



Board of Regents

July 2018

July 11, 2018

12:15 p.m. - 3:00 p.m.

Boardroom, McNamara Alumni Center

BOR - JUL 2018

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BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents

July 11, 2018

AGENDA ITEM: Introductions

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler

PURPOSE & KEY POINTS

The purpose of this item is the introduction of new University governance leaders.

Becky Nelson, Civil Service Consultative Committee Chair, works in Student Support for Online and Hybrid Courses at the University of Minnesota Duluth.

The Civil Service Consultative Committee represents the civil service staff, rather than the individual campuses, institutes, colleges, schools, or departments of the University. The Civil Service Consultative Committee serves as the consulting body to the president and as executive committee of the Civil Service Senate.

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Finance & Operations Committee
June 7, 2018**

A meeting of the Finance & Operations Committee of the Board of Regents was held on Thursday, June 7, 2018 at 7:45 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Thomas Anderson, presiding; Richard Beeson, Linda Cohen, Michael Hsu, Dean Johnson, Peggy Lucas, David McMillan, Abdul Omari, Kendall Powell, Darrin Rosha, Randy Simonson, and Steve Sviggum.

Staff present: President Eric Kaler; Chancellors Michelle Behr, Lendley Black, and Mary Holz-Clause; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice Presidents Michael Berthelsen, Kathryn Brown, Bernard Gulachek, Matt Kramer, and Allen Levine; Interim Vice President Michael Goh; General Counsel Douglas Peterson; Executive Director Brian Steeves; and Associate Vice Presidents Julie Tonneson and Michael Volna.

Student Representatives present: Lauren Anderson and Joshua Preston.

**PRESIDENT'S RECOMMENDED FY 2019
ANNUAL OPERATING BUDGET**

Regent Anderson invited President Kaler and Senior Vice President Burnett to present for action the president's recommended FY 2019 annual operating budget (operating budget), as detailed in the docket.

A motion to recommend approval of the president's recommended FY 2019 annual operating budget was made and seconded.

Kaler reminded the committee of his budget priorities, noting that no significant changes were made to the operating budget since the committee reviewed it in May.

Regent Simonson moved to amend the operating budget to reduce resident undergraduate tuition systemwide by one percent from the rates set within the FY 2018 operating budget. The motion was seconded.

Simonson spoke to his amendment, citing examples of students graduating with debt, including an intern who works for his company. He offered that 70 percent of University students graduate with debt and that the State of Minnesota ranks third highest in the nation for student debt. He pointed out that Purdue University has implemented a tuition freeze for resident undergraduates for the past seven years and seen increases in key indicators. He expressed his belief that the administration will be able to find the necessary savings without compromising quality.

Regent Johnson expressed his opposition to the amendment, recalling previous presentations showing that 52 percent of University students graduate without debt. He added that reducing potential revenue for the Crookston, Morris, and Duluth campuses is neither timely nor in their best interests.

Kaler clarified that that 43 percent of Twin Cities students graduate with no debt. Of those with debt, he reported that the average is \$25,000. The cost of attendance is roughly \$28,000 per year.

Regent Rosha noted that the current budget structure keeps tuition revenue with the campuses that collect it, and asked for clarification on how the system campuses would be protected from a decrease in tuition revenue. Burnett responded that if the amendment were adopted, centrally available funds might be able to fill the gap. Or, funds would need to be reallocated from the Twin Cities campus to the other campuses.

Student Representative Preston offered his view that there is a point when the debt load on a student becomes unsustainable and graduates are unable to achieve their full potential given their debt burden. He suggested that any reduction be for both resident and non-resident, non-reciprocity (NRNR) students.

Simonson emphasized to Burnett his belief that the administration could find slightly over \$9 million in savings out of a \$4 billion operating budget.

Regent Hsu reminded the committee of the significant subsidy allocated to the Law School, noting that if the operating budget is passed, the 10-year cost to subsidize the Law School will be close to \$100 million. He stated his view that there is plenty of funding available centrally to fund the tuition reduction given other allocations made from the central reserves budget.

Rosha offered his support for the Simonson amendment, stating that a one-percent reduction will move resident tuition rates closer to where the University had been historically. He expressed disappointment in the modeling provided for the other tuition rate options, and noted that the justification in the modeling for a potential resident tuition freeze is unconvincing. Rosha reported seeing tuition and administrative costs grow dramatically over a number of years and suggested looking back further than the current trends. He called the argument that \$9 million will be difficult to find flawed, given recent experience with changes in Twin Cities Athletics staffing.

Regent Beeson reiterated his belief that the University has held the cost curve down with a one percent average resident tuition increase during Kaler's administration. He noted that the actual spend rate for the University is 1.8 percent, suggesting that is lower than the actual tuition rate. He again advocated for increased state support and bold investment in strategic initiatives.

Regent Omari commented that this is a difficult conversation given his desire to sacrifice neither quality nor access, and the burden that places on students. He offered his support for the two percent salary pool increase for employees, and clarified to those who submitted public comments that the NRNR undergraduate tuition rate was approved by the Board in December. Omari asked for confirmation of the Law School funding numbers cited by Hsu, and sought clarification around the possibility of using central reserves funding to pay for the Simonson amendment. He agreed with Rosha's comments regarding the alternative resident tuition rate modeling provided by the administration.

Hsu outlined how he arrived at his calculations for the subsidies paid to the Law School since 2014 and what the total will be if the proposed plan is implemented as outlined to the committee in May. He expressed concern that the Board has approved incremental allocations without having a broader conversation about the potential total allocation, whether that allocation is worth it, what other priorities exist, and whether they are greater than continuing the subsidy. He cited the University of Michigan as an example of a highly ranked public law school. Hsu explained that there are other areas to find necessary funding, including internal savings and central reserves. He reported that the operating budget includes a \$5.7 million

allocation from central reserves already, and given the performance of the University's investments, more could be allocated.

Student Representative Anderson observed that for many students, an undergraduate degree is not the only degree needed for their careers. She proposed that with the cost of graduate education, even \$26,000 in undergraduate debt is burdensome. She acknowledged that cost and quality are difficult to balance.

Regent Sviggum expressed that he supported the concept of Simonson's amendment, but is unclear where the necessary funding will be allocated from to cover the decrease in resident tuition. He proposed looking at this option in next year's budget to give time to come up with a complete plan.

Simonson expressed his interest in discussing the various statistics being cited by members of the committee. He emphasized that in his view, the cost of higher education is increasing faster than the growth of wages for degree holders.

The committee voted 3-9 and the Simonson amendment failed. Regents Hsu, Rosha, and Simonson voted in favor of the amendment.

Regent Powell moved to amend the resident undergraduate tuition rate for the Twin Cities campus from two percent to one percent. The motion was seconded.

Powell spoke to his amendment by noting that the personal consumption index rate of inflation is at 1.8 percent. He offered his concern that a resident tuition increase above the inflation rate will put the resident tuition rate at an unstable amount in four years. He noted that funding for the difference in the rate could be found from increased enrollment, continued focus on cost management, and increased support from the University's growing endowment.

Regent McMillan stated that while he agrees with Powell that a two-percent increase is unsustainable over the long term, he supports it right now. He shared the view of other committee members that this year's budget process is the best it has been.

Omari agreed that the University should pay close attention to the sustainability of any tuition increase. He added that tuition sustainability should be looked at with both resident and NRNR tuition.

Beeson agreed that the University needs to discuss what the rate of tuition increase should be. He reiterated his view that without investment, the Board will commit the University not to growth, but to the status quo.

