belong at this campus." Data is collected as part of the Student Experience in the Research University (SERU) survey, administered to all undergraduates on the Twin Cities campus.

The University's goal is to improve the campus climate and sense of campus belonging for all students. The goal for this measure would be to have the student of color favorable sense of belonging metric match the response for all other students. The data source for this measure is the SERU survey, which is administered biennially.

Measure: Percent of new entering (and all currently enrolled undergraduate) students who are Minnesota high school graduates (system)

Definition: Percent of the University's new entering students and the percent of all enrolled undergraduate students who identified Minnesota as their home location prior to enrollment. The source for this measure is the University's enrollment statistics. This measure analyzes fall enrollments to help assess access for Minnesota students throughout their academic careers. The percent of Minnesota high school students among both new entering and all undergraduate students throughout the University system wide has remained consistently high.

The goal for this measure is to maintain the historical access of Minnesota students to the University of Minnesota.

Measure: Percent of recent Minnesota high school graduates choosing a Minnesota college who enroll at the University (system)

Definition: The percent of Minnesota public high school students who graduate in the spring and enroll at a Minnesota postsecondary institution in the fall of that year who choose the University of Minnesota. The source for this measure is the Minnesota Office of Higher Education's Basic Data Series.

This measure focuses service to Minnesota students to those recent high school graduates who choose to continue their education in Minnesota. The University has traditionally been an attractive choice for Minnesota students seeking a bachelor's degree and has increased its share of the Minnesota college-bound students who graduate from a Minnesota high school. Approximately 1/5 of Minnesota high school graduates choose a postsecondary institution outside of Minnesota and 1/3 do not attend a postsecondary institution the following fall after graduation. Those students are not included in this measure.

The goal for this measure is to maintain the historical access of Minnesota high school graduates to the University of Minnesota.

Measure: Enrollment in health science specialties with shortages (Nursing, Pharmacy, Dentistry) (Twin Cities/Duluth/Rochester)

Definition/Discussion: The annual fall enrollments in health sciences fields identified by the Minnesota Department of Employment and Economic Development's Labor Market Information Office as leading to Occupations in Demand in Minnesota.

The University has a crucial role in meeting the need for growing the health care workforce across the state. In particular, the University recognizes its ability to meet the needs for health care professionals in high demand throughout the state, and has prioritized enrollments at all educational levels in the fields of nursing, dentistry, and pharmacy. The University proposes to increase enrollments to greater than 2,100 students in these fields.

Measure: Total enrollment in the AHC schools and Center for Allied Health (Twin Cities/Duluth/ Rochester)

Definition/Discussion: The total combined fall enrollments in the Academic Health Center schools of Dentistry, Medicine, Nursing, Pharmacy, Public Health, and Veterinary Medicine, and the Center for Allied Health. This measure includes enrollments on the Twin Cities, Duluth, and Rochester campuses.

In keeping with the goals of the AHC's strategic plans and recommendations from the Governor's blue-ribbon committee on the medical school, expanding access to health education across the AHC is a key component in returning to national leadership in healthcare training, research, and care. In addition to the state-level demand for healthcare workers identified in the preceding measure, expanding enrollments across the AHC addresses the growing needs for doctors and other health professionals across a wide variety of in-demand specialties at the state and national levels. The University proposes to increase enrollments to above 6,350 students, an increase of over 156 students.

Measure: National public research university ranking (Twin Cities)

Definition/Discussion: The annual ranking by the National Science Foundation of public higher education institutions according to total annual research and development expenditures.

Reported annually by the Vice President for Research, the public research university rankings are compiled from the Higher Education Research & Development Survey completed by all institutions with at least \$150,000 in dedicated R&D expenditures in a fiscal year. While the total R&D expenditures metric is our primary measure of research productivity, monitoring the ranking allows the administration and Board to evaluate the relative competitiveness of the University.

The University continues be among the top 10 public institutions on this measure and strives to stay at this high level understanding that there will be year-to-year variance.

Measure: Minnesota intellectual property agreements (system)

Definition/Discussion: The total number of intellectual property agreements executed annually through the MN-IP Program.

Over the past few years, the University has prioritized making it easier for business to partner with the University to transform discoveries into innovative solutions. MN-IP is designed to improve access to University-developed technology while reducing the risk and cost associated with licensing intellectual property (IP) and sponsoring research. Programs to help both create and license University IP have been developed, and increasing the number of agreements is an important policy direction.

With limited trend data for this emerging program, it is unclear what the optimal rate for increasing the annual number of MN-IP agreements should be. Currently, the University has a goal of increasing agreements 10 percent year-over-year, with updated information provided by the Vice President for Research as it becomes available.

Measure: Public service expenditures (system)

Definition/Discussion: The University's total annual expenditures on public service. The University records its mission-related expenditures into instruction, research, and public service categories.

There are no agreed-upon comprehensive measures of public service and outreach in higher education, in part because public service and outreach informs much of the work of a land-grant institution. The wide range of activities and expenditures included broadly under public service and outreach makes it difficult to identify a single measure of progress. While exploring and defining a more comprehensive measure, the University proposes to continue to monitor our overall expenditures.

The University has had a staunch commitment to public service and outreach as a core mission function and plans to keep its expenditures above \$245 million annually.

Measure: Average citations per faculty member (Twin Cities)

Definition/Discussion: The number of times a recent faculty publication is cited by scholars during a five-year period as measured by Academic Analytics, a data analytics source provider. The total number of citations is averaged across all faculty at the institution and pertains to works published within that same five-year period.

There are several different services for faculty citation counts, none of which are comprehensive. The University discontinued its contract in 2017 with Academic Analytics and is currently studying other data options, including potential metrics using SciVal, a bibliometric data source currently under review for use across campus, including by the libraries and the Faculty and Academic Affairs office, through a one-year pilot study. The University proposes further discussion of this measure over the coming months.

The specific goal of maintaining an average citation count per faculty above 125 annually may be updated with different data sources, but the goal's emphasis on faculty scholarship and excellence will continue.

Measure: National scholarship awards to students (system)

Definition/Discussion: The number of prestigious national awards annually received by University undergraduates. The seven leading student awards included in this measure are the Beinecke, Churchill, Truman, Rhodes, Fulbright, Goldwater, and Astronaut awards.

These awards represent a wide variety of fields and expertise and are some of the most prestigious student awards in the world. Any given year can be quite variable in the number of awards our students apply for and receive; additionally, many of these leading awards have limitations based on location of the students' institution or home residence.

As such, the measure examines awards in five-year blocks (2015–20) of awards, with a goal of exceeding the previous half-decade's achievement. The Board will also receive annual progress updates on this measure.

Measure: Spending on leadership & oversight vs. mission and mission support (system)

Definition/Discussion: The percentage of University expenditures on leadership and oversight as determined by the University's internal cost benchmarking study, which has divided all University expenditures into mission, mission-support, and leadership and oversight categories since 2012.

One purpose of this study is to ensure that the University continues to make investments in mission-related activities, while limiting new investment where possible in oversight and overhead. The University now has three years of data, and has shown the ability to contain leadership and administrative costs. However, monitoring levels vs. setting an actual target is probably prudent, as many variables go into this metric.

The University proposes to maintain and continue to try to decrease the percentage of spend on leadership and oversight, understanding that there is a natural floor for this percentage of expenditures.

Measure: University square feet considered in “poor” or “critical” condition (system)

Definition/Discussion: The number of gross square feet of University facilities system wide rated through the Facilities Condition Assessment as being in “poor” or “critical” condition.

The University has for a number of years completed a comprehensive facility condition assessment (FCA) on many of its buildings. Beginning in 2013 this was extended to all buildings system wide with an enhanced methodology.

The University proposes a goal of tracking the total number of gross square feet considered either “poor” or “critical” by this methodology and decreasing the total square footage in these categories over time.

Measure: Sustainability – Metric tons of greenhouse gasses (system)

Definition/Discussion: The number of metrics tons of greenhouse gasses produced annually across the University system.

The Board of Regents policy on Sustainability and Energy Efficiency directs campus operations to reduce emissions to the environment. In addition, the institution has committed to regular greenhouse gas inventories as part of the American College and University Presidents’ Climate Commitment, and the Minnesota state legislature has also established emission reduction requirements for buildings constructed with state funds.

In 2008, when we first began measuring greenhouse gas emissions, the University set as a goal a 50 percent reduction in emissions by 2021. With changes to the emission calculation methodology in 2016 to more accurately reflect trend data in purchased electricity and campus steam plants, the base level of 703,311 metric tons yields a 50 percent reduction target of 351,656 metric tons by 2021.

Measure: University credit rating (system)

Definition/Discussion: Moody’s Investors Services routinely monitors the University’s credit rating and takes into account several factors related to the University’s overall financial health, student demand, financial statement analysis, state support, and analysis

of the University's management strength. Moody's credit ratings range from a high of Aaa to C.

The University works to maintain its current credit rating per Board policy.

Measure: Athletics graduation success rate (GSR) (Twin Cities)

Definition/Discussion: The percentage of first-time, full-time undergraduates in Division I athletics who begin at the Twin Cities campus as freshmen or transfers, receive athletic aid their first year, and graduate within six years of their first term at any institution. The GSR excludes student athletes who leave the University in good academic standing with remaining athletic eligibility.

Though it functions much like a traditional graduation rate statistic, the GSR is a measure unique to intercollegiate athletics. The GSR holds colleges accountable for graduating those student athletes who transfer into the University and but also does not penalize an institution's graduation rate for student athletes that transfer or leave an institution with athletic eligibility and in good academic standing.

The University already ranks very highly in this measure and has the goal to maintain the significant gains of the past several years.

University Progress Card Update

Eric W. Kaler, President
Board of Regents
July 2017



UNIVERSITY OF MINNESOTA
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Purpose

- Focus oversight on a limited number of measurable goals and trends that indicate or drive excellence
- Provide roadmap for the future
- Inform and help align operational metrics and strategic plan implementation
- Measure items that are governance related and move the University forward
- Be frequently referenced and updated annually



History

- May 2015 — Board work session
- September 2015 — Board review, draft includes Board input
- October 2015 — Board adopts the Progress Card with one measure outstanding
- February 2016 — Final measures on serving Minnesota students are adopted
- July 2016 — First annual update
- May 2017 — Presentation on serving Minnesota students
- July 2017 — Second annual update



Two Types of Measures

Gold Measures

- Well understood and agreed upon data sources.
- Ability to set a quantifiable goal for 2021.
- Reasonable historic data and accuracy.
- University can take actions to influence.

Maroon Measures

- Directional goals, or goals may change.
- May only need to be monitored.
- May need to be developed, added, or deleted.
- University action alone does not significantly influence.

Progress Card: Gold Measures

	Campus/ System Scope	2009	2010	2011	2012	Goal/Year
4-year graduation rate (by entering year)	Crookston	34.7%	42.5%	44.5%	46.5%	45%/2017 cohort cohort
	Duluth	37.5%	38.2%	39.0%	38.9%	45%/2017 cohort cohort
	Morris	53.0%	53.3%	52.6%	54.3%	60%/2017 cohort cohort
	Rochester	50.0%	50.0%	63.1%	56.4%	60%/2017 cohort cohort
	Twin Cities	59.1%	60.9%	63.3%	65.2%	65%/2017 cohort cohort
		2007	2008	2009	2010	Goal/Year
6-year graduation rate (by entering year)	Crookston	46.6%	51.7%	48.4%	56.7%	60%/2015 cohort cohort
	Duluth	66.7%	65.5%	66.5%	64.7%	68%/2015 cohort cohort
	Morris	68.2%	73.5%	68.1%	69.1%	80%/2015 cohort cohort
	Rochester	NA	NA	60.0%	62.0%	60%/2015 cohort cohort
	Twin Cities	75.7%	78.7%	77.6%	78.9%	82%/2015 cohort cohort
		2009	2010	2011	2012	Goal/Year
4-year graduation rates of Pell-eligible Pell-eligible students (by entering year) entering year)	System	41.7%	43.9%	45.4%	47.4%	54%/2017 cohort cohort



Access and affordability

Measures drive policy and investment decisions related to access and affordability

		2009	2010	2011	2012	Goal/Year
4-year graduation rates of Pell-eligible students eligible students (by entering year)	System	41.7%	43.9%	45.4%	47.4%	54%/2017 cohort cohort

Strategic Focus	Performance Drivers/Outcomes	Campus/ System Scope	2012-13	2013-14	2014-15	2015-16	Goal
Financial Accessibility	Median undergraduate debt at graduation graduation	System	\$24,880	\$24,854	\$24,776	\$24,645	Grow no faster than CPI; than CPI; Correct for for federal/state policy policy changes

			2013	2014	2015	2016	Goal
Serving Minnesota Students	Percent of incoming new (and all currently all currently enrolled undergraduate) undergraduate) students who are are Minnesota high school graduates graduates	System	72.3% (71.9)%	71.0% (71.4)%	70.0% (71.0)%	70.6% (71.1)%	Maintain historical historical access
	Percent of Minnesota high school school graduates that elect to attend attend college in Minnesota and enroll at enroll at the University as freshmen freshmen	System	16.2%	16.7%	16.6%	Awaiting data data from MOHE	Maintain historical historical access



Student success

Measures drive policy and investment decisions related to inclusive success for all students

Campus/ System Scope	2009	2010	2011	2012	Goal/Year
4-year graduation rate (by entering year) entering year	Crookston	34.7%	42.5%	44.5%	46.5% 45%/2017 cohort cohort
	Duluth	37.5%	38.2%	39.0%	38.9% 45%/2017 cohort cohort
	Morris	53.0%	53.3%	52.6%	54.3% 60%/2017 cohort cohort
	Rochester	50.0%	50.0%	63.1%	56.4% 60%/2017 cohort cohort
	Twin Cities	59.1%	60.9%	63.3%	65.2% 65%/2017 cohort cohort

Strategic Focus	Performance Drivers/Outcomes	Campus/ System Scope	2010	2011	2012	2013	Goal
Undergraduate Education	Transfer student 3-year graduation rate graduation rate	Twin Cities	58.6%	62.5%	61.4%	62.4%	>65%
			2013	2014	2015	2017	Goal
Inclusive success success	Students of color with a favorable sense of favorable sense of belonging on campus campus (SERU survey)	Twin Cities	59.2%	57.5%	57.3%	Available early July	Match non-SOC response (currently (currently 71.5%)
			2003-06	2004-07	2005-08	2006-09	Goal
Athletics	Graduation Success Rate (GSR)	Twin Cities	83.6%	86.4%	88.4%	90.4%	Maintain recent gains gains



Graduate, professional, & health science students

The University provides the vast majority of advanced graduate and professional education for Minnesota. How do we sustain and advance this important part of our mission?