Rosha noted the shift from admitting any Minnesota student with a high school diploma to striving to be among the top-ranked schools, sharing that he is trying to reconcile that with the duty to educate the people of the state. He offered his support for the Powell amendment. He noted that the Board and administration are in the process of defining a systemwide strategic plan that will guide future budget discussions and tuition rate philosophy. He offered the University of Wisconsin as one peer institution that is charging less for resident tuition, but still providing excellence.

Beeson responded that both Wisconsin and Purdue have a much higher percentage of out-of-state students when compared to the University, and they rely on those students to subsidize resident students. He suggested that no one at the University has the appetite for that type of funding model.

Hsu commented that the University has space to increase enrollment. He noted that in his view, the ACT score requirement is preventing more students from being admitted.

On a show of hands, the committee voted 4-8 and the Powell amendment failed. Regents Hsu, Powell, Roshia, and Simonson voted in favor of the amendment.

Sviggum moved to amend the operating budget by adding a requirement for employment positions funded with operations and maintenance (O&M) funding, as follows:

To ensure that an expansion of the O&M position pool is justified, units wishing to increase the number of positions (funded 100% from O&M) over and above the total that was funded in the approved budget for the year, will need to gain joint approval of the Executive Vice President and Provost and the Senior Vice President for Finance and Operations. This process will also be required for any hire to fill any empty position that is supported by O&M funds. All campuses and all units (academic and support) will be included in this process. The University will report to the Board of Regents at its May 2019 meeting on the approvals granted through this process. This process would be effective on July 1, 2018.

The motion was seconded.

Sviggum outlined his amendment, noting the increase in employee headcount over last year. He suggested that to bend the tuition cost curve, more must first be done to control the number of employees. He explained that the amendment only covers those positions funded by either tuition or the general state appropriation, not those funded through new grants or other awards. He described the process that will be used to implement the amendment.

Kaler offered his support for the Sviggum amendment, characterizing the additional structure as helpful to the administration.

Beeson offered his support for the Sviggum amendment given that the oversight appears to be manageable. He asked the administration to track the amendment's impact and report those results to the committee. Beeson recommended changing the reporting requirement from six months to one year.

In response to a question from Johnson, Sviggum explained that he views this as an addition to the operating budget that requires a new process. He accepted Beeson's suggestion of changing the reporting requirement to a yearly reporting requirement. Anderson asked if Sviggum was seconding Beeson's amendment. Sviggum asked for it to be incorporated into his motion. There was no objection to the Beeson modification.

Omari expressed his support for the Sviggum amendment but noted that he views this action as skirting the line between governance and management.

Hsu asked if the reporting requirement could be 11 months to ensure that the Board has the information before the budget process. Kaler proposed modifying the Sviggum amendment to require that the report come to the committee in May 2019.

Anderson called for the vote on the Sviggum amendment with the modification that the administration report the results to the committee at the May 2019 meeting. The committee voted unanimously to approve the Sviggum amendment.

McMillan moved to amend the operating budget by adding the following resolution to it:

WHEREAS, as part of a multi-year plan to resolve a structural imbalance in the Law School, the President has recommended additional investment in FY 2019;

NOW, THEREFORE, BE IT RESOLVED, that future increases in the Law School budget allocation will be contingent on evidence that the Law School is meeting expectations of the administration and the Board of Regents (Board), as follows:

- (1) The Law School must regularly meet with and report to the Office of the Senior Vice President for Finance & Operations to report on progress against the plan that served as the basis for this recommended investment.
- (2) The Law School must aggressively manage its budget in accordance with the plan and develop metrics and appropriate targets to measure progress, such as:
 - actual enrollment outcomes relative to targets
 - scholarship expenditures
 - the number of full-and part-time employees in all classes
 - salary levels for faculty and staff

The Law School's metrics and targets must be approved by the Senior Vice President for Finance & Operations.

- (3) By September 2018, the administration will report to the Board the metrics and targets that have been adopted. Additionally, the administration will provide the Board a recommendation regarding continued investments in the Law School no later than February 2019. This recommendation should reflect the Law School's progress in meeting its fiscal goals and overall plans for eliminating the long term structural imbalance by the end of FY 2021.

The motion was seconded.

McMillan reviewed his amendment. He argued that the amendment moves the University toward a more disciplined and structured approach for dealing with the ongoing performance of the Law School.

Kaler offered his support for the McMillan amendment. While he agreed that it, too, might be right on the governance/management line that Omari described earlier, he noted that he sees the amendment as re-emphasizing the importance of the Law School meeting specific expectations.

Omari commented that given the importance of this decision and the Board's fiduciary role, in this instance the Board is not overstepping its governance role. He suggested that the University of Michigan is not a fair peer comparison.

Rosha responded that he views the University's law graduates as being the peers of any Michigan law graduate. Rosha expressed his support for the McMillan amendment and his interest in discussing the principles that will be used going forward.

Johnson noted that tenure prevents quick action to address faculty salaries and salary bands. McMillan agreed, but offered that by creating a metric, the administration can look at that area and potential options. Kaler responded that the University has previously used retirement incentive programs as a solution. He cautioned that the University might have to offer that type of program to all eligible employees, not only those in the Law School.

Powell expressed his support for the resolution but challenged the Law School to come back early with metrics and a plan to fulfill the resolution's requirements.

Hsu expressed his concern with the level of subsidy for the Law School, that the Law School student body is only one-third Minnesota residents, and that it should be producing more graduates each year. He indicated that he will support the resolution, but expressed apprehension on the timing of the report.

The committee voted unanimously to approve the McMillan amendment.

Regent Lucas stated her understanding that the University has not yet met its NRNR enrollment goal for this year and inquired whether funding is built into the operating budget to cover any potential gap. Burnett responded that the operating budget included a conservative number for NRNR enrollment. He noted that the NRNR enrollment number is tracking within the range built into the budget, but the University will not know the final number until the fall.

Lucas challenged the committee and administration to look at not only items to cut in next year's budget, but also adding aspirational goals to the discussion.

Rosha stated that more work should be done to find administrative savings that could be reinvested in aspirational goals and objectives. He noted the continued subsidy to Twin Cities Athletics as one area for further discussion. He argued that since the subsidy comes from O&M funding, it is akin to a student service fee except that students have no voice in its allocation. He expressed his disappointment in the lack of job family data that was promised to support the proposed salary increases, and stressed the need for better data next year.

Regent Cohen stated her support for the operating budget. She explained that it addresses her two key areas – excellence and access for students – and continues to ensure that the University is the economic driver of the state. She noted the strong financial aid portion of the operating budget for those students who need it. Cohen expressed her agreement with the quality of the operating budget process this year, characterizing it as being the best that she has participated in during her time on the Board.

Hsu agreed with Cohen on the operating budget process. He noted that the total cost of attendance will go up by more than two percent given the increases in housing rates.

Beeson observed that the two percent resident tuition rate increase is only the sticker price and not the actual average increase for students. He offered his agreement with Lucas that the Board should take time to step back and determine the University's bigger goals and aspirations.

The committee voted 8-4 to recommend approval of the president's recommended FY 2019 annual operating budget as amended. Regents Hsu, Powell, Rosha, and Simonson voted no.

PRESIDENT'S RECOMMENDED FY 2019 ANNUAL CAPITAL IMPROVEMENT BUDGET

Regent Anderson invited President Kaler, Senior Vice President Burnett and Vice President Berthelsen, to present for action the president's recommended FY 2019 annual capital improvement budget (capital budget), as detailed in the docket.

Berthelsen explained the key changes since the committee reviewed it in May. He noted that the capital budget now reflects the outcome of the University's capital budget request. He also described the updated debt component of the capital budget. Burnett shared his appreciation of the Minnesota Legislature for the capital funding allocated to the University.

Regent Sviggum asked for an update on the process to renovate Pillsbury Hall. Berthelsen stated that predesign is complete and after the capital budget is approved, the project will move

into the schematic design phase. Sviggum asked about concerns regarding design. Berthelsen responded that he is aware of those concerns and encouraged those with concerns to contact him. He added that there are still more conversations to have about the design and assured the committee that the historic exterior will not be changed. Burnett noted that while the design will seek significant input, no design will meet all of the desires expressed.

Regent McMillan encouraged examination of the allocation formula used to distribute Higher Education Asset Preservation and Replacement (HEAPR) in the context of the Systemwide Strategic Plan. He asked how the allocation formula is updated and implemented. Berthelsen responded that the HEAPR formula has been updated to reflect more variables and balance square feet and facility condition. He explained how HEAPR funding has at times been reallocated from the Twin Cities campus if a system campus was short of funding for a high-priority project given the results of the formula. Kaler pointed out the Romano Gym on the Duluth campus as an example of a project assembling a variety of funding sources.

Regent Hsu added his thanks to the legislature and governor. He asked for information on next steps for the Glensheen matching funding and how complaints heard at the recent budget forum in Duluth regarding HVAC issues will be addressed.

In response to a question from Regent Simonson, Burnett explained the funding process for capital projects. He outlined how the University uses debt to fund those projects and emphasized that HEAPR funding is fully funded by the state. Anderson noted that recent credit rating reports reaffirmed the University's current credit rating. Kaler added that fundraising and philanthropy are also a key revenue source for University buildings.

In response to Hsu, McMillan wondered if the University could seek funding for the greater Minnesota projects that were left out of the bonding bill. Anderson noted the possibility of gaining additional support for those projects in the future.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the president's recommended FY 2019 annual capital improvement budget.

PROCESS AND OVERSIGHT OF CAPITAL PROJECTS

Regent Anderson invited Vice President Berthelsen and Bruce Gritters, Assistant Vice President, to describe the process and oversight of capital projects, as detailed in the docket.

Berthelsen described the life cycle of a capital project. He explained how large projects tend to stretch out over five years and highlighted some of the key aspects.

Gritters outlined the types of selection processes that are used based on the size and scope of the project. He emphasized that projects are used with best value delivery that puts an emphasis on both performance and price. He described the benefits of the best value delivery model. Gritters gave an overview of the various construction delivery methods and how each affects the construction schedule.

Berthelsen noted that construction cost is only one quarter of a building's total cost over its life cycle and how that compares to the total cost profile for facility life, which includes personnel salaries. He emphasized the need for high utilization within the University's buildings. He compared the University's building factors to the private sector. He also described the University building standards given the long life cycle of University buildings.

Gritters reported on the complexity of University construction, including reasons those projects tend to appear to cost more than private projects. Berthelsen noted that the University's capital

project management fees are on average 1.3 percent of the total project, as compared to fees that range from 2.5-3.5 percent in the private sector.

Regent Johnson pointed out the levels of requirements and bureaucracy that go into a University construction project. He suggested that the committee should continue to examine the capital project process and look for ways to streamline it.

In response to a question from Regent Powell, Berthelsen explained that the University has a master plan for managing space, including the integrated energy system and master energy plan. He noted that the University's financial structure creates incentives for units to manage their spaces, but that more needs to be done on space utilization.

Regent Lucas expressed her concern for neighborhoods around the Twin Cities campus and the quality of current construction. She wondered what the areas near the Twin Cities campus will look like in 20 years given what, in her view, appears to be low-quality construction by private developers.

Regent Omari stated that the University bureaucracy is hurting small businesses and their ability to interact with the University for projects like this. He noted the impact a University project could have on a small business and encouraged the Board to revisit this discussion.

REAL ESTATE TRANSACTIONS

A. Amendment to University Square Lease, 111 South Broadway, Rochester, Minnesota (Rochester Campus)

Associate Vice President Volna briefly reminded that committee of the property location and outlined the terms of the amendment of the lease of space at University Square, as detailed in the docket. Volna indicated that there were no changes since the project was reviewed in May.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the amendment to the University Square lease.

B. Sale of 435.546 acres at UMore Park for residential, commercial, and mixed use development, Dakota County, Minnesota

Volna summarized the property location and outlined terms of the sale of 435.546 acres at UMore Park, as detailed in the docket. He added that representatives from the City of Rosemount and the developer purchasing the property, Newland Land Acquisition, were in attendance.

In response to questions from Regents Powell and Rosha, Senior Vice President Burnett noted that revenue from the sale will be used first to pay deficits from the upkeep of the land. The funds will pay for relocation of a nearby turkey research facility, and the remainder will go to the UMore Park legacy fund as the Board directed in 2009.

Regent Anderson invited Bill Droste, mayor of the City of Rosemount, to comment. Droste offered that the city has been working with the University for over a decade and views the transaction as a win-win for the region, county, and city.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the sale of 435.546 acres at UMore Park.

CONSENT REPORT

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

General Contingency:

- There were no items requiring approval this period.

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

- To Willis Towers Watson for the estimated amount of \$393,750 for health care and other Human Resource consulting services for the University of Minnesota Office of Human Resources, Employee Benefits, for the two-year period of September 1, 2018 through August 31, 2020 with optional contract extensions through August 31, 2024 for an additional \$1,141,389. Total contract value, if all options are exercised would be \$1,535,139. The administrative service fees are funded on an annual basis through the fringe pool. The supplier was selected through a competitive process.

Appointments and Employment Agreements

- Two trustees to the Minnesota Landscape Arboretum Foundation Board of Trustees
- Mostafa Kaveh as Dean of the College of Science and Engineering (Twin Cities campus)
- John Hoffman as Vice Chancellor for Academic and Student Affairs (Crookston campus)

Schematic Designs:

- Bost Farm Red Barn Renovation – Minnesota Landscape Arboretum
- MHealth Clinics and Surgery Center Renovation for Third MRI Unit (Twin Cities campus)
- Jean K. Freeman Aquatics Center HVAC Replacement (Twin Cities campus)

Provost Hanson outlined the appointment of Mostafa Kaveh as dean of the College of Science and Engineering, Twin Cities campus. Chancellor Holz-Clause presented the appointment of John Hoffman as vice chancellor for academic and student affairs, Crookston campus.

In response to a question from Regent Omari, Burnett responded that the request for additional MRI units in the Clinics and Surgery Center came from University of Minnesota Physicians. He explained that demand for MRI scans outpaced what was originally anticipated during the design of the building.

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

INFORMATION ITEMS

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

- Annual University Health Benefits and UPlan Performance Report
- Debt Management Advisory Committee Update
- Investment Advisory Committee Update
- Permanent University Fund Lands Update
- Progress Report on Sustainability and Energy Efficiency Targets and Standards
- Quarterly Asset Management Report

- Quarterly Purchasing Report
- Semi-Annual Capital Project Management Report

The meeting adjourned at 10:40 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Audit & Compliance Committee
June 7, 2018**

A meeting of the Audit & Compliance Committee of the Board of Regents was held on Thursday, June 7, 2018, at 11:00 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Michael Hsu, Peggy Lucas, David McMillan, Abdul Omari and Ken Powell.

Staff present: Chancellors Michelle Behr, Lendley Black, and Mary Holz-Clause; Vice Presidents Kathryn Brown and Bernard Gulachek; Interim Vice President Michael Goh; Executive Director Brian Steeves; and Chief Auditor Gail Klatt.