Strategic Focus	Performance Drivers/Outcomes	Campus/ System Scope	2012-13	2013-14	2014-15	2015-16	Goal
Graduate Education Education	Graduate and professional degrees degrees awarded	Twin Cities/ Duluth	5,242	5,294	5,305	5,184	>5,250
			2013-14	2014-15	2015-16	2016-17	Goal
Health Sciences	Enrollment in in-demand health science health science specialties (Nursing, (Nursing, Pharmacy, Dentistry) Dentistry)	Twin Cities/ Duluth/ Rochester	2,000	2,051	2,085	2,072	>2,100
	The total combined fall enrollment in enrollment in Academic Health Center Health Center schools and the AHC the AHC Center for Allied Health Health	Twin Cities/ Duluth/ Rochester	6,292	6,194	6,198	6,316	>6,350



Research and academic excellence

How do we support and attract world-class faculty?

	Campus/ Scope	FY2012	FY2013	FY2014	FY2015	Goal/Year
R&D expenditures	Twin Cities	\$826M	\$858M	\$877M	\$881M	\$900M/2021
		FY2013	FY2014	FY2015	FY2016	Goal/Year
Medical School ranking	Twin Cities/ Duluth	27	30	32	34	Top 20/2021
		2010-11	2011-12	2012-13	2013-14	Goal/Year
Faculty awards N and (Rank: Public Universities)	Twin Cities	25 (10 th)	33 (5 th)	32 (6 th)	26 (8 th)	35+ (Top 10)/2021

Strategic Focus	Performance	Campus/ Scope	2012-13	2013-14	2014-15	2015-16	Goal
Research	National public research ranking	Twin Cities	9	9	8	8	Maintain top 10
	MN-IP agreements	System	41	51	69	81	10% annual growth
Academic Excellence	National scholarships awarded to students	System		31	52	75	>80 from 2015- 2020
			2000-05	2005-10	2010-15	Goal	



Operational excellence

Operational Excellence goes beyond the \$90M target. Facilities in particular need continued attention.

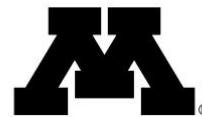
	Campus/ Scope	FY2014	FY2015	FY2016	FY2017	Goal/Year
Op-Ex—continued progress on \$90M	System	\$18.8M	\$40.4M	\$57.8M	\$68.4M	\$90M/FY19
			2013	2014	2015	Goal/Year
% Participation in Employee Engagement Survey	System		57%	64%	67%	72%/2021

Strategic Focus	Performance	Campus/ System	FY2013	FY2014	FY2015	FY2016	Goal/Year
Operational Excellence	Spending on leadership & oversight vs. mission and mission support (%)	System	8.7%	8.4%	8.5%	8.6%	Decrease over time
	GSF in poor or critical condition (facility condition assessment)	System	7.61M	7.73M	8.32M	8.43M	Decrease over time
	Sustainability—Metric tons of greenhouse gasses (2008 base level: 703,311)	System	626,599	603,504	592,269	571,595	50% reduction from 2008 levels by 2021 (351,656)
	Credit rating	System	Aa1	Aa1	Aa1	Aa1	Maintain per Board policy



Conclusions and next steps

- Summary
 - Vast majority of Progress Card measures are directionally positive, though some must move faster to meet goals by 2021.
 - Movement in any given year is not as powerful as multi-year trends.
 - In total, this set of measures is designed to have balance and tradeoffs. It is unlikely that all measures will move towards goals simultaneously at the same rate.
- Next steps
 - Use Progress Card measures and goals to inform governance priorities, decisions and agenda setting, long-range University planning, new investments, and institutional oversight.
 - Deepen connections to the campus- and system-level strategic plans.



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BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Update on UMore Park

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Brian Burnett, Senior Vice President for Finance and Operations
Michael Berthelsen, Interim Vice President
Michael Volna, Associate Vice President

PURPOSE & KEY POINTS

This purpose of this item is to update the Board on development activities at UMore Park. This discussion will include:

- A brief summary of the history of UMore Park dating back to the U.S. government's ownership of the land and its operation of the Gopher Ordnance Works.
- A review of land allocation across gravel mining, development, and the adjacent land reserved as the Vermillion Highlands.
- An overview of the development direction and plans.
- A summary of the potential estimated net proceeds the University might realize over the initial 30 years of mining and development.
- Information about the first planned sale of land for residential development, including the parcel size and general timeline to complete the sale.

BACKGROUND INFORMATION

The following are key actions taken by the Board with regard to UMore Park:

- October 2016: 158.881 acres of UMore Park sold to Opus Development Company LLC for industrial/business park development.
- February 2015: Land sold through public processes and dissolution of UMore Development LLC. Gravel mining lease amended from 40 to 60 years to allow ongoing University research at UMore.
- November 2010: Final Environmental Impact Statement affirmed that UMore Park Sand and Gravel Resources Project adequately addresses all potential environmental issues and concerns. Forty-year lease agreement established with Dakota Aggregates LLC to conduct phased gravel mining and locate ancillary facilities on UMore Park property.
- December 2009: UMore Development LLC Board of Governors appointed.

- October 2009: Articles of organization established for UMore Development LLC; UMore Park Legacy Fund created.
- December 2008: UMore Park master plan developed; LLC formed to manage development of the property and to pursue the formation of a legacy fund.
- December 2006: Resolution Related to Planning for the Development of UMore Park, which directed the administration to develop a plan for the entire property, with attentiveness to the academic mission; pursue concept master planning, and make the land ready for development.

UMORE Park: Update on New Direction

Board of Regents
July 12, 2017



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History

- 1942: US War Department begins assembling land for Gopher Ordnance Works (GOW)
- 1945: WWII ends, GOW ceases operation
- 1947/48: Federal government deeds GOW property to University
- 1948: University establishes Rosemount Ag Experiment Station
- 1976: Study sees no development potential until 1990-2000s

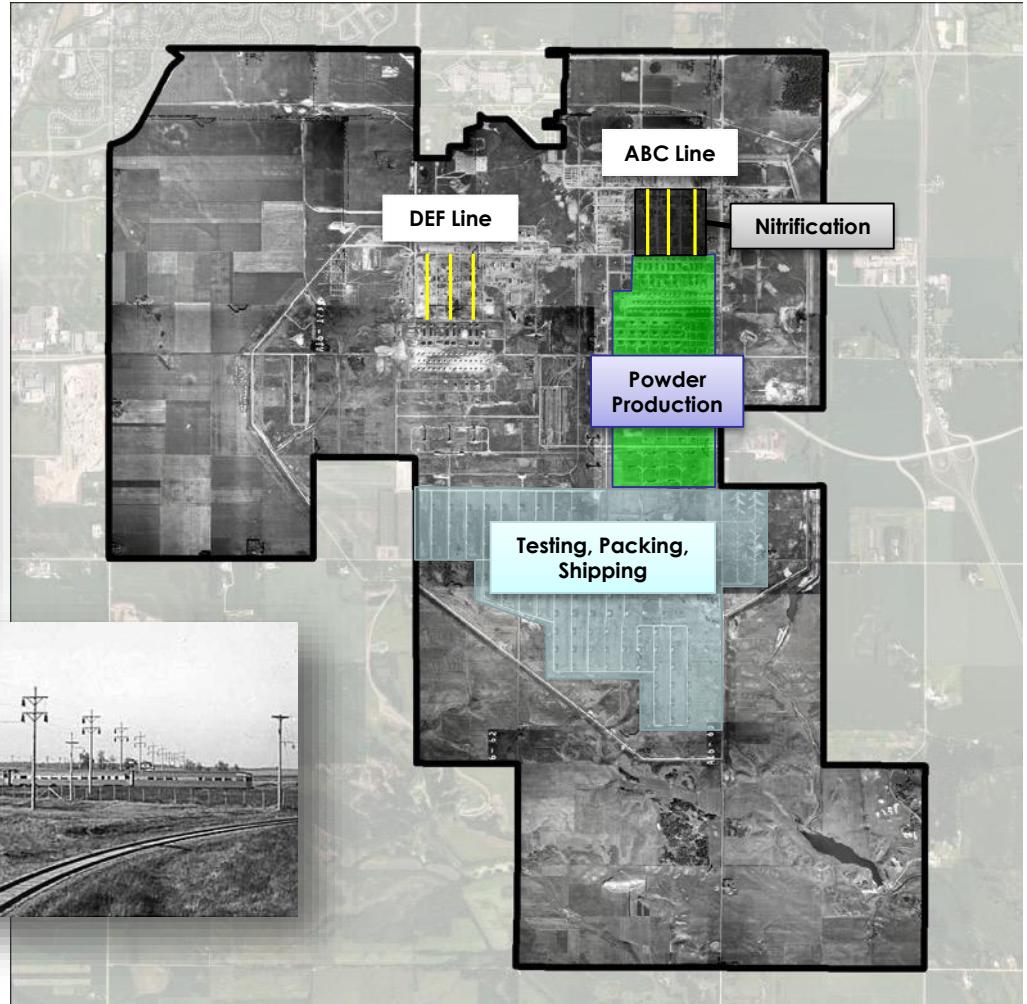
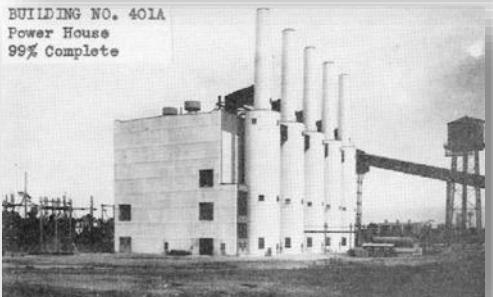




GOW Use



BUILDING NO. 401A
Power House
99% Complete





History

- 2005: Vision and planning for UMORE development begins
- 2006: ~1/3 of property designated as Vermillion Highlands
- 2008: Planned community vision published
- 2013: 60-year gravel mining lease term commences
- 2015: University changes direction to private development
- 2016: First sale for industrial/business park development
- 2017: First RFP for residential development planned

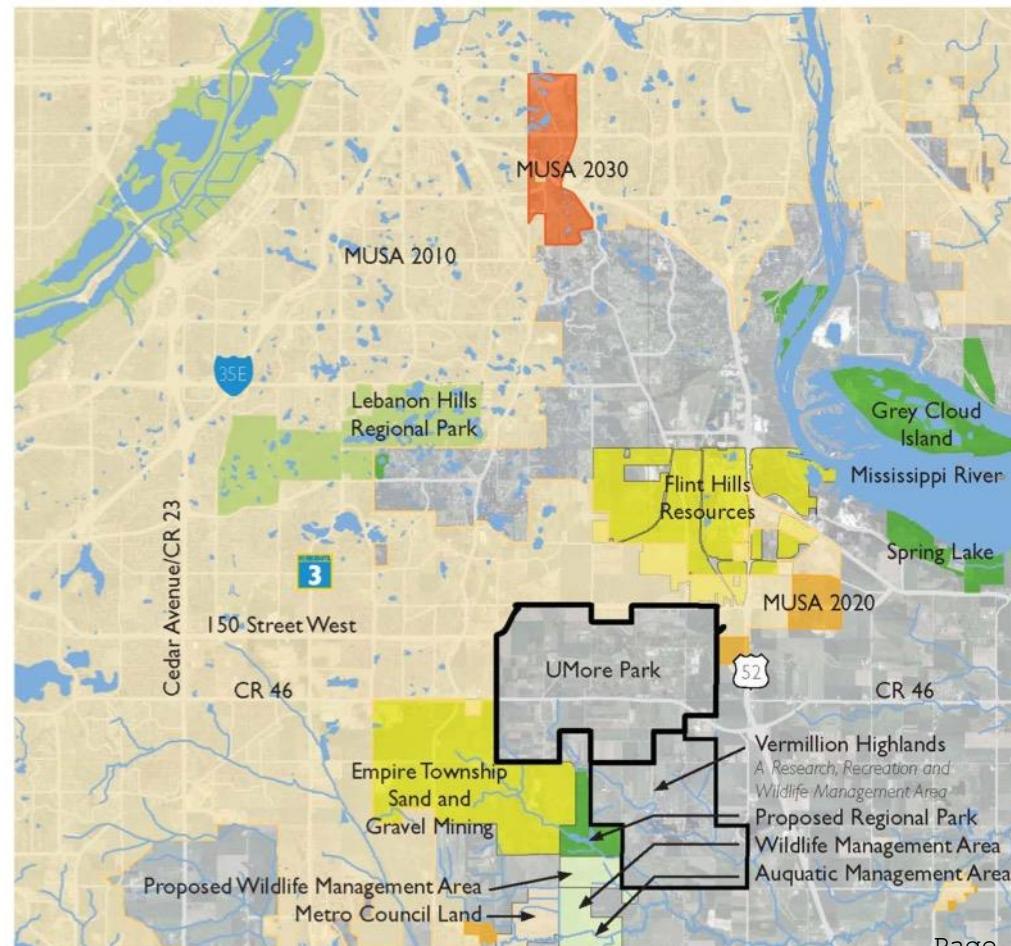




UMore Master Plan - MUSA Boundaries

MUSA: Metropolitan Urban Service Area (Met Council sewer service)

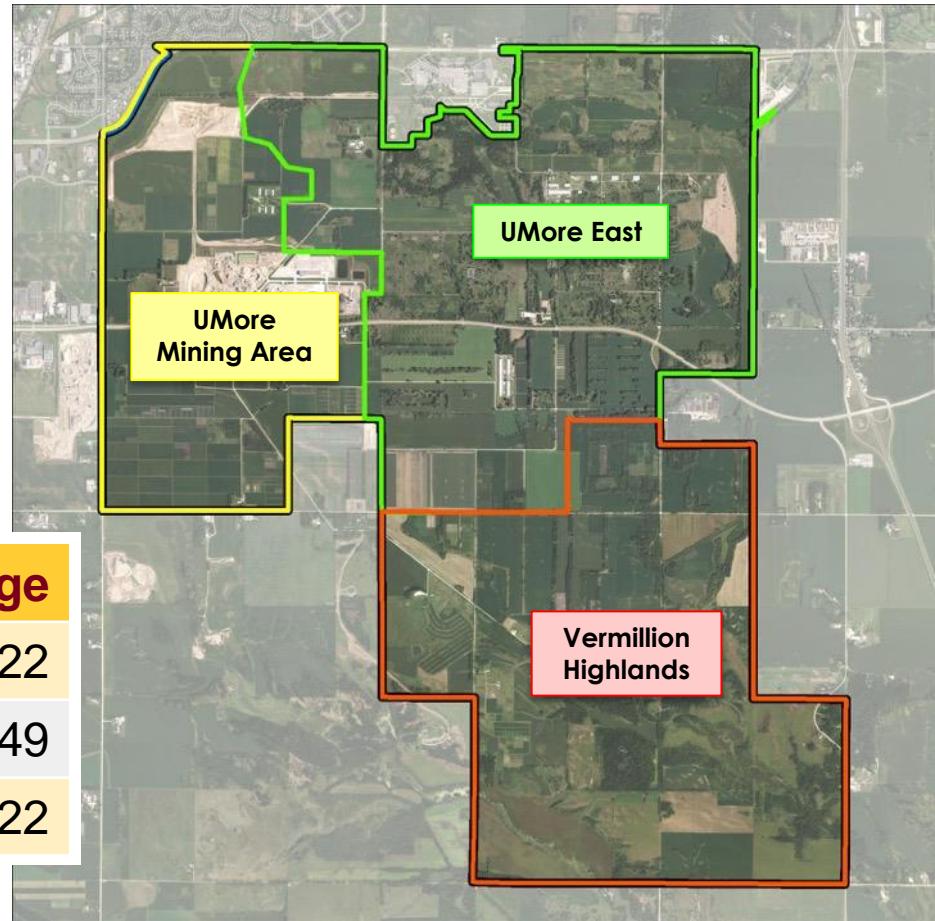
- [Yellow square] MUSA 2010
- [Orange square] MUSA 2020
- [Red square] MUSA 2030
- [Green square] Regional Parks 2006
- [Light Green square] Wildlife Management Area
- [Light Orange square] Met Council Lands
- [Yellow square] Refinery/ Mining





Land Allocation

Use	Acreage
Gravel Mining Area	1,722
UMore East	3,049
Vermillion Highlands	2,822





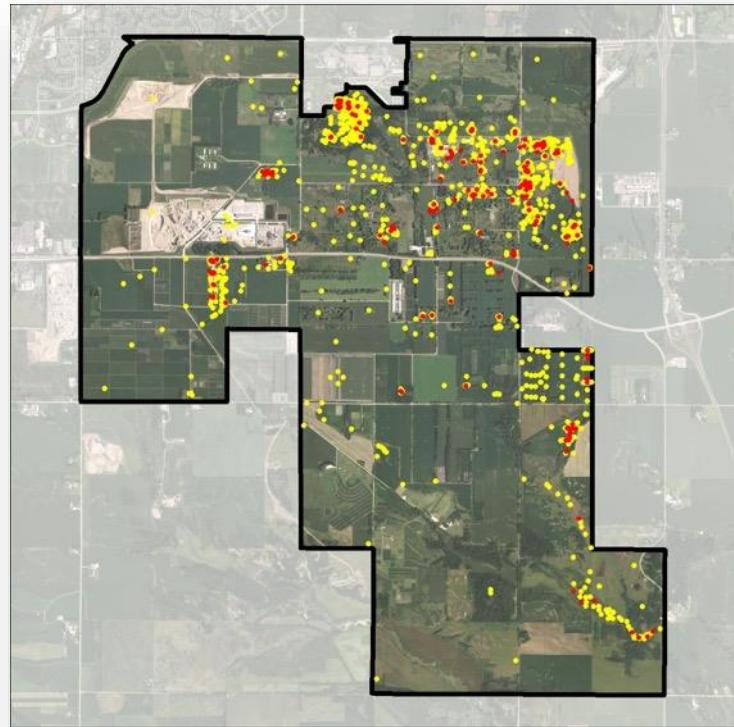
Current Direction

- Monetize land and encourage private development
 - 3,049 acres to be offered for sale in phases for development
 - 1,722 acres leased for gravel mining (development to follow mining)
- Implement controls or restrictions to preserve the quality and value of the development potential
 - design guidelines, protective covenants
 - sell phases as market interest supports maximum return to the U
- Remaining issues in process
 - potential remediation
 - displacement of research activities



Potential Remediation

- Areas with red dots exceed residential soil standards, may need to be addressed depending on future land use





UMore East Development Overall Plan

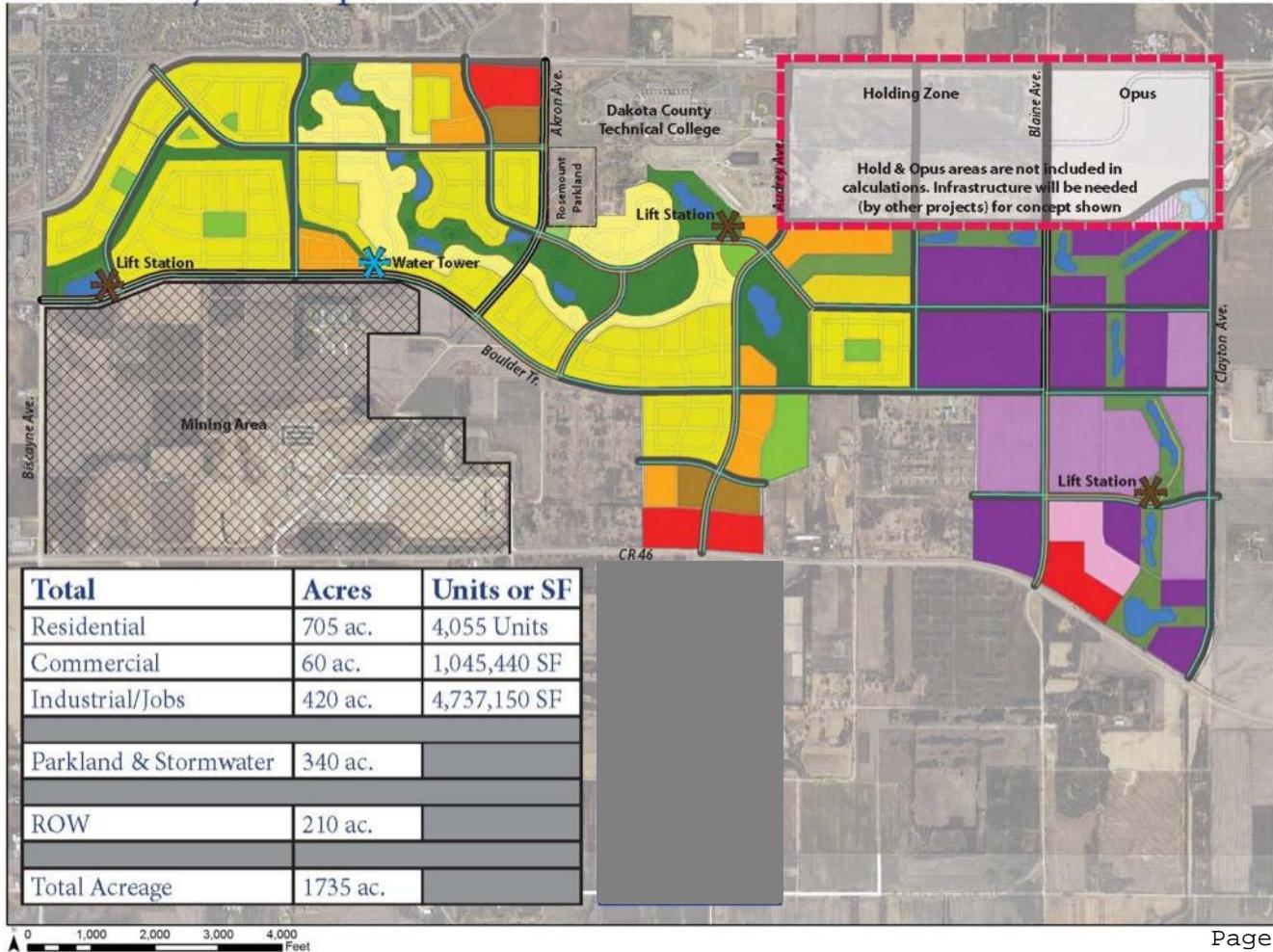
- Development activity phased over 30 years
- Pay as you go approach to constructing supportive infrastructure, and addressing contamination sites
 - developers, city, university all contribute





Preliminary Development Area - Build Out Plan

- Residential**
 - Single Family
 - Single Family
 - Townhomes
 - Multifamily
- Commercial/ Retail**
 - Retail
- Jobs & Industry**
 - Industrial
 - Business Park
 - Office
- Open Space and Stormwater**
 - Parkland
 - Stormwater





Potential Net Proceeds to the University

First 30 Years of Development

Activity	Revenue Estimates	Cost Estimates
Land Sales	\$139 million	
Gravel lease revenue	\$20 - \$34 million	
Infrastructure Costs		\$24 - \$72 million
Remediation Costs		\$0 - \$50 million
Totals	\$159 - \$173 million	\$24 - \$122 million
Potential University Net Proceeds		\$37 - \$149 million

Sources: Revenue and cost estimates based on HKGI planning study, April, 2017; and Ehlers study, March 2016. Gravel lease revenue based analysis of estimated receipts over first 30 years of 60 year lease.



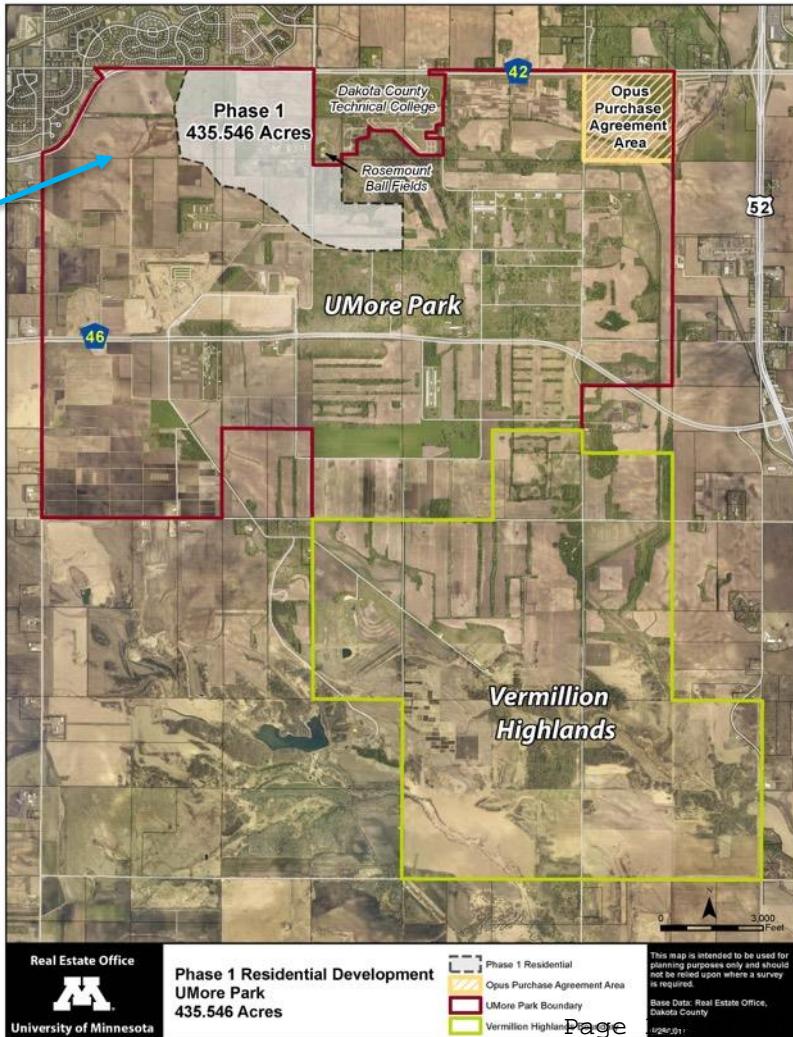
Future Land Sales Activity

Sale of 435.546 acres

- City of Rosemount actively engaged
- Planned as residential development
- Will market using RFP process

Estimated Timing

- RFP finalized & issued - summer 2017
- Proposals evaluated – early fall 2017
- BOR approval – late 2017/early 2018





QUESTIONS AND DISCUSSION



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Crookston • Duluth • Morris • Rochester • Twin Cities



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BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: University of Minnesota Alumni Association Annual Report

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Lisa Lewis, President and CEO, UMAA
Daniel McDonald, FY 2017 Board Chair, UMAA
Sandra Ulsaker Wiese, FY 2018 Board Chair, UMAA

PURPOSE & KEY POINTS

This purpose of this item is to update the Board on alumni relations at the University of Minnesota, Twin Cities.