Student Representatives present: Mina Kian and Apoorva Malarvannan.

2018-19 INTERNAL AUDIT PLAN

Regent Cohen invited Chief Auditor Klatt to present the FY 2019 Internal Audit Plan, as detailed in the docket.

Klatt reviewed the process and risk factors used to develop the plan, and noted alignment with the newly redeveloped institutional risk profile. The plan includes 34 audits of University processes, academic units, and colleges.

Student Representative Malarvannan reminded the committee that in their report to the Board, the student representatives encouraged the University to consider assessment of corporate social responsibility of suppliers and asked if the current audit of contracts includes that assessment. Klatt responded that corporate social responsibility is not an element of the contract audit process.

In response to questions from Regent Powell, Klatt explained that in comparison to peer institutions, the University is more decentralized, adding that decentralization creates operational complexities.

In response to questions from Regents Omari and Hsu, Klatt reported that the process audit of residency determination will help the University understand if non-resident, non-reciprocity (NRNR) students are being charged the correct tuition rate, although the scope of the audit is broader. She clarified that the Twin Cities campus Office of Admission audit was focused on process and did not specifically address the consequences of lost revenue when NRNR students receive waivers for in-state tuition.

Regent McMillan expressed his appreciation for the thorough overview of the process and priorities outlined in the plan. He asked if Internal Audit has enough resources. Klatt responded that the office has adequate resources and highly qualified and professional auditors. She added that if they were better resourced they would be able to do more audit work.

INTERNAL AUDIT UPDATE

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

Klatt reported that since the last update in February 2018, University departments implemented 43 percent of the outstanding recommendations rated as “essential,” exceeding the expected implementation rate of 40 percent. Six units fully implemented all remaining “essential” recommendations. Six audit reports containing 22 recommendations rated as “essential” were issued in the last four months.

Regent Hsu inquired about the process audit for tracking employee Family Medical and Leave Act (FMLA) leave. Klatt reported that the University’s HR system, PeopleSoft, is adequate for tracking employee leaves, although leaves are not consistently recorded. She added that there is opportunity to use PeopleSoft more, but that Human Resources is not in agreement with the recommendation.

In response to a question from Hsu, Klatt explained that it is not possible to quantify the dollar amount that could be saved if the University took advantage of more GSA contracts. She shared that Internal Audit saved 40 percent on a software system purchase by utilizing a GSA contract.

INFORMATION ITEMS

Chief Auditor Klatt referred the committee to information items contained in the docket materials.

The meeting adjourned at 11:40 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Litigation Review Committee
June 7, 2018**

A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, May 10, 2018 at 11:00 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Thomas Anderson, Dean Johnson, Darrin Rosh, Randy Simonson, and Steven Sviggum.

Staff present: President Eric Kaler; Senior Vice President Brian Burnett; Vice President Matt Kramer; General Counsel Douglas Peterson; and Executive Director Brian Steeves.

Others present: Sarah Dirksen, Tim Pramas, Brian Slovut, and Jon Steadland.

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

The meeting convened in public session at 11:00 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, February 8, 2018 at 11:00 a.m. in the East Committee Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters including the following:

- I. *Shannon Miller, Jen Banford and Annette Wiles v. The Board of Regents of the University of Minnesota*
- II. *Potential litigation by former and current students*
- III. *Regents of the University of Minnesota v. Gilead Sciences, Inc.*
- IV. *Regents of the University of Minnesota v. AT&T Mobility LLC, et al.; Sprint Spectrum L.P., et al; T-Mobile USA, Inc., et al.; Cellco Partnership, d/b/a Verizon Wireless, et al.*
- V. *Regents of the University of Minnesota v. LSI Corporation and Avago Technologies U.S., Inc.*

The committee voted unanimously to adopt the resolution and the public portion of the meeting ended at 11:01 a.m.

The meeting adjourned at 12:36 p.m.

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

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Mission Fulfillment Committee
June 7, 2018**

A meeting of the Mission Fulfillment Committee of the Board of Regents was held on Thursday, June 7, 2018, at 1:30 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Abdul Omari, presiding; Thomas Anderson, Richard Beeson, Linda Cohen, Michael Hsu, Dean Johnson, Peggy Lucas, David McMillan, Ken Powell, Darrin Rosha, Randy Simonson, and Steve Sviggum.

Staff present: President Eric Kaler; Chancellors Michelle Behr, Lendley Black, and Mary Holz-Clause; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice Presidents Matt Kramer and Allen Levine; Interim Vice President Michael Goh; General Counsel Douglas Peterson; and Executive Director Brian Steeves.

Student Representatives present: Sean Chen and Marta Dean.

**BOARD OF REGENTS POLICY:
*EQUITY, DIVERSITY, EQUAL OPPORTUNITY, AND AFFIRMATIVE ACTION***

Regent Omari invited Provost Hanson to present for action proposed amendments to Board of Regents Policy: *Equity, Diversity, Equal Opportunity, and Affirmative Action*, as detailed in the docket.

Hanson reminded the committee of the proposed changes, noting that no changes were made since the committee reviewed them in May.

A motion was made and seconded, and the committee voted unanimously to recommend adoption of proposed amendments to Board of Regents Policy: *Equity, Diversity, Equal Opportunity, and Affirmative Action*.

**BOARD OF REGENTS POLICY:
*INTERNATIONAL EDUCATION AND ENGAGEMENT***

Regent Omari invited Provost Hanson to present for action proposed amendments to Board of Regents Policy: *International Education and Engagement*, as detailed in the docket.

Hanson reminded the committee of the proposed changes, noting that no changes were made since the committee reviewed them in May.

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

**PROGRESS UPDATE FROM THE SYSTEMWIDE
ENROLLMENT PLANNING TASKFORCE**

Regent Omari invited Provost Hanson; Barbara Keinath, Vice Chancellor for Academic and Student Affairs, UMC; and Robert McMaster, Vice Provost and Dean of Undergraduate Education, UMTC, to provide an update from the Systemwide Enrollment Planning Taskforce, as detailed in the docket.

Hanson reminded the committee of its discussion in October 2017 on the same topic and reported that the temporary Systemwide Enrollment Planning Taskforce will become a permanent Systemwide Enrollment Council. McMaster and Keinath reported on the progress of the taskforce. Keinath explained that the group is developing a six-year rolling enrollment plan that they plan to unveil in September. McMaster and Keinath provided an overview of the taskforce's seven strategies and examples of action for each.

Regent Powell expressed desire for a deeper discussion on increasing enrollment at a future meeting. He added that increased resources for marketing may alleviate the competition the University faces in recruiting students.

Regent Beeson encouraged the presenters to consider a new pricing strategy. As an example, he explained that tuition on the Crookston campus could be reduced in order to be more competitive with the University of North Dakota and North Dakota State University. Beeson explained that reducing price would attract more students, increase enrollment, and generate more revenue. He also expressed his support for differential tuition across colleges on the Twin Cities campus.

In response to questions from Regent Hsu, McMaster reported that the University collects data from the National Student Clearinghouse, including a report of schools that students ultimately attended after they were admitted to the University. Hsu encouraged the presenters to consider automatic admission criteria, test-optional admissions policies, and differential tuition at the Twin Cities campus.

Regent Anderson remarked on trends in legislative funding for the University. He noted that more money is going directly to students to earn college credit in programs like Post-Secondary Enrollment Options (PSEO) and College in the Schools.

Regent Lucas commented on the statistics about Minnesota students attending Wisconsin universities. McMaster reported that Minnesota students regularly make up about 10 percent of the student population in the University of Wisconsin system. He added that the number of Wisconsin students attending Minnesota colleges and universities varies more from year to year, typically from 18 to 20 percent.