BACKGROUND INFORMATION

The UMAA annual report was last delivered to the Board in July 2016.



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION

2017

BOARD OF REGENTS PRESENTATION



*"No individual is alone responsible
for a single stepping stone
along the path of progress,
and where the path is smooth
progress is most rapid."*



Ernest O. Lawrence

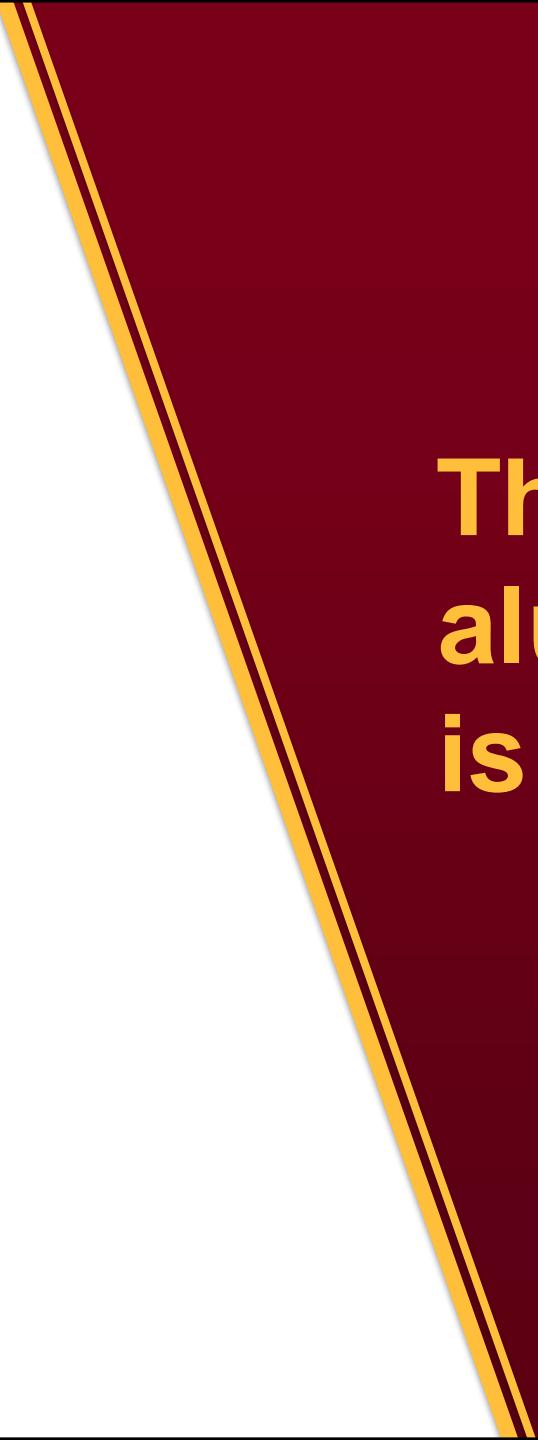
M.A. Physics 1923

Awarded 1939 Nobel Prize in Physics for
the invention of the cyclotron, the first device
for the production of high energy particles.

4

“ No individual is alone
responsible for a single
stepping stone along a
path of progress, and
where the path is smooth
progress is most rapid ”

— Ernest O. Lawrence
(M.A. '23, Nobel Prize for Physics, 1939)



The state of the
alumni community
is strong.



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION

571,000 alumni systemwide

Campus	Alumni
Twin Cities	477,000
Duluth	71,000
Crookston	9,900
Morris	16,000
Rochester	450



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION

If all 571,000 alumni
got together in one location...

They would fill

11



TCF Stadiums

57



Mariucci Arenas

212



Northrop Auditoriums

670



Airbus A380s

UMAA drives alumni engagement



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION

UMN TC Alumni are loyal and engaged

477,000 Alumni



72%

Have connected with
the U since graduation



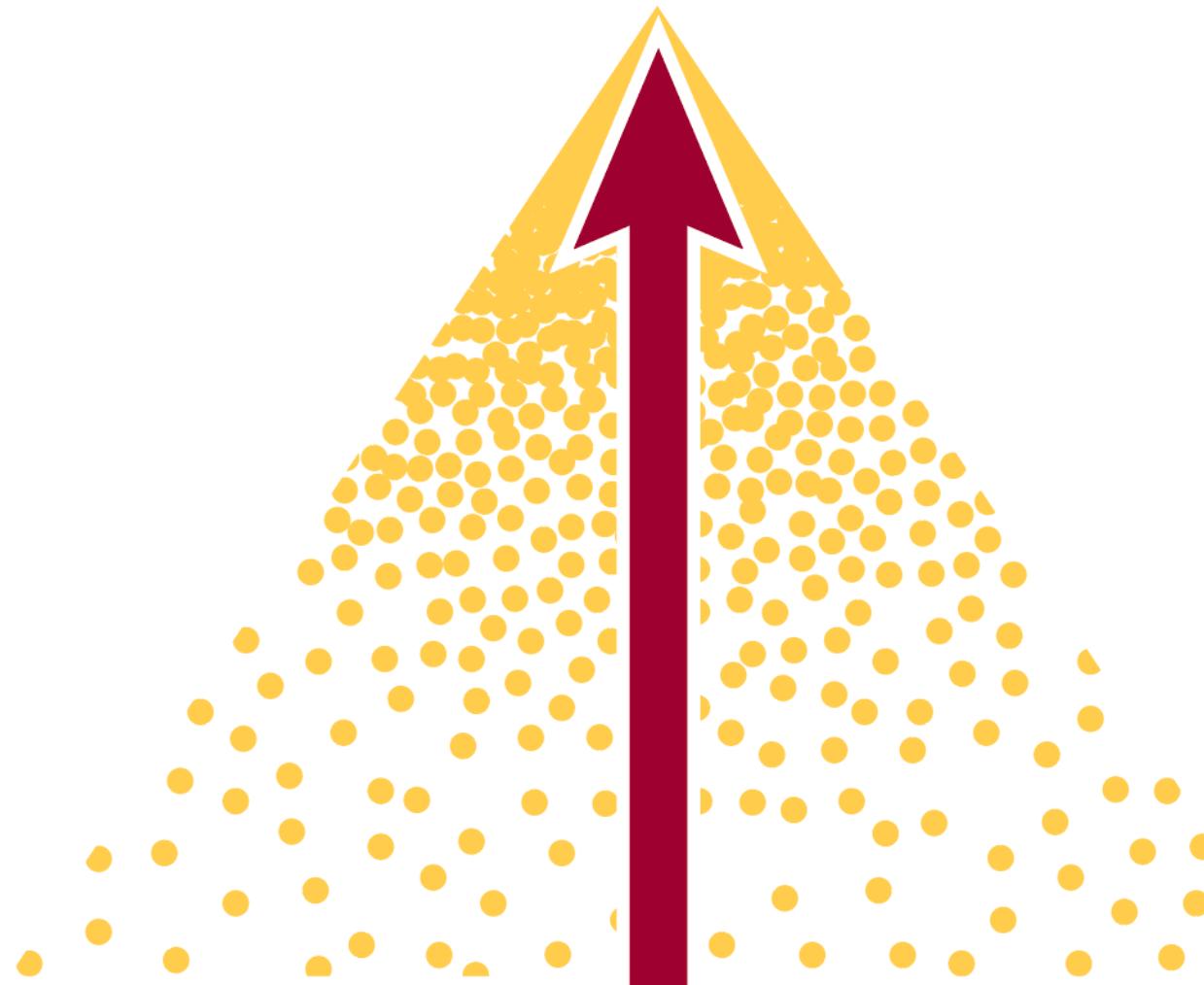
49%

Connected to
the U in FY17



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION

Alumni Engagement



Using new tools to tailor user experience

- **8 Distinguished Teaching Awards highlighted in Alumni Angle newsletter**
- **One of eight faculty featured, depending on the college degree of recipient**



CSE Faculty Honored for Teaching

Michelle Driessen of the Department of Chemistry and Eric Audit of the Department of Chemical Engineering



CFANS Distinguished Teacher

Associate Professor Tade Okediji of the Department of Applied Economics received a Distinguished Teaching



CBS's New Distinguished Teacher

Professor Margaret A. Titus of Genetics, Cell Biology, and Development received a Distinguished Teaching Award at a ceremony in April. She was cited for her work mentoring students and overhauling exams. UMAA hosts the ceremony and helps fund the awards.



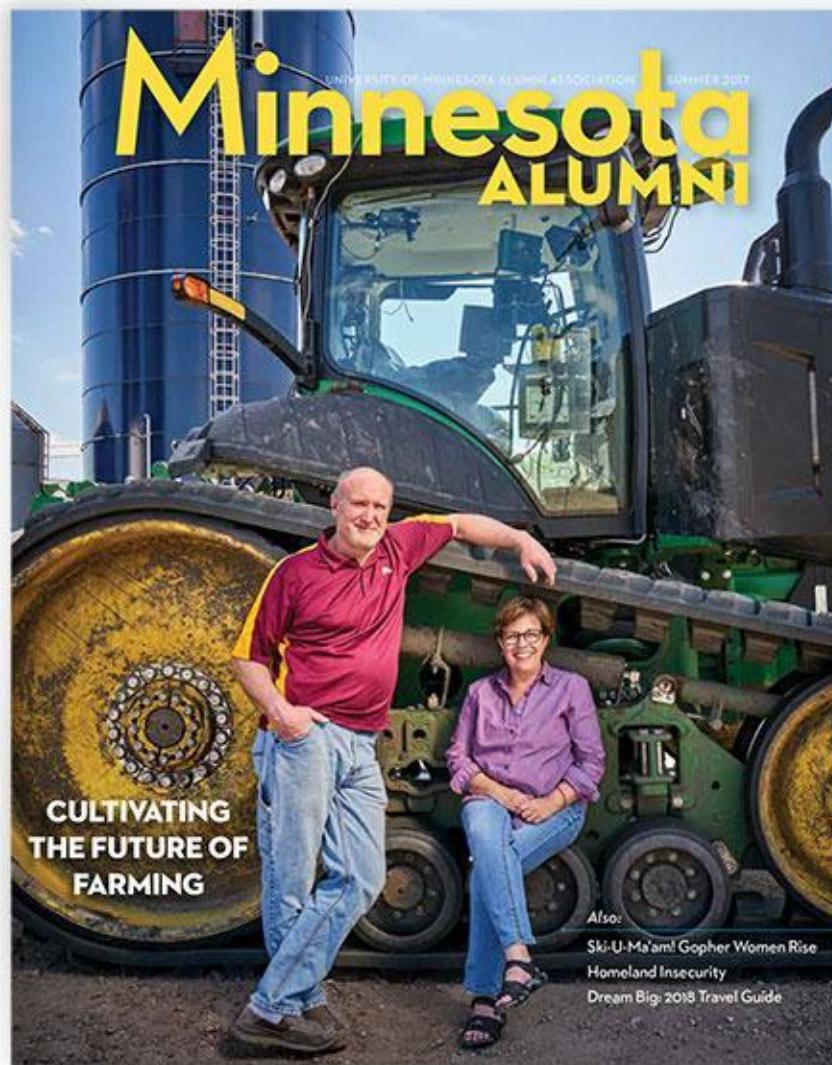


MN Sparks





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ALUMNI ASSOCIATION





Corporate Alumni Networks

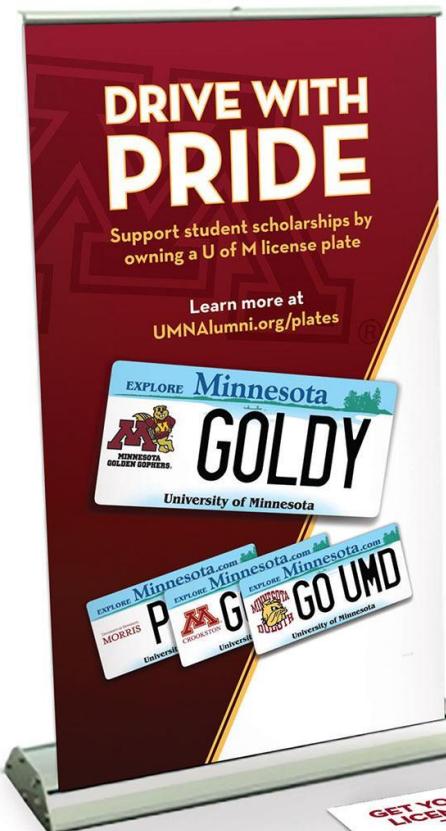
— Welcome to the network! —

- General Mills
- Land O' Lakes
- Medtronic
- UnitedHealth Group
- Target
- Best Buy
- US Bank





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Alumni engagement strengthens the University

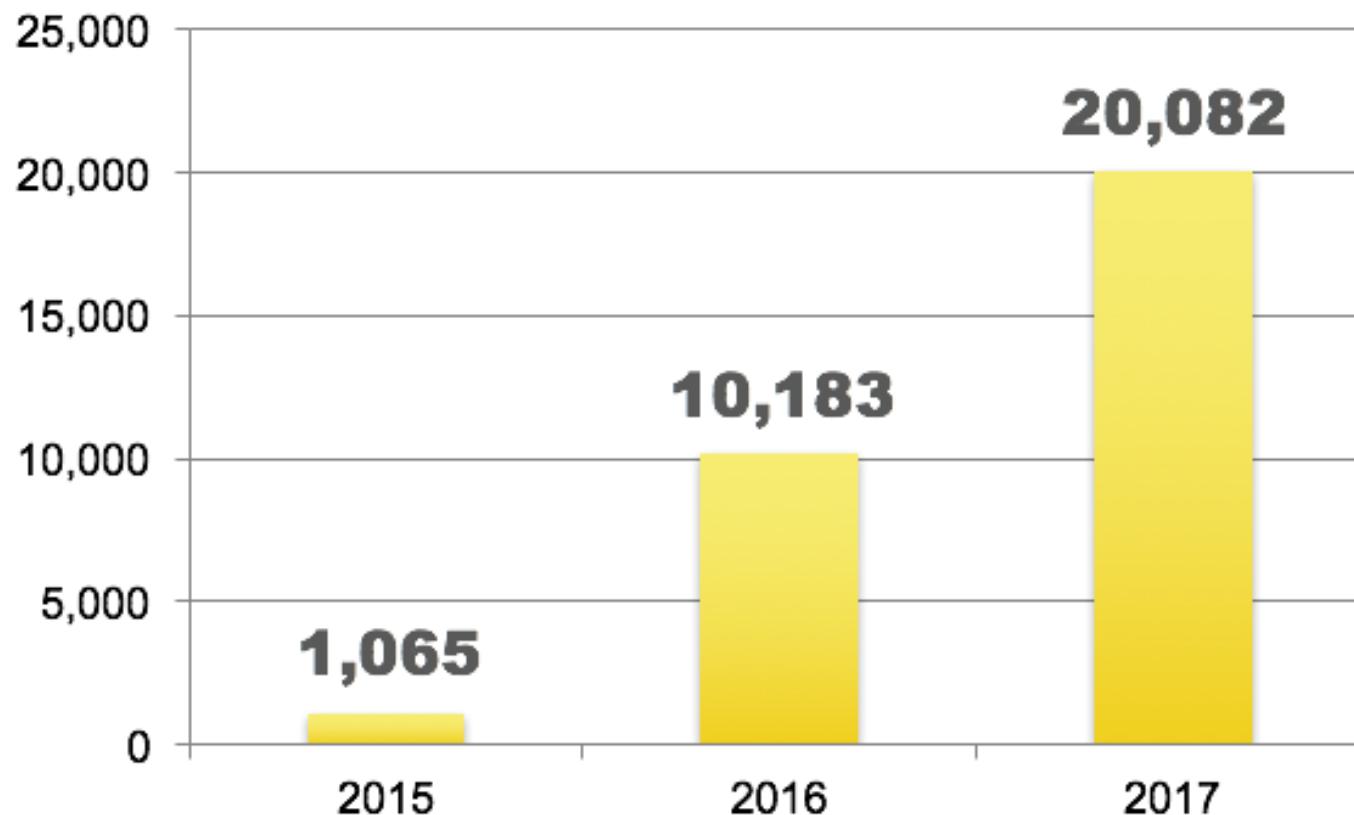


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Alumni engagement leads to...



Contacts with lawmakers - a team effort



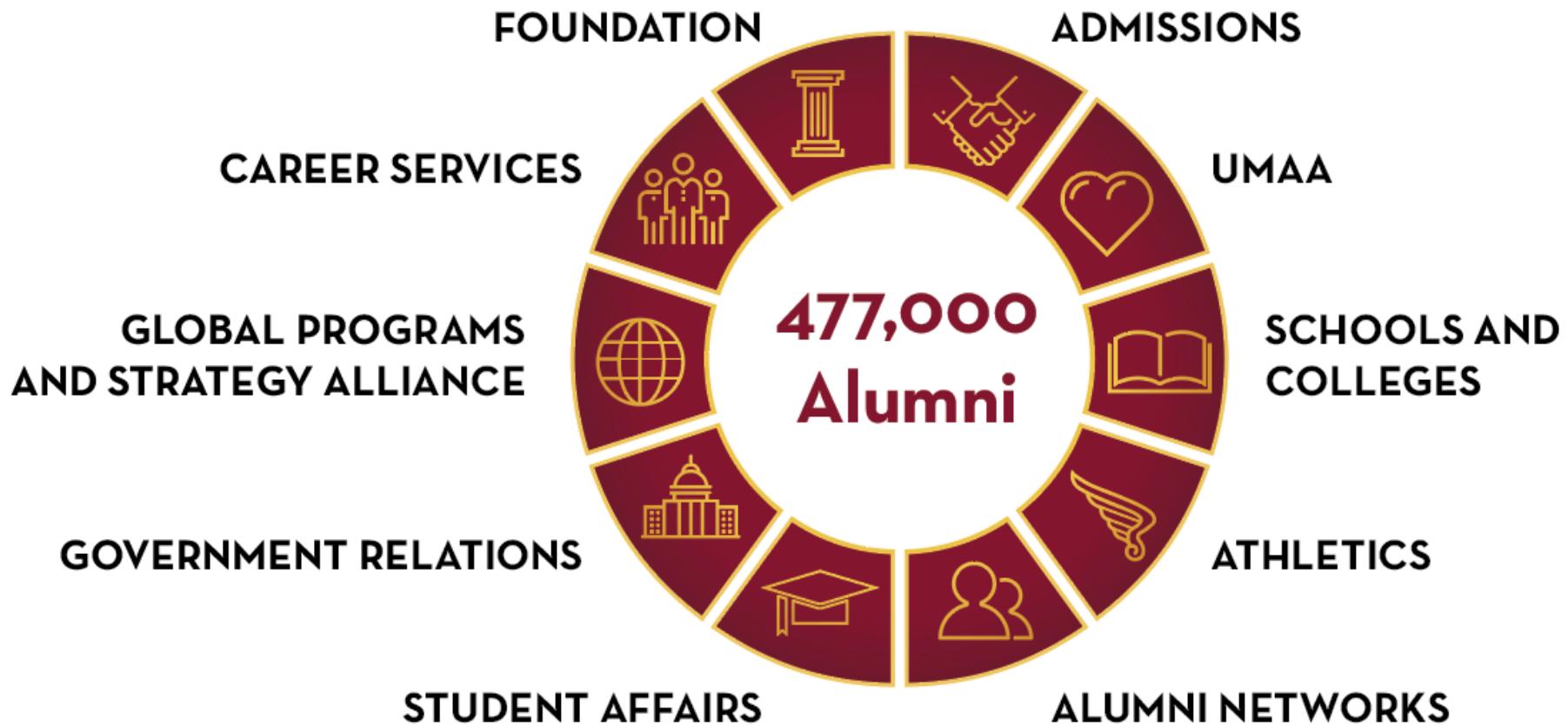
Philanthropy in FY16

More than **40,000** alumni gave

\$171,200,000

Alumni were **56%** of donors
and gave **55%** of all gifts.

Campus partners



Efficient Use of Resources

\$4.8M
UMAA Budget
FY17

\$105K
FY18 Administrative
cost reductions

25
UMAA Staff
size

BUDGET

\$6.5M
B1G average

\$4.5M
UMAA

Rank 12th
(of 13 reporting schools)
Staff/Alumni ratio

- Develop new five-year strategic plan
- More focus on students and recent alumni
- Use engagement data to strengthen relationships

Looking
Ahead:



“ Our re-connection with the University several years after graduation was due to the Alumni Association reaching out to us. Our membership and engagement with the UMAA fostered our continued love and dedication to the University, leading to our current level of involvement and staunch support ”

— Nancy Lindahl (B.S. '68)
UMAA President 1999 - 2000

Looking ahead

Homecoming 2017

October 14-21

Grand Marshals:

Dave Mona (B.A. '65)

Linda Mona, (B.S. '67)





UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION

2017

BOARD OF REGENTS PRESENTATION





BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Annual Report on Intercollegiate Athletics

Review Review + Action Action Discussion

This is a report required by Board policy.

PRESENTERS: Mark Coyle, Director of Intercollegiate Athletics

PURPOSE & KEY POINTS

The purpose of this item is to brief the Board on the state of the Intercollegiate Athletics program on the Twin Cities campus.

Student-Athlete Academic Progress

Student-athlete academic progress continues to improve, with the current class setting several department records for academic achievement during the past year. The NCAA 2015-16 Academic Progress Rate (APR) numbers reflected strong academic performance from Gopher student-athletes:

- 9 teams maintained perfect multiyear APR scores: baseball, men's cross country, men's and women's golf, men's hockey, soccer, women's swimming and diving, and men's and women's tennis.
- 4 teams recorded perfect single-year APR scores: women's basketball, women's cross country, men's gymnastics, and volleyball.

Based on these scores, 11 Gopher programs received APR Public Recognition Awards for scoring in the top 10 percent in their respective sport based on their most recent multi-year APR. This total matched the University of Michigan among public institutions in the Football Bowl Subdivision with the highest percentage of teams earning APR Awards. This is the fourth year Minnesota has been the top public school in the nation by this measure.

After the spring 2017 term, the average cumulative grade point average for all Gopher student-athletes was 3.24, the highest since 1999 when the department began tracking year over year averages. Gopher student-athletes maintained a collective GPA above 3.2 for the fourth straight year; 300 earned Academic All-Big Ten honors and 19 earned Academic All-District recognition.

Athletic Accomplishments

The Gophers won 5 Big Ten conference championships in 2016-17, bringing the total to 11 in the past two seasons. Only Ohio State and the University of Michigan won more titles in that time.

Forty-six Gophers earned All-American status in their respective sports and 21 teams reached NCAA postseason competition.

Department Budget

The budget for FY 2018 is \$113 million.

Major expense categories include:

- Salaries and fringe, \$40.4 million.
- Sport unit operations, \$18.5 million.
- Facility operations and debt service, \$16.4 million.
- Scholarships, \$12.6 million.
- Support unit operations, \$9.1 million.

Major revenue categories include:

- Ticket sales, \$22.1 million.
- Big Ten/NCAA allocations and television, \$51.8 million.
- Fundraising, \$17.2 million.
- Sponsorships, \$10.1 million.

Facilities

The department's overall facilities fundraising campaign – "Nothing Short of Greatness" – has raised more than \$104 million to-date for major projects such as Athletes Village and renovations to Mariucci Arena. Approximately \$92 million has been raised specifically for the Athletes Village.

Construction on the Athletes Village continues and should be completed on time; the department anticipates moving into the space in January 2018. Maintenance and improvements continue on other athletics facilities, as warranted. This includes LED lighting upgrades, a new Zamboni for use in Mariucci and Ridder Arenas, updates to the coaches' locker room at the boathouse to better accommodate female staff, and necessary renovations in the Bierman and Gibson-Nagurski as staff relocate to the Athletes Village.

These projects will help deliver on a long-term vision for the student-athlete experience that includes nutrition, training, and academic resources. These factors are critical to remaining competitive within the Big Ten.

BACKGROUND INFORMATION

Board of Regents Policy: *Intercollegiate Athletics – Twin Cities Campus* states, "The president or delegate shall submit a report annually to the Board on matters related to student-athlete academic progress, athletic accomplishment, department budget and facilities." The report if presented annually by the Director of Intercollegiate Athletics and was last delivered in September 2016.

Annual Intercollegiate Athletics Report

**Presentation to the Board of Regents
July 12, 2017**



UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

Key Facts

- 25 programs competing in the Big Ten and WCHA
- More than 700 student-athletes and approximately 275 full-time employees
- FY18 department budget is \$113M

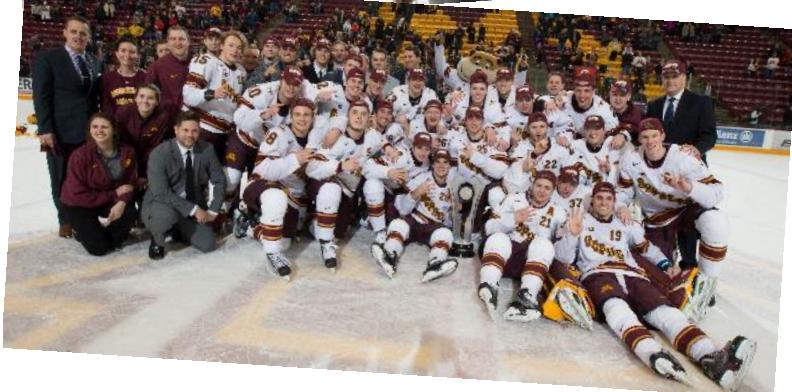


Gophers in the Classroom

- Current cumulative GPA is 3.24, **a department record**
- Led all public schools for the **fourth consecutive year** in earning NCAA Academic Progress Rate (APR) Public Recognition Awards
- Led all public schools in Academic All-District honorees for second straight year
- **300 Gopher student-athletes** were Academic All-Big Ten last year