In response to a question from Regent Sviggum, McMaster confirmed that academic profile, graduation rates, and career placement are important in telling the story of the University, but that the advantage of studying at a research university is also an important differentiator.

Student Representative Dean urged the presenters to consider offering more training to tour guides, campus ambassadors, and admissions professionals so they have information about the other University campuses to share with prospective students and their families.

Student Representative Chen noted the trends in international enrollment and asked how the University is working to recruit students in the uncertain political climate. Keinath reported that international recruitment is an area of opportunity, for example with more collaboration between the campuses.

President Kaler reminded the committee that the University has many stakeholders and uses different media to reach each group. He explained that television ads reach a different audience than Facebook posts, but each is valuable. Kaler acknowledged Keinath for her service to the University and wished her well in her retirement.

SUPPORTING STUDENTS IN GATEWAY COURSES

Regent Omari invited Robert McMaster, Vice Provost and Dean of Undergraduate Education, UMTC; LeeAnn Melin, Associate Vice Provost for Student Success, UMTC; and Andrea Schokker, Interim Dean, Swenson College of Science & Engineering, UMD, to discuss supporting students in gateway courses, as detailed in the docket.

McMaster provided a definition of gateway courses and explained that they typically fulfill liberal education requirements and serve as prerequisites for advanced coursework. He summarized data for courses on the Twin Cities campus with the highest rates of D and F grades and withdrawals (DFW). Melin provided an overview of efforts to increase student success in gateway courses, including comprehensive placement testing, midterm alerts, and SMART Learning Commons. Schokker shared related examples from the Duluth campus, including the Learning Commons, Securian Math Learning Lab and summer math bridge programs.

Regent McMillan inquired about the cost of additional services to support students in gateway courses. Schokker confirmed that these efforts require additional resources, noting the shift from 300-seat lecture courses to flipped-classroom models for gateway courses as an example.

Regent Powell commented on the varying levels of preparation students receive in high school for gateway courses. Schokker discussed chemistry as an example, explaining many students take high school chemistry in 10th grade and too much time passes by the time they get to their first year of college. She explained the increased efforts at UMD to enhance placement testing and provide summer learning modules to help students prepare for chemistry courses.

21st CENTURY OUTREACH MISSION, PART III: A VISION FOR THE UNIVERSITY'S OUTREACH MISSION

Regent Omari invited Provost Hanson; Allen Levine, Vice President for Research; and Matt Kramer, Vice President for University and Government Relations, to discuss the University's 21st century outreach mission, as detailed in the docket.

Hanson reminded the committee of two previous discussions on this topic and on the Systemwide Strategic Plan outreach and public service focus area. She noted that this discussion will combine elements of those and frame a systemwide understanding of the University's outreach mission in the 21st century.

Kramer explained how the University strives to connect its work to Minnesotans through awareness campaigns so the value of the University is understood statewide. Levine highlighted how research and technology commercialization interacts with the outreach mission and addresses the needs of the state through programs like MnDRIVE.

Regent McMillan asked how resources can be directed toward University centers that focus on outreach. Kaler explained that centers are primarily focused on the research and outreach elements of the mission and noted examples of the Center for Small Towns and the Institute on the Environment.

In response to a question from Regent Powell, Hanson explained that outreach mission activities are funded in a variety of ways, including grants, philanthropy, and O&M funds.

Regent Rosha remarked on the subjective nature of outreach and reported that it can be hard to measure as there is no discrete data to analyze. Regent Beeson added that the disbursed

nature of outreach activities makes it nearly impossible to aggregate. He praised the presenters for their work in aligning the University's outreach mission with the needs of the state.

Regent Simonson thanked the presenters for their work in addressing the needs of the state, namely the response to opioid addiction.

Regent Hsu urged the presenters to leverage Athletics to reach Minnesotans, noting that it is an important doorway for many people into the University.

CONSENT REPORT

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

- **Request for Approval of New Academic Programs**
 - Medical School (Twin Cities campus)—Create fellowship in Orthopaedic Sports Medicine
 - College of Liberal Arts (Twin Cities campus)—Create M.A. degree in Asian Studies
 - College of Liberal Arts (Twin Cities campus)—Create M.S. degree in Cognitive Science
 - College of Food, Agricultural, and Natural Resource Sciences, the College of Veterinary Medicine, and the School of Public Health (Twin Cities campus)—Create post-baccalaureate certificate in Integrated Food Systems Leadership
 - College of Liberal Arts and the College of Science and Engineering (Twin Cities campus)—Create graduate minor in Translational Sensory Sciences
 - College of Education and Human Development (Twin Cities campus)—Create undergraduate minor in Learning Technologies
 - College of Liberal Arts (Duluth campus)—Create graduate minor in American Indian Studies
- **Request for Approval of Changed Academic Programs**
 - College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)—Create sub-plan in Molecular Plant Pathology within the Ph.D. degree in Plant Pathology
 - College of Education and Human Development (Twin Cities campus)—Create sub-plan in Foundations of Special Education for Schools and Society within the B.S. degree in Special Education
 - College of Liberal Arts (Duluth campus)—Create sub-plan in Leadership Development within the B.A. degree in Cultural Entrepreneurship
 - College of Liberal Arts (Duluth campus)—Change the B.A. degree in Geographic Information Science to a B.S. degree
 - College of Education and Human Development (Twin Cities campus)—Change the name of the undergraduate certificate and minor in Coaching to Sports Coaching
- **Request for Approval of Discontinued Academic Programs**
 - College of Continuing and Professional Studies (Twin Cities campus)—Discontinue postbaccalaureate certificate in Transportation Studies.
- **Request for Conferral of Tenure for Outside Hires**
 - Matt Carlson, Associate professor with tenure, School of Journalism and Mass Communication, College of Liberal Arts
 - Mariacristina De Nardi, Professor with tenure, Economics, College of Liberal Arts

- William Hedgcock, Associate professor with tenure, Marketing, Carlson School of Management
- Richard Landers, Associate professor with tenure, Psychology, College of Liberal Arts
- Xiaoji Lin, Associate professor with tenure, Finance, Carlson School of Management
- Martin Manalansan, Associate professor with tenure, American Studies, College of Liberal Arts
- Anant Mishra, Associate professor with tenure, Supply Chain and Operations, Carlson School of Management
- Laura Niedernhofer, Professor with tenure, Biochemistry, Molecular Biology and Biophysics, Medical School
- Jean-Phillipe Richard, Professor with tenure, Industrial and Systems Engineering, College of Science and Engineering
- Paul Robbins, Professor with tenure, Biochemistry, Molecular Biology and Biophysics, Medical School
- Sophia Vinogradov, Professor with tenure, Psychiatry, Medical School
- Matthew Weber, Associate professor with tenure, School of Journalism and Mass Communication, College of Liberal Arts
- Haiwen (Helen) Zhang, Associate professor with tenure, Accounting, Carlson School of Management
- Lucy Vulchanova, Associate Professor with tenure, Neuroscience, Medical School

INFORMATION ITEMS

Provost Hanson referred the committee to the information items in the docket, including a report of student and faculty awards and activities.

The meeting adjourned at 4:33 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Governance & Policy Committee
June 8, 2018**

A meeting of the Governance & Policy Committee of the Board of Regents was held on Friday, June 8, 2018 at 7:45 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Darrin Rosha, presiding; Richard Beeson, Thomas Anderson, Linda Cohen, Michael Hsu, Dean Johnson, Peggy Lucas, David McMillan, Kendall Powell, Randy Simonson, and Steve Sviggum.