Gophers in Competition

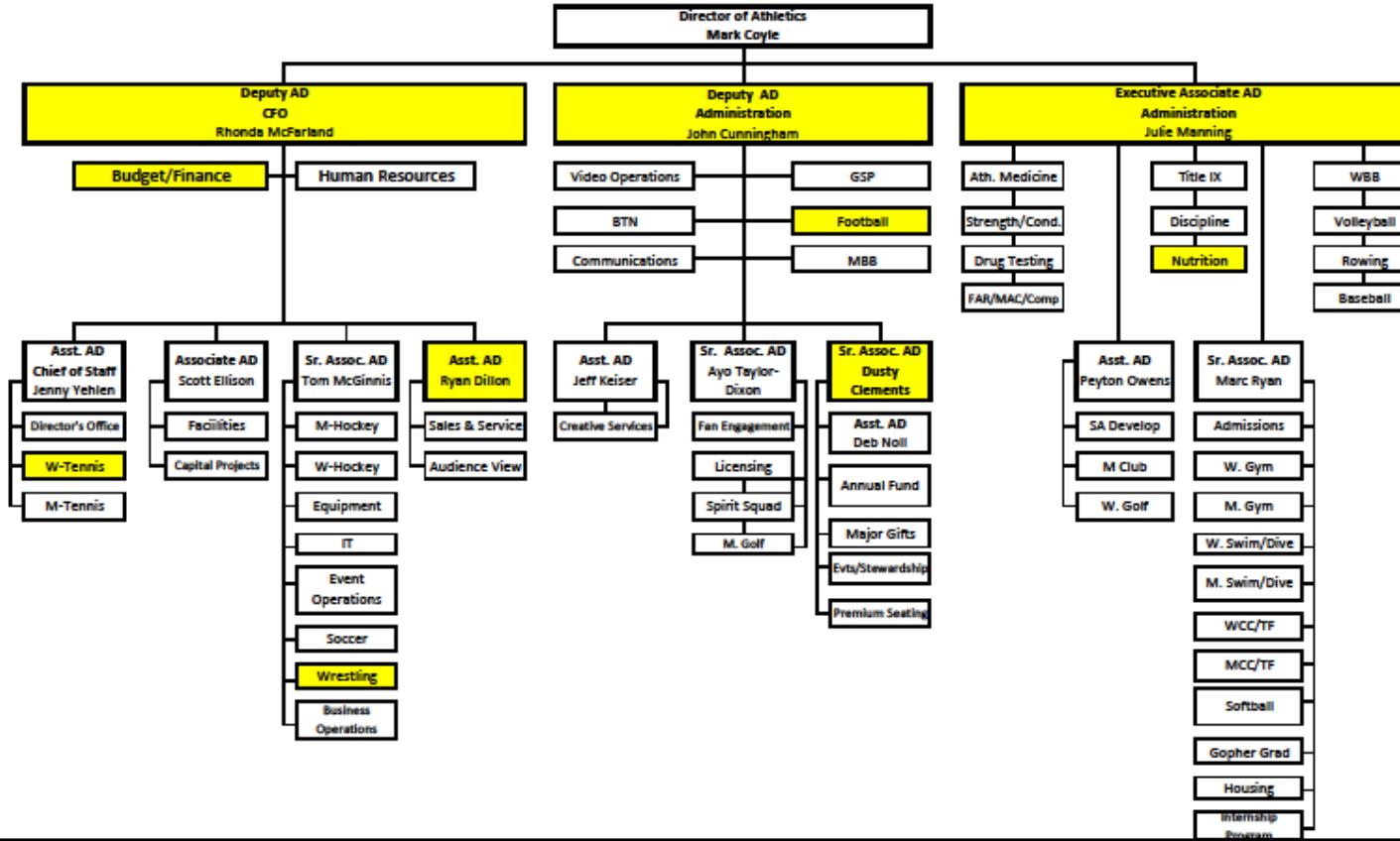


- Minnesota won **five Big Ten championships** last season
- **46** different Gopher student-athletes were named **All-Americans**
- National and Big Ten Coach of the Year and Player of the Year awards

Gophers in Competition

- Volleyball (second straight) and women's hockey (sixth straight) returned to the Final Four
- Soccer and softball both swept the Big Ten regular season and postseason titles
- Men's hockey won its sixth straight regular season conference title, a Division I men's ice hockey record
- Men's basketball engineered the largest turnaround in Division I last season, improving from 8 wins to 24

Organizational Changes



Policy Review Update

- Staff and students participated in detailed reviews of University and department policies
- All staff attended mandatory finance and sexual harassment trainings, led by University Purchasing Services and EOAA staff
- This fall, OSCAI and EOAA will lead trainings for all students
- All freshmen live in University-managed properties



Policy Review Update

- Kathryn Nash and Steven Vaughn, industry leading outside experts on Title IX implementation, met with athletics leadership, coaches and staff to review compliance and best practices.
- Currently working with Dan Beebe Group, led by former NCAA Director of Enforcement and Big 12 commissioner, to conduct risk management evaluation and help identify any policy/procedure gaps; educate staff on available resources.

Facilities Overview

- Annually budget and spend between \$1.5M and \$2M on major projects and repair/maintenance at existing facilities
 - Replacing existing lighting with LED lighting in all athletic venues (cost split 50% with Energy Management)
 - Purchasing new Zamboni to be shared by Mariucci Arena and Ridder Arena
 - Updating coaches' locker rooms in the boathouse
 - Renovations and relocations within Bierman and Gibson-Nagurski buildings following opening of Athletes Village

Nothing Short of Greatness



- More than \$104 million raised to-date
- More than \$92 million raised to-date specifically for Athletes Village
- Construction / fundraising continues on Athletes Village
- Project remains on time and on budget

Outdoor Track and Field Facility

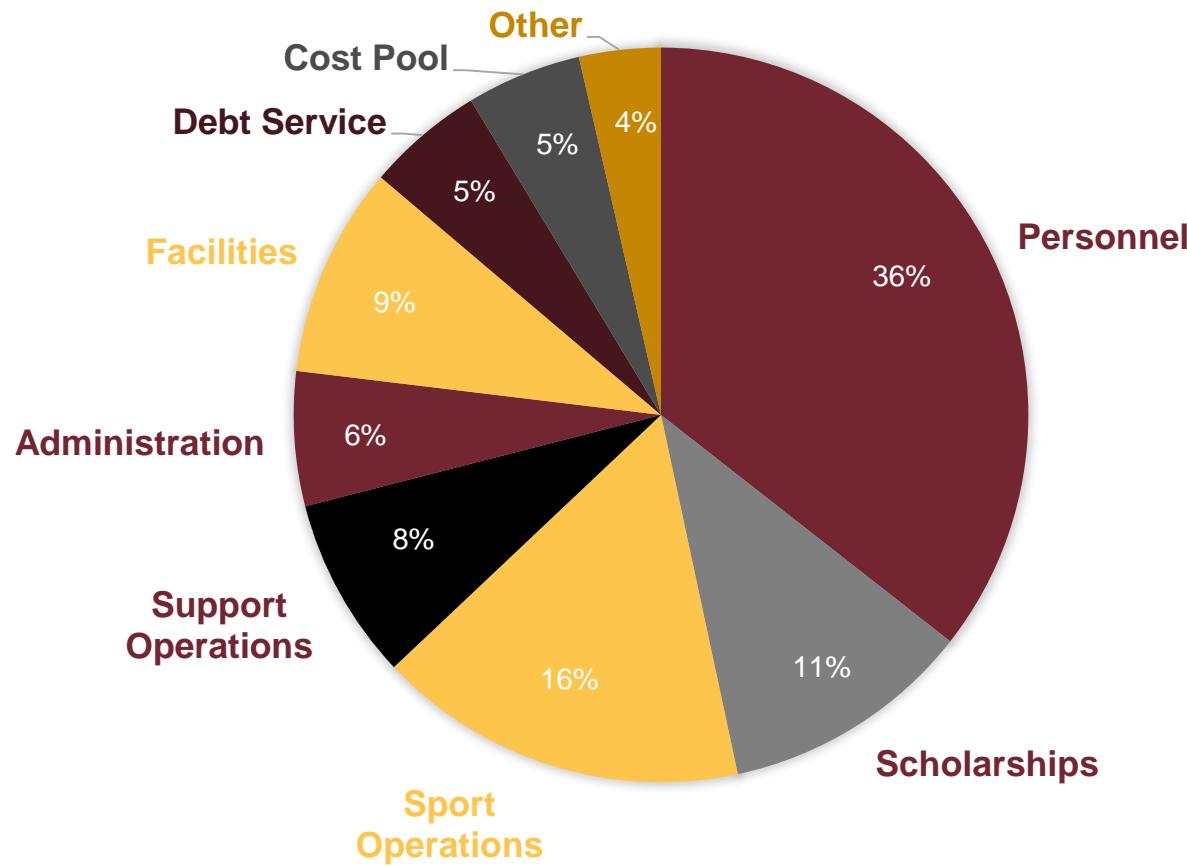
- Design/Build partner developing construction documents, which will be submitted to athletics in coming weeks
- Facility scheduled to break ground late fall
- Fundraising committee has begun outreach to potential donors
- Remaining contingency from Athletes Village will be applied to track and field facility project



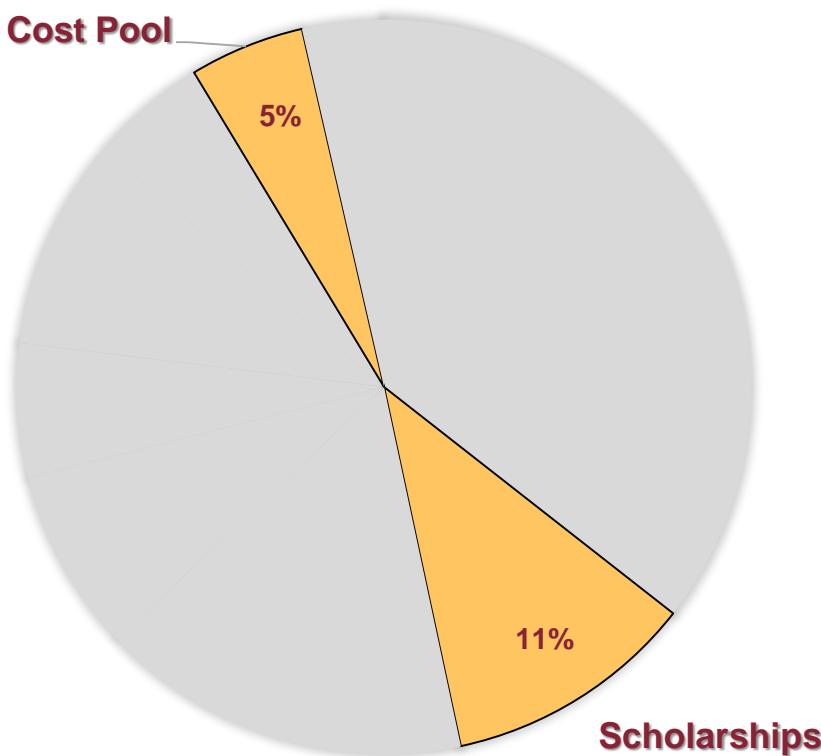
Facilities Overview

- Athletics continues to aggressively pursue opportunities to host major events on campus
 - In 2017-18, athletics will host championships including: B1G Women's Tennis, B1G and NCAA Men's Swimming and Diving, NCAA Zone Men's Diving, WCHA Frozen Faceoff (Women's Hockey), Women's Hockey Frozen Four, Women's Gymnastics NCAA Regional,
 - Minnesota United will again lease TCF Bank Stadium for its 2018 season
 - Continue to pursue other event-hosting opportunities – non-collegiate sports, concerts, etc. – for our venues

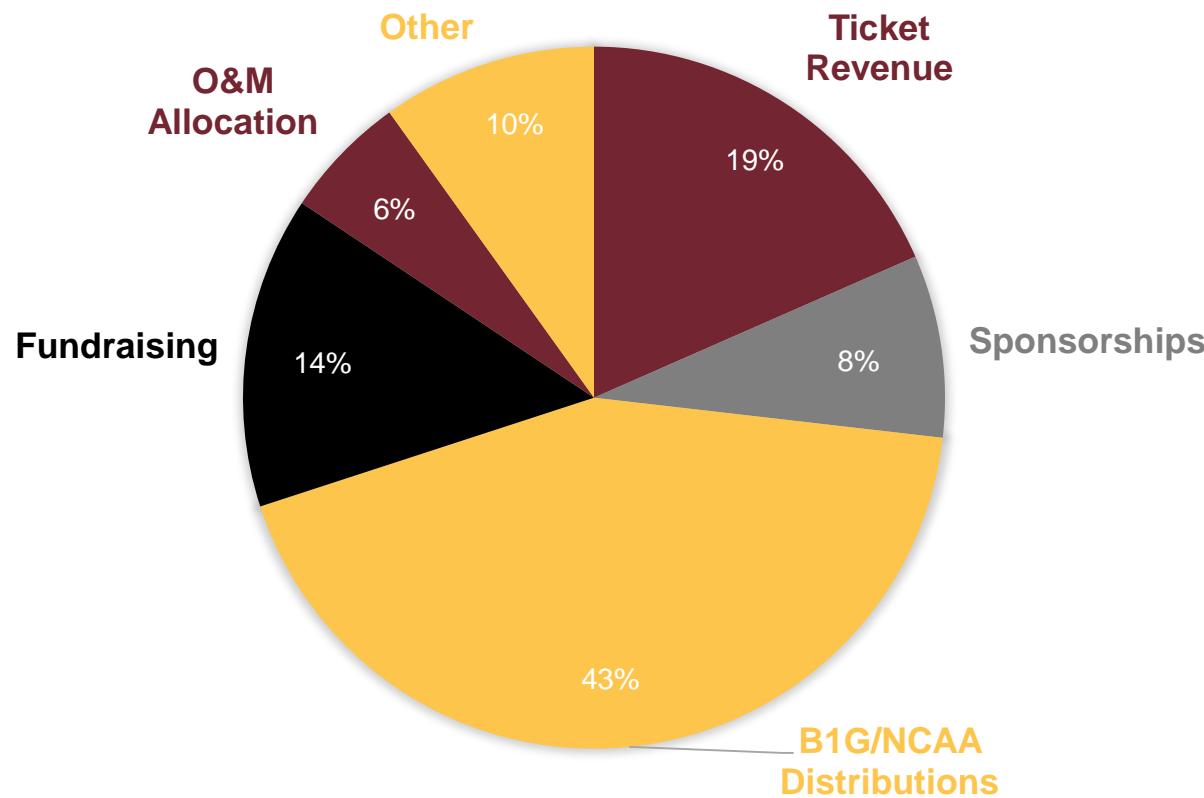
FY18 Budgeted Expenses - \$113M



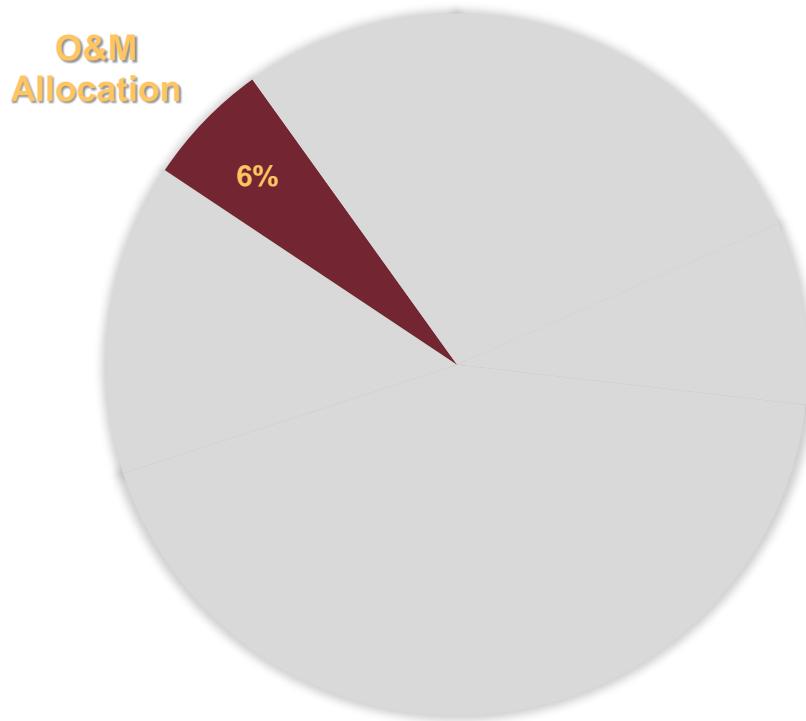
FY18 Budgeted Expenses - \$113M



FY18 Budgeted Revenue



FY18 Budgeted Revenue



Additional Financial Impact

- Full grant-in-aid for Gopher student-athletes in Aid Year 2017 put **\$18.5M back into the University**
 - Athletics returned \$11M to campus for scholarship expenses, while partial scholarship or walk-on student-athletes paid an additional \$7.5M
- Gopher Athletics draws **more than 1 million visitors to campus**, generating significant additional revenue for other campus units and campus community businesses
- New in FY17, most giving to the athletics' Golden Gopher Fund included a **three-percent allocation to U of M Foundation**
 - This allocation was approximately \$500k in FY17

Guiding Principles

- **Action:** Value results over promises
- **Honesty**
- **Humility:** Low ego; high output
- **Innovation:** Maximizing personnel and financial resources



Annual Intercollegiate Athletics Report

**Presentation to the Board of Regents
July 12, 2017**



UNIVERSITY OF MINNESOTA
Driven to DiscoverSM



BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Board of Regents Policy: *Reservation and Delegation of Authority*
(Appointment Authority)

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler
Brian R. Steeves, Executive Director & Corporate Secretary

PURPOSE & KEY POINTS

The purpose of this item is to consider action on proposed amendments to the Board's appointment authority, as defined in Board of Regents Policy: *Reservation and Delegation of Authority*.

The proposed amendments to Article I, Section IV, Subd. 1 are:

- Add the positions of Head Coach, Football, Twin Cities campus; Head Coach, Men's Basketball, Twin Cities campus; and Vice Chancellor for Academic Affairs.
- Correct the title for Director of Intercollegiate Athletics, Twin Cities Campus.
- Remove the eliminated position of Provost, a position formally used on the Twin Cities campus that is distinct from the position of Executive Vice President and Provost.
- Alphabetical reordering of the list of positions.

Additionally, the proposed amendments clarify that thresholds listed in Article I, Section I, Subd. 6 of the policy do not bind appointments delegated to the President.

No substantive changes have been made to the proposed amendments since the policy was recommended to the Board in May. The draft was updated to align with amendments adopted to other sections of the policy on May 12, 2017.

Big Ten Comparison – Coach Approvals

In May, the Board requested information on how peer institutions handle coach contract approvals. The Office of the Board of Regents (OBR) complied the following information regarding other institutions in the Big Ten.

	Board Approval	Positions/Threshold
Illinois	Yes	Multi-year contracts and contract adjustments for all intercollegiate athletics coaches.
Indiana	No	Delegated to athletics director.
Iowa	No	Delegated to campus president.
Maryland	No, but submitted to Board as information item.	An annual total compensation package that exceeds the annual total compensation package of the institution's President or the Chancellor or outside normal compensation standards.
Michigan	No	Delegated to athletics director.
Michigan State	Yes	Men's Basketball head coach, Women's Basketball head coach, Football head coach, Men's Ice Hockey head coach.
Nebraska	No	Delegated to president, who delegates to campus chancellors.
Ohio State	Yes	Contracts approved via consent report.
Penn State	Yes, but delegated to Compensation Committee.	Men's Basketball head coach, Women's Basketball head coach, Football head coach.
Purdue	Yes	Men's Basketball head coach, Women's Basketball head coach, Football head coach.
Rutgers	No, but consultation by president.	Total compensation in excess of \$500,000.
Wisconsin	Yes	Total annual compensation is greater than \$500,000.

Northwestern excluded.

Timeline for Consideration of Policy Amendments

March 2016 - Resolution Related to Specification of Appointment Authority - Introduction

Board of Regents discussed Resolution Related to Specification of Appointment Authority on March 31, 2016. The resolution sought to establish an interpretation of Board policy (specifically Article I, Section IV, Subd. 1, k – “Such other administrative positions as the Board may specify from time to time”) requiring that any initial appointment where the employee’s annual salary exceeded \$250,000, or any employment agreement or amendment that would have a total cost to the University of \$600,000 or more, come to the Board for approval. The Board referred the resolution to the Governance & Policy Committee (GOV) for further consideration.

May 2016 - Specification of Board Appointment Authority - Review

GOV reviewed the resolution on May 12, 2016. The committee considered adopting the resolution or amending Board policy by adding either a compensation threshold or additional positions to Article I, Section IV, Subd. 1. The committee came to consensus around a threshold tied to the President’s base salary and President Kaler agreed to bring back amendments to Board policy at a future meeting.

June 2016 - Specification of Board Appointment Authority - Action

GOV took action on the President's recommendation on June 9, 2016, voting to recommend the proposed policy amendments to the Board on a vote of 4-1. The policy language called for:

- (k) Any initial appointment or substantive contract amendment for a position with compensation (meaning base salary plus supplemental compensation and the average value of any incentive compensation, but excluding the value of benefits or other forms of compensation) that exceeds the base salary of the president. This provision does not apply to faculty positions as defined by Board of Regents Policy: *Faculty Tenure*.

When presented for action to the Board on June 10, 2017, concerns were raised that the Faculty & Staff Affairs Committee (FSA) – the committee charged with approving appointments – had not reviewed the proposed language. The Board voted 10-1 to refer the proposed amendments to FSA for consideration.

December 2016 - Appointment Authority - Review

FSA reviewed the language approved by GOV on December 8, 2016. President Kaler spoke against the recommended language, noting his concerns that coach approvals often happen quickly and waiting for Board approval may put the University at a disadvantage. He recommend that if the Board moved forward with coach approvals, the policy could either delegate to the Board chair and vice chair the authority to approve contracts or provide for a telephonic meeting of the full Board. The committee came to consensus that adding certain coach positions to the policy was preferred over using the President's base salary as a threshold.

February 2017 - Revised Appointment Authority - Review

FSA reviewed revised amendments to *Reservation and Delegation of Authority* on February 9, 2017. The proposed language clarified that appointments are not subject to the \$2 million threshold noted in Article I, Section I, Subd. 6 and created a requirement that:

When the president determines that appointments not subject to Board approval have substantial financial impact or generate significant public interest, the president shall consult with the chair and vice chair of the Board before making the appointment.

Committee members expressed concern with the proposed amendments and offered recommendations to add either a threshold or specific positions or range of positions to the policy instead.

The proposed language also clarified position titles, removed provost (an appointment separate from the executive vice president and provost that had been previously used on the Twin Cities campus), and added the vice chancellor for academic affairs since deans appointed by the Board on system campuses report to that position.

May 2017 - Revised Appointment Authority - Action

FSA took action on updated amendments to *Reservation and Delegation of Authority* on May 11, 2017. The President's recommendation eliminated the consultation language and added two positions – head coach, Football, Twin Cities campus and head coach, Men's Basketball, Twin Cities campus – to the positions requiring Board approval. It also maintained the limitation that

appointments are not subject to the \$2 million threshold noted in Article I, Section I, Subd. 6 and the other clarification language. The committee voted 5-1 to recommend approval to the Board.

During the full Board meeting, Regents expressed concern that approval of coach contracts could undermine the authority of the director of intercollegiate athletics and administration; that including only two coaches, both for male sports, could be a Title IX concern; and that the limitation excluding all other appointments from the \$2 million threshold was not in the best interest of oversight. The Board voted 11-1 to table the proposed amendments until the July meeting and requested additional information related to peer institutions.

BACKGROUND INFORMATION

Evolution of Board Appointment Authority

Board of Regents Policy: *Reservation and Delegation of Authority*, Section IV, specifies those positions that require Board approval. The Board's reserved appointment authority has evolved over time, as outlined below.

Before 1990

All personnel matters were brought to the Board for approval with the exception of "personnel actions for non-tenured academic staff and civil service staff in classifications where the minimum salary rate is less than \$13,608." The Board delegated approval of those staff positions to the president on September 14, 1973.

Adoption of Board of Regents Policy: Delegation of Authority: Academic Personnel Matters – September 14, 1990

The policy delegated to the administration the appointment of all positions, with the exception of "All vice presidents, general counsel, chancellors, all deans, and athletic directors."

When the proposed policy was before the Faculty, Staff & Student Affairs Committee for review, a Regent expressed concern regarding the absence of Board review and approval of head coach appointments. The minutes note the administration's agreement that "such provision should have been included in the proposed Delegation of Authority." The version subsequently adopted by the Board did not include language related to Board approval of head coach appointments.

Adoption of Board of Regents Policy: Board Operations and Agenda Guidelines – September 11, 1992

The new policy created a monthly report to the Faculty, Staff, & Student Affairs Committee from the senior vice president for academic affairs, to include "... personnel items requiring committee action" and "initial appointments, special appointments, or leaves."

The policy amended Board appointment authority in two ways. First, Board approval of athletic director appointments was limited to Division I. Second, the list of positions requiring Board approval was expanded to include: "Division I head coaches in Men's Football, Basketball, Hockey (Twin Cities), Hockey (Duluth); and Women's Volleyball, Basketball, Gymnastics, Softball (Twin Cities)."

The adopted policy also included a provision to amend Board of Regents Policy: *Delegation of Authority: Academic Personnel Matters* to align with the new language.

Adoption of amendments to Board of Regents Policy: Board Operations and Agenda Guidelines – July 14, 1995

Proposed amendments sought to remove head coach appointments from the list of positions requiring Board approval. Concerns raised by some Regents about this change resulted in language being added that gave the Board the ability to review other appointments at its discretion. Language was also adopted setting an expectation that the president would bring significant matters to the Board for approval. With this new language, Board approval of head coach appointments was removed from policy.

The adopted amendments read as follows:

- Section IV, Committee Guidelines, Faculty, Staff & Student Affairs Committee:
 - “The Board of Regents, at its discretion, may review initial appointments, special appointments, and leaves in other employment classifications.”
- Section II, C, 6:
 - “Additionally, the President is expected to bring to the Board's attention significant matters that have University-wide implications, even though they are not required by the guidelines. These include, but are not limited to, matters that have potential significant public impact, that raise serious policy issues, or that create substantial financial impact on the University.”

The adopted policy also included a provision to amend Board of Regents Policy: *Delegation of Authority: Academic Personnel Matters* to align with the new language.

Adoption of Board of Regents Policy: Reservation and Delegation of Authority – April 5, 2001

The adoption of Board of Regents Policy: *Reservation and Delegation of Authority* refined appointment authority further, while seeking to preserve the Board's ability to approve other positions at its discretion:

- Article I, Section IV, Subd. 1, (11) [now j]:
 - “Such other administrative positions as the Board may specify from time to time.”
- Article II, Section II, 4 [now d]:
 - “[T]he directive that the president shall notify the Board of Regents of any matter not otherwise addressed in this section that significantly involves the authority and role of the Board, including its fiduciary, oversight, and public accountability responsibilities.”

Adoption of amendments to Board of Regents Policy: Reservation and Delegation of Authority – February 12, 2010

The amendment reserved to the Board authority to approve specified commercial transactions or matters not otherwise subject to Board approval:

- Article I, Section I, Subd. 5:
 - “The Board reserves to itself authority to approve any commercial transaction or matter not otherwise subject to Board approval if the transaction or matter:
 - (a) raises unusual questions of public interest or public policy;
 - (b) has a significant impact on the University's mission; or
 - (c) has a value greater than \$2 million.”



UNIVERSITY OF MINNESOTA BOARD OF REGENTS POLICY

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Delegation of Authority

RESERVATION AND DELEGATION OF AUTHORITY

Adopted: April 5, 2001

Amended: July 9, 2004; December 10, 2004; July 9, 2008; February 12, 2010; February 10, 2012; March 1, 2012; May 12, 2017

Technical Change: December 11, 2013;
March 31, 2016; February 10, 2017

Supersedes: (see end of policy)

Draft for Action

RESERVATION AND DELEGATION OF AUTHORITY

ARTICLE I

RESERVATION OF AUTHORITY

SECTION I. GENERAL RESERVATIONS OF AUTHORITY.

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

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

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

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

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

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

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



UNIVERSITY OF MINNESOTA BOARD OF REGENTS POLICY

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SECTION II. CONDUCT OF BOARD BUSINESS.

The Board reserves to itself authority to establish procedures for the conduct of its business, create committees, set its agenda, require reports from executive officers and employees, hear appeals, and enforce its code of ethics.

SECTION III. ELECTION OF BOARD OFFICERS.

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

SECTION IV. APPOINTMENT AUTHORITY.