Staff present: President Eric Kaler; Chancellors Michelle Behr and Mary Holz-Clause; Senior Vice President Brian Burnett; Vice Presidents Michael Berthelsen, Matt Kramer, and Allen Levine; General Counsel Douglas Peterson; Executive Director Brian Steeves.

**BOARD OF REGENTS POLICY:
BOARD OPERATIONS AND AGENDA GUIDELINES**

Regent Rosha invited Executive Director Steeves to present for action proposed changes to Board of Regents Policy: *Board Operations and Agenda Guidelines* (BOAG), as detailed in the docket.

Steeves reviewed the main changes, including the addition of a systemwide strategic plan and progress card as fundamental planning documents; codification of the new committee structure; clarification on review/action items; and revisions to the emergency approval process. He introduced two changes made since the last meeting, regarding notification of emergency approvals and an update to language regarding the president's compensation.

Regent Johnson asked for clarification on the changes to the review/action guidelines. Steeves explained that if an item is up for review and the Board decides to take action during the course of the meeting, a vote can take place unless there is an objection. He added that an objection keeps the item as review-only.

In response to a follow-up question from Johnson, Rosha confirmed that the Board can vote to override the rule.

Johnson asked about options for Regents who would like to add an agenda item, other than bringing them up during New Business. Rosha responded, encouraging Regents to approach committee chairs with suggested agenda items. He noted that if the items are not added to the agenda, the option to bring an item under New Business remains.

A motion was made and seconded, and the committee voted unanimously to recommend adoption of the proposed changes to Board of Regents Policy: *Board Operations and Agenda Guidelines*.

2018 BOARD POLICY REPORT

Regent Rosha invited Executive Director Steeves to discuss the 2018 Board Policy Report, as detailed in the docket.

Steeves reported that 13 Board policies were reviewed in the past year. He detailed the status of each policy, noting that four from the current year will continue on the upcoming plan. He outlined the work plan for the 2018-19 fiscal year and the process for the 19 policies slated for comprehensive review.

Rosha applauded the effectiveness of the policy review process, and requested that it remain flexible to allow room for unplanned policy reviews as needed.

REVIEW OF BOARD POLICY COMMITTEE ROUTING

Regent Rosha invited Executive Director Steeves to review Board Policy Committee Routing, as detailed in the docket.

Steeves explained that the new committee structure presents an opportunity to examine and give feedback on the process for routing policies through the Board. He explained that each Board policy is assigned to a committee based on subject matter.

In response to a question from Regent Anderson, Steeves noted that the Office of the Board of Regents (OBR) monitors items brought forward to the Board to ensure compliance with established policies. He explained that because the Board sets its own policies, there is no penalty for going against policy if the majority of the Board is in agreement.

Anderson asked if OBR would notify the Board if it were voting on something not aligned with Board policies. Rosha responded that anyone could flag these types of inconsistencies.

Regent Beeson offered that while policy exceptions are rare, they are worth noting when they do happen.

Rosha noted that although policies are routed by subject matter to certain committees, some policies could be re-routed to the Governance and Policy Committee to help balance committee workloads.

OVERVIEW OF BYLAWS OF THE BOARD OF REGENTS

Regent Rosha invited Executive Director Steeves to provide an overview of the *Bylaws of the Board of Regents* (Bylaws), as detailed in the docket.

Steeves shared that the Bylaws have not been comprehensively reviewed since 2001, which is when they were last amended. He gave an overview of the various topics covered by the articles in the Bylaws, explaining that the committee intends to include review of Bylaws in its workplan for the coming year.

Regent Johnson noted that when five or more Board members call for a special meeting, the current language allows that meeting to conclude at any point. He suggested specifying that the Board must consider the issue before them before adjourning.

Rosha offered that the Bylaws do not specify a time period in which a special meeting must take place after the Chair calls for the meeting, and suggested adding guidelines to prevent undue delays.

Regent Anderson commented that he considers the Bylaws to be a guide for keeping the Board focused on a long-term perspective. Rosha agreed, noting that it is important to keep a longer-term perspective when considering changes.

Regent Beeson concurred with Regents Anderson and Rosha, offering his view that updates will likely be more technical in nature.

Rosha noted that he anticipates discussion of the ways Board members may participate in meetings, such as by phone, email, or other technology.

INFORMATION ITEMS

Executive Director Steeves referred the committee to the information items in the docket:

- Completed Comprehensive Review of Board Policy

The meeting adjourned at 8:21 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents
June 8, 2018**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, June 8, 2018 at 8:45 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Thomas Anderson, Richard Beeson, Linda Cohen, Michael Hsu, Dean Johnson, Peggy Lucas, Abdul Omari, Kendall Powell, Darrin Rosha, Randy Simonson, and Steve Sviggum.

Staff present: President Eric Kaler; Chancellors Michelle Behr, Lendley Black, and Mary Holz-Clause; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice Presidents Michael Berthelsen, Kathryn Brown, Bernard Gulachek, Matt Kramer, and Allen Levine; General Counsel Douglas Peterson; Executive Director Brian Steeves; Chief Auditor Gail Klatt; and Associate Vice President Michael Volna.

ANNUAL MEETING

Chair McMillan called the Annual Meeting to order at 8:45 a.m.

ESTABLISHMENT OF MEETING DATES

Chair McMillan outlined the proposed meeting dates for 2018-19, noting that March 6-8, 2019, presents a conflict for some Regents. The Board engaged in a discussion around alternative dates and discovered that none of the proposed dates works for all Regents.

Regent Johnson asked President Kaler for guidance. Kaler responded that his office does not have a preference.

Several Regents expressed an interest in keeping the originally proposed dates of March 6-8 because those dates follow the standard practice, outlined in the Bylaws, of holding Board meetings on the second Friday of the month and the preceding Thursday.

Regent Omari recommended against scheduling the March meeting during spring break, which includes March 20-22, to ensure that students may attend the meeting.

A motion was made and seconded to amend the 2018-19 Board meeting dates proposed in the docket, as follows.

- July 11-13, 2018 (includes retreat)
- September 13-14, 2018
- October 11-12, 2018
- December 13-14, 2018
- February 7-8, 2019
- March 27-29, 2019 (includes tentative retreat)
- May 9-10, 2019
- June 13-14, 2019

Regent Rosha spoke in opposition to this amendment, and urged the Board to adopt the originally proposed dates of March 6-8.

Regent Sviggum reminded the Board that in recent years the March meeting has taken place later in the month, but also expressed support for keeping the originally proposed dates.

Beeson suggested setting meeting dates two years in advance in the future to avoid conflicts.

The motion was withdrawn.

A motion was made and seconded and the Board of Regents voted unanimously to approve the following meeting schedule:

- July 11-13, 2018 (includes retreat)
- September 13-14, 2018
- October 11-12, 2018
- December 13-14, 2018
- February 7-8, 2019
- March 6-8, 2019 (includes tentative retreat)
- May 9-10, 2019
- June 13-14, 2019

The annual meeting adjourned at 8:59 a.m.

REGULAR MEETING

Regent McMillan suspended the regular meeting to conduct the oath of office ceremony.

OATH OF OFFICE

The Honorable Justice Paul Thissen, Minnesota Supreme Court, administered the oath of office to the following Regent:

Randy R. Simonson, representing the 1st Congressional District, completing the term left open by the resignation of Patricia Simmons.