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

- (a) Chancellor
- (b) Chief Auditor
- (c) Dean
- (d) Director of Intercollegiate Athletics Director, Twin Cities campus
- (e) Executive Vice President and Provost
- (f) General Counsel
- (g) Head Coach, Football, Twin Cities campus
- (h) Head Coach, Men's Basketball, Twin Cities campus
- (i) Librarian
- (j) ~~Provost~~
- (j) Senior Vice President for Finance and Operations
- (k) Vice Chancellor for Academic Affairs
- (l) Vice President
- (m) Such other administrative positions as the Board may specify from time to time.

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

The appointment of University employees not subject to Board approval is delegated to the president or delegate and is not bound by the reservations and limitations set forth in Article I, Section I, Subd. 6 of this policy.

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



UNIVERSITY OF MINNESOTA BOARD OF REGENTS POLICY

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Delegation of Authority

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Supersedes: (see end of policy)

Draft for Action

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

SECTION V. ACADEMIC MATTERS.

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

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

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

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

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

SECTION VI. AWARDS, HONORS, AND NAMINGS.

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

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

SECTION VII. BUDGETARY, FINANCIAL, AND INVESTMENT MATTERS.

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



UNIVERSITY OF MINNESOTA

BOARD OF REGENTS POLICY

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Delegation of Authority

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Draft for Action

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

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

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

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

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

SECTION VIII. PROPERTY, FACILITIES, AND CAPITAL BUDGETS.

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

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

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

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

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

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

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



UNIVERSITY OF MINNESOTA BOARD OF REGENTS POLICY

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Delegation of Authority

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Draft for Action

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

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

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

SECTION IX. LEGAL MATTERS.

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

SECTION X. AUDIT FUNCTION.

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

SECTION XI. EMPLOYMENT AND LABOR RELATIONS.

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

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

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

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

SECTION XII. ASSOCIATED ORGANIZATIONS.



UNIVERSITY OF MINNESOTA BOARD OF REGENTS POLICY

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Delegation of Authority

RESERVATION AND DELEGATION OF AUTHORITY

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Supersedes: (see end of policy)

Draft for Action

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

ARTICLE II

DELEGATION OF AUTHORITY

SECTION I. DELEGATION OF AUTHORITY TO THE PRESIDENT.

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

SECTION II. LIMITATIONS UPON PRESIDENTIAL AUTHORITY.

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

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

SECTION III. DELEGATION OF AUTHORITY BY THE PRESIDENT.

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

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

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



UNIVERSITY OF MINNESOTA BOARD OF REGENTS POLICY

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Delegation of Authority

RESERVATION AND DELEGATION OF AUTHORITY

Adopted: April 5, 2001

Amended: July 9, 2004; December 10, 2004; July 9, 2008; February 12, 2010; February 10, 2012; March 1, 2012; May 12, 2017

Technical Change: December 11, 2013;
March 31, 2016; February 10, 2017

Supersedes: (see end of policy)

Draft for Action

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

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

The chair and vice chair of the Board shall have such authority as is authorized by Board Bylaws and policies and is customarily exercised by such officers of a corporation. The chair shall have authority to execute any and all instruments and documents on behalf of the Board.

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

The secretary, treasurer, general counsel, and chief auditor shall have authority to perform such duties for the Board as provided by Board Bylaws, policies, and directives.

The secretary shall have authority to execute such instruments and documents that would customarily devolve upon a corporate officer and are usual to that office.

The secretary and the general counsel shall have authority to accept legal service on behalf of the University.

SECTION VI. CONFORMANCE WITH THIS POLICY.

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

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

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

Context for Board of Regents Appointment Authority Discussion

Brian R. Steeves, Executive Director & Corporate Secretary



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Policy Draft Timeline

- March 2016 – Board of Regents
 - Resolution Related to Specification of Appointment Authority introduced; referred to GOV.
- May & June 2016 – Governance & Policy Committee
 - Language establishing threshold based on President's salary recommended to Board; referred to FSA.
- December 2016 – Faculty & Staff Affairs Committee
 - Review of GOV recommendation.

Policy Draft Timeline

- February 2017 – Faculty & Staff Affairs Committee
 - Review of language requiring President to consult with Board leadership on major appointments.
- May 2017 – Faculty & Staff Affairs Committee
 - Language naming specific positions (Twin Cities head football coach and Twin Cities head men's basketball coach) recommended to full Board; tabled until July 2017.

Big Ten Comparison

	Board Approval	Threshold
Illinois	Yes	Multi-year contract and contract adjustments for all intercollegiate athletics coaches.
Indiana	No	Delegated to athletics director.
Iowa	No	Delegated to campus president.
Maryland	No, but submitted to Board as information item.	An annual total compensation package that exceeds the annual total compensation package of the institution's President or the Chancellor or outside normal compensation standards.
Michigan	No.	Delegated to athletics director.
Michigan State	Yes	Men's Basketball head coach, Women's Basketball head coach, Football head coach, Men's Ice Hockey head coach.
Nebraska	No	Delegated to president, who delegates to campus chancellors.
Ohio State	Yes	Contracts approved via consent report.
Penn State	Yes, but delegated to Compensation Committee.	Men's Basketball head coach, Women's Basketball head coach, Football head coach.
Purdue	Yes	Men's Basketball head coach, Women's Basketball head coach, Football head coach.
Rutgers	No, but consultation by president.	Total compensation in excess of \$500,000.
Wisconsin	Yes	Total annual compensation is greater than \$500,000.

Northwestern was not included.

Option A – Status Quo

- No policy change.
- President has discretion to seek Board approval for significant employment agreements/amendments.
 - Fleck and Pitino approvals.
 - Similar to Rutgers.

Option B – Threshold

- Establish threshold requiring Board approval of employment agreements above a certain dollar amount.
 - GOV recommendation (faculty exempted).
 - Similar to Wisconsin and Maryland (which comes as an info item).

Option C – Name Positions

- Name specific positions requiring Board approval.
 - FSA and President Kaler's recommendation.
 - Similar to Michigan State, Penn State, and Purdue.



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BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Resolution Related to Issuance of Debt

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Brian Burnett, Senior Vice President for Finance and Operations
Michael Volna, Associate Vice President

PURPOSE & KEY POINTS

The purpose of this item is to seek approval for the issuance of debt in the principal amount of up to \$141,000,000. These funds will finance and/or reimburse the University for the purchase of land and buildings, construction and remodeling projects, the acquisition and installation of equipment, and costs of issuance. These projects were approved by the Board as part of the University's capital planning process; a complete project list is included in the docket materials.

Approval of the resolution is sought in compliance with Board of Regents Policy: *Debt Transactions*.

PRESIDENT'S RECOMMENDATION

The President recommends approval of the Resolution Related to Issuance of Debt.



REGENTS OF THE UNIVERSITY OF MINNESOTA

RESOLUTION RELATED TO

Issuance of Debt

WHEREAS, it has been proposed that the University proceed with a plan of financing which involves, among other things, the issuance and sale of indebtedness (such indebtedness, whether issued in the form of bonds, notes, commercial paper or such other form of indebtedness as may be designated by the University, the "Debt"), the proceeds of which are to be used to finance University capital projects which may include purchases of land and buildings, construction and remodeling projects, and the acquisition and installation of equipment, as well as the costs of issuance of the Debt; and

WHEREAS, the Debt will be issued pursuant to one or more Order(s) of the University, which will contain the terms of such Debt and agreements and covenants of the University with respect to the payment of the principal of, premium or discount, if any, and interest on such Debt.

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents (Board) as follows:

1. To provide funds to finance capital projects which may include purchases of land and buildings, construction and remodeling projects, and the acquisition and installation of equipment, as well as the costs of issuance of such financing(s) the Board hereby authorizes the sale and issuance of Debt in the principal amount of up to \$141,000,000. The Debt may be issued in one or more forms and one or more series, each to mature (or if commercial paper, to have an amortization schedule terminating) not later than the date that is 25 years after the date of issuance. The Treasurer is authorized to determine the form(s) in which the Debt will be issued, whether or not the Debt will be issued as general obligations of the University and whether or not the Debt will be issued in a form that is tax-exempt under Section 103 of the Internal Revenue Code of 1986, as amended.
2. The purchases of land and buildings, construction and remodeling projects, or acquisition of equipment to be financed by the proceeds of the Debt shall be those the source of funding of which is so designated by the Board or by the Treasurer as part of the University's capital planning process.
3. If issued in the form of bonds, the Debt may be sold in either a negotiated sale or a competitive process, as determined by the Treasurer. The Treasurer is authorized to negotiate and

approve the terms and conditions of the appropriate agreement or agreements with financial advisors, banks, investment banking firms, or other financial institutions, including the terms and conditions upon which their services will be rendered and the terms and conditions upon which the Debt will be sold and issued. The Treasurer is further authorized to negotiate and approve the terms and conditions of any credit support or liquidity facility for any series of Debt. Such agreements shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as are approved by the Treasurer and the General Counsel.

4. In connection with the issuance of any series of Debt, the President and Treasurer are authorized to execute and deliver on behalf of the University the Order or any supplement or amendment thereto under which the Debt is to be issued in the form and containing such covenants, agreements, representations and warranties as is approved by the Treasurer and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the Debt in accordance with such Order or any supplement or amendment thereto. The signatures of the Secretary and/or Treasurer on the documents evidencing the Debt may be by facsimile.

5. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of Debt in the form and containing such covenants, agreements, representations and warranties of the University as are approved by the Treasurer and General Counsel.

6. The Treasurer is authorized to approve the Preliminary Official Statement, final Official Statement, Offering Memorandum, Offering Circular, or other offering material or any supplements or amendments thereto to be prepared and distributed to any purchaser or potential purchaser of a series of Debt, and the President is authorized to execute and deliver the final Official Statement or any supplements or amendments thereto. In the case of the sale of any series of Debt in a competitive process, the Treasurer is authorized to approve the Notice of Sale and any amendment thereto.

7. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate in connection with the issuance and sale of the Debt.

8. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the Debt certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the Debt as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the University as to the truth of all statements contained therein.

9. The execution of any document by the appropriate University officers herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Order, final Official Statement, purchase agreement or any other document to be executed by the President or Treasurer in connection with the Debt may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer.

Resolution Related to Issuance of Debt
 Finance Committee
 July 12, 2017

Project (Total Estimated Cost)	Project Description	Board Approval CB (Capital Budget)	Anticipated Construction End Date	Estimated Debt
Athletes Village (\$166.0M)	Construction of a new 320,000 square foot Athletes Village to serve as a hub and flagship for the entire Athletics Department and all student-athletes. The Village consists of 3 new buildings – Center for Excellence/Basketball Practice Facility, Indoor Football Practice Facility, and a Football Performance Center.	October 2015	January 2018	\$ 81,000,000
Track & Bubble Relocation (\$19.0M)	Relocation of the Recreation Sports Bubble and Softball Field to University-owned land east of TCF Bank Stadium and construction of a new completion-level track and field facility at the Athletes Village	February 2017	August 2018	19,000,000
	SUBTOTAL			<u>100,000,000</u>
Veterinary Isolation Lab (\$29.5M)	Demolish and replace three existing Veterinary Isolation buildings with a new 31,140 square foot bio-containment facility on the St. Paul campus	February 2016	August 2017	11,100,000
Mathiesen Property purchase & demo (\$5.5M)	Purchase of 2.68 acres next to the Steel Elevator site (\$1.3), and demolition of the two grain elevator facilities on the property (\$4.2)	October 2016 February 2017	May 2017	5,500,000
Electric Steel Property elevator demo (\$3.0)	Demolition of 32 vacant steel elevators on the purchased site to prepare for the relocation of Rec Sports Facilities Bubble & baseball field	February 2017	July 2017	3,000,000
Wilson Library renovations (\$3.850)	Renovate existing space in the lower level of Wilson Library for Minitex Operations currently located in Anderson Library	June 2016 (FY17 Annual CB)	July 2017	3,850,000
Anderson Library renovations (\$4.950M)	Creation of an environmentally controlled, secure space for the rare book collections in Anderson Library	June 2016 (FY17 Annual CB)	February 2018	2,250,000
UMD High Voltage Feeder (\$4.7M)	Replacement of all feeders and primary switching equipment associated with the feeder systems that power all Campus Housing facilities, Student Health Service and Exterior Street, sidewalks, and parking lot lighting around this part of the Duluth campus	June 2016 (FY17 Annual CB)	August 2017	2,900,000
VFW/Masonic Memorial Relocation Projects (\$13.4M)	Seven renovation projects in PWB that will provide relocation space for the remaining occupants in the VFW and Masonic buildings so the 2 buildings can be demolished	February 2017	December 2017	<u>11,000,000</u>
	SUBTOTAL			<u>39,600,000</u>
	Estimated Costs of Issuance			1,400,000
	July 2017 Debt Resolution – Authorized Amount			\$ 141,000,000



BOARD OF REGENTS

DOCKET ITEM SUMMARY

Board of Regents

July 12, 2017

AGENDA ITEM: Report of the Committees

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

Pursuant to Board of Regents Policy: *Board Operations and Agenda Guidelines*, “The Board conducts business through meetings of the Board and its committees.... [and] Committees provide recommendations for action by the Board. Typically, standing committees have the following responsibilities:

- Recommend action on matters where the Board has reserved authority to itself as outlined in Board of Regents Policy: *Reservation and Delegation of Authority* and other Board policies;
- Provide governance oversight on topics within the committee’s purview;
- Review and make recommendations on relevant new and existing Board policies;
- Receive reports on policy-related issues affecting University departments and units;
- Receive information items (e.g., status reports on current issues of concern and administrative searches); and
- Review other items placed on the agenda by the Board chair in consultation with the president and Board vice chair.”

BACKGROUND INFORMATION

Committees of the Board of Regents:

- Audit & Compliance Committee
- Finance & Operations Committee
- Governance & Policy Committee
- Litigation Review Committee
- Mission Fulfillment Committee