RECOGNITIONS

Student Representatives to the Board of Regents

Recognition was given to the 2017-18 Student Representatives to the Board of Regents:

Joshua Preston, Chair
Twin Cities (PSG)

Alexandra Ulland, Vice Chair
Duluth

Lauren Anderson
Rochester

Sean Chen
Twin Cities (COGS)

Marta Dean
Crookston

Mina Kian
Twin Cities (MSA)

Apoorva Malarvannan
Twin Cities (MSA)

Parker Smith
Morris

Civil Service Consultative Committee Outgoing Chair

Recognition was given to Raymond Munro, Information Technology Manager in the Aerospace Engineering department in the College of Science and Engineering, and outgoing 2017-18 chair of the Civil Service Consultative Committee.

APPROVAL OF MINUTES

The Board voted unanimously to approve the following minutes as presented in the docket materials:

Mission Fulfillment Committee – May 10, 2018
Audit & Compliance Committee – May 10, 2018
Litigation Review Committee – May 10, 2018
Finance & Operations Committee – May 10, 2018
Board of Regents – May 11, 2018

REPORT OF THE PRESIDENT

President Kaler reported on several items, including the expansion and upgrade of lab space at UMC; increase in enrollment at UMD; funding for the McNair project at UMM; the Higher Education Innovation Summit hosted by UMR; and several research breakthroughs, achievements and honors on the Twin Cities campus.

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

REPORT OF THE CHAIR

Regent McMillan offered examples from the Board's June agenda to demonstrate how the Board is working to achieve its priorities. He also noted that Regent Omari and Regent Powell will serve with him on the Presidential Performance Review Committee.

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

RECEIVE AND FILE REPORTS

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

CONSENT REPORT

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

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

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

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Regent McMillan invited Joseph Konstan, Chair of the Faculty Consultative Committee, to present the report of the Faculty Consultative Committee, as detailed in the docket.

Konstan profiled the work and accomplishments of several faculty members. He encouraged the Board to meet with faculty members to learn more about the innovative work being done at the University, and offered to help facilitate those meetings. Konstan characterized the faculty as a major asset to the state of Minnesota. He compared operating the University to driving a quality car, where one must look ahead, steer with a light touch on the wheel, and keep the car filled with fuel.

Regent Lucas and Regent Cohen thanked Konstan for outlining the accomplishments of the faculty, and concurred with the analogy of the University as a quality car.

Regent Rosha expressed appreciation for the opportunity to see the work of the faculty. He recalled the 1991 restructuring of the University, and the general support the Board received due to understanding that the University was moving strategically in the right direction. He asked about the current perception among faculty of the Board's ability to serve the University and state while balancing the needs of the faculty. Konstan referenced the strategic planning process on the Twin Cities campus, when some faculty became concerned that the Board wanted to set research priorities at the strategic planning stage, rather than build a framework that allowed priorities to be identified as they emerged. He urged the faculty and Board to continue their dialogue.

Rosha stressed that he does not see the work of the Board as a top-down process. Regents Powell, Beeson, and Rosha shared their desire for the Board to have more exposure to the work of the faculty. They expressed appreciation for these types of interactions because the Board is often consumed with issues of governance.

Regent Anderson urged Board members to interact more with faculty. He concurred with Konstan's car analogy, and added that the Board must allow the faculty the freedom to lead the students.

Regent Johnson noted that while he supports academic freedom for research, he wondered whether the University can release controversial research without upsetting political leaders. He gave an example of a professor who released a report on ethanol that offended some members of the legislature, leading them to question their support of the University. Konstan responded that the University values academic freedom, which allows researchers to speak the truth even when it is unpopular. He noted that it is impossible to avoid offending someone. He emphasized the strong scrutiny and peer review that research undergoes before release, and the importance of the ability to withdraw when researchers make mistakes.

Regent Omari encouraged the Board to shadow a student for a day, calling it a great way to engage with faculty and students. He spoke highly of his recent shadowing experience and thanked the student representatives for proposing the idea.

Beeson expressed his perspective that the Board, given its focus on the business side of the University, may lose connection with the faculty. He noted that while most of the scholarship the University produces is excellent, there is a process for addressing it when it is substandard.

Regent Simonson shared his belief that the faculty is excellent and as a new Regent, he is eager to meet more faculty from across the system. He stated that he is troubled by Konstan's statement that resources to do more come from what the University chooses to discontinue or do less of. Konstan responded that nationwide, investment in higher education is falling, resulting in universities making strategic choices around what they continue to do and discontinue doing. He noted that this is not intended as a political statement, but as a simple statement of the way things are.

Cohen recalled a previous practice of the Board hosting faculty and students for lunch during Board meetings. She suggested reintroducing that practice.

SYSTEMWIDE STRATEGIC PLAN: TEACHING & LEARNING

Regent McMillan invited Provost Hanson to present the fourth of five systemwide strategic planning presentations, on Teaching and Learning, as detailed in the docket.

President Kaler outlined the final presentation topic that will take place in July, which is Supporting the Mission. He noted that the presentations will culminate at the October 2018 meeting with the full systemwide strategic plan and the biennial budget request presented for action.

Hanson explained that during the systemwide strategic planning process, the University has worked to leverage the strengths of the five campuses to improve teaching and learning while serving the state. She outlined the seven areas of opportunity identified during this process: enrollment management, value proposition of the University, system financial aid strategy, pathways development, collaborative academic planning, online learning, and student development. Hanson described the academic investing planning process as a collaborative process between many bodies of the University, community, and government.

McMillan commented that the Board would benefit from trusting faculty to set research priorities. He asked how the Board can be confident that the faculty will bear in mind the priorities and needs of the state in doing so. Hanson responded that through regular consultation, the faculty strives to be responsive to the needs of the state.

In response to a question from Regent Simonson, Hanson responded that there is a high level of faculty involvement in the campus-level strategic planning process, while the system-level planning proceeds through administrative routes. Simonson asked how the University ranks in terms of education, and stated an interest in finding out how the University can partner with other institutions to build on each other's strengths. Hanson emphasized that each campus excels in different areas, and that the systemwide strategic plan seeks to find ways that the entire system can augment the priorities of each campus. She noted that Big Ten institutions have a long-standing alliance through which they share initiatives and opportunities for students.

Regent Sviggum asked why the University uses its own resources to provide financial aid to some students when the government also provides financial aid. He suggested spreading the University's resources to all students equally. Hanson responded that providing financial aid to students with less financial ability is critical to the University's commitment to diversity. Sviggum asked why government grants are not sufficient to ensure diversity, agreeing with Hanson that diversity is important but noting that it means higher tuition. Hanson and Kaler responded that government grants are inadequate to meet the University's diversity goals and that the University needs to compete with other universities in terms of financial aid offered to students.

Regent Beeson suggested that the financial aid discussion should be at the Board level, noting the longstanding Board policy to distribute financial aid beyond Pell and state grants. Sviggum, McMillan and Roshia agreed that the topic is a Board discussion.

Regent Omari noted that the cost of operations for higher education is not decreasing, and therefore the University must look for other funding sources.

Regent Roshia noted the changes in types of funding provided by the state that challenge the University's financial aid decisions. He asked the Board to consider that a higher tuition model may signal to the legislature that the University is comfortable with funding operations using student debt and does not need further support.

Regent Powell expressed appreciation for the focus on digital distribution, and asked for more details on it and other areas of priority moving forward. He asked how decisions will be made at the school and department level for funding area priorities. Hanson responded that inefficient elements of infrastructure are being addressed. She suggested that the Board may benefit from seeing examples of proposals from the faculty, and the process they go through for approvals.

OVERVIEW OF INSTITUTIONAL RISK PROFILE & RELATED MITIGATION PLANS

Regent McMillan invited Provost Hanson and Senior Vice President Burnett to present an overview of the institutional risk profile and related mitigation plans, as detailed in the docket.

Hanson described the process of identifying institutional risks with the Audit & Compliance Committee, and gave an overview of each of the 21 institutional risk categories identified by the administration. Burnett detailed the mitigation plans for two of the categories: employee demographics/succession planning and facilities: maintenance, scope, and alignment.

Regent Anderson observed that the University has lower operating margins than its peers. He expressed concern that this may cause interest rates to increase, which will in turn cost the University more money. He noted the trend in recent years for government funding to shift away from funding universities directly, and toward supporting individuals. Burnett responded that the University's conservative budget takes into account the risk of rising interest rates.

Regent Cohen thanked Chief Auditor Klatt and the senior leadership team for their work in this area.

Regent Simonson asked about the University's view on adjunct professors compared to full-time professors, and whether the University is competitive with its peers regarding retention efforts such as salaries and bonuses. Hanson noted that the University does have adjunct professors across the campuses. She referenced an increasing disparity between salaries at the University and private schools, but emphasized they are similar to other public institutions.

In response to a question from Regent Omari, Burnett reported that the risk categories will be addressed in the future by the committee they are assigned to.

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

Regent McMillan invited General Counsel Peterson to present the annual review of Board of Regents Policy: *Code of Ethics for Members of the Board of Regents*, as detailed in the docket.

Peterson outlined the guiding principles that each Board member is held to. He discussed financial disclosure requirements, gift restrictions, expense reimbursement, and conflicts of

interest. He described financial and employment conflicts of interest, and urged Board members to flag any potential conflicts as soon as they arise. He emphasized that recusal from a matter does not reflect negatively on a Regent.

Regent Sviggum asked Peterson to clarify the policy that prohibits Regents from giving gifts. Peterson responded that Regents cannot give gifts to public officials because it could be perceived as trying to influence them. He noted that the policy describes the specifics in detail. Sviggum asked if personal political contributions are prohibited. Peterson and Executive Director Steeves responded that political gifts are allowed under the policy.

Regent Powell asked if the Board should consider prohibiting participation in openly partisan initiatives, such as hosting political fundraisers. Peterson responded that the Board has the freedom to make that policy change.

Sviggum expressed an interest in exploring the Regents' roles in affecting public policy.

Regent Hsu noted that the policy does not specifically reference giving gifts, and asked if the Board should consider adding that language. McMillan and Regent Beeson responded that the Governance & Policy Committee could explore adding that language. Steeves and Peterson clarified that there is a companion policy that outlines specific restrictions on giving gifts.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

Regent Anderson, chair of the committee, reported that the committee voted unanimously to recommend:

- 1) Approval of the President's Recommended FY 2019 Annual Operating Budget, as amended. A motion was made and seconded, and the Board voted 8-4 to approve the proposed resolution, as follows:

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

WHEREAS, the State of Minnesota, through its legislative and executive branches, has appropriated \$648,636,000 in state general fund monies for fiscal year 2019 to the University of Minnesota, which includes a decrease over fiscal year 2018 of \$10,050,000, for the pursuit of its mission and in support of our goals and objectives; and

WHEREAS, the \$10,050,000 reduced appropriation was used for nonrecurring during the current year; and

WHEREAS, the University of Minnesota is committed to achieving standards of national and international excellence while maintaining efficient and effective services and processes.

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents hereby approves the University of Minnesota Fiscal Year 2019 Annual Operating Budget as follows:

The Fiscal Year 2019 Annual Operating Budget approved by the Board of Regents includes the following attachments from the President's Recommended Fiscal Year 2019 Operating Budget:

- | | |
|---------------|---|
| Attachment 2. | Resource and Expenditure Budget Plan – University Fiscal Page |
| Attachment 6. | U of M Tuition Rate Plan |
| Attachment 8. | Course/Class Fees |

- Attachment 9. Miscellaneous Fees
- Attachment 10. Academic Fees
- Attachment 11. Student Services Fees
- Attachment 12. Fund Forecast - Centrally Distributed and Attributed Funds – CORRECTED

- 2) Approval of the President’s Recommended FY 2019 Annual Capital Improvement Budget. A motion was made and seconded, and the Board voted unanimously to approve the proposed resolution, as follows:

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

WHEREAS, the Board has adopted principles to guide the formulation of the annual 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.

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the FY 2019 Annual Capital Improvement Budget and reaffirms its prior year capital expenditure authorizations.

- 3) Approval of the real estate transaction related to the lease of University Square located in Rochester. A motion was made and seconded, and the Board voted unanimously to approve the real estate transaction.
- 4) Approval of the real estate transaction related to the sale of 435.546 acres at UMore Park for residential, commercial, and mixed use development in Dakota County. A motion was made and seconded, and the Board voted unanimously to approve the real estate transaction.
- 5) Approval of the Consent Report for the Finance & Operations Committee as presented to the committee and described in the May 10, 2018 committee minutes. A motion was made and seconded, and the Board voted unanimously to approve the Consent Report.

REPORT OF THE AUDIT & COMPLIANCE COMMITTEE

Regent Cohen, chair of the committee, reported that the committee discussed the internal audit plan for FY 2019, noting that the selection of audits in the coming year is reflective of the new institutional risk profile. The committee also received an update on internal audits performed since February 2018.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent Beeson, chair of the committee, reported that pursuant to notice sent by the University, the Litigation Review Committee met on June 7, 2018. At this meeting, a resolution was considered and adopted that authorized the closing of the meeting. In the closed meeting, discussion was held on matters subject to the attorney-client privilege.

REPORT OF THE MISSION FULFILMENT COMMITTEE

Regent Omari, chair of the committee, reported that the committee voted unanimously to recommend:

1. Adoption of the proposed amendments to Board of Regents Policy: *Equity, Diversity, Equal Opportunity, and Affirmative Action*, as follows:

SECTION I. GUIDING PRINCIPLES.

The following principles shall guide the commitment of the University of Minnesota (University) to equity, diversity, equal opportunity, and affirmative action:

- (a) Consistent with its academic mission and standards, the University is committed to achieving excellence through equity and diversity.
- (b) A diverse student body enhances the academic and social environment for all students and prepares students to thrive in an increasingly diverse workforce and society.
- (c) Equal educational access is critical to preparing students for the responsibilities of citizenship and civic leadership in a heterogeneous society.
- (d) As a community of faculty, staff, and students engaged in research, scholarship, artistic activity, teaching and learning, or the activities that support them, the University seeks to foster an environment that is diverse, humane, and hospitable.
- (e) In partnership with community groups, the University is committed to serving the state, the nation, and the world through its outreach and public service.

SECTION II. IMPLEMENTATION.

The University shall:

- (a) provide equal access to and opportunity in its programs, facilities, and employment without regard to race, color, creed, religion, national origin, gender, age, marital status, familial status, disability, public assistance status, membership or activity in a local commission created for the purpose of dealing with discrimination, veteran status, sexual orientation, gender identity, or gender expression;
- (b) advocate and practice affirmative action consistent with law, including the use of recruiting and search processes to enhance participation of racial minorities, women, persons with disabilities, and protected veterans;
- (c) establish and nurture an environment for faculty, staff, students, and visitors that actively acknowledges and values equity and diversity and is free from racism, sexism, ageism, homophobia, and other forms of prejudice, intolerance, or harassment;
- (d) provide equal educational access to members of underrepresented groups and develop affirmative action admissions programs, where appropriate, to achieve the University's educational mission; and
- (e) promote and support equity and diversity through its academic programs, its employment policies and practices, its delivery of services, and purchase of goods, materials, and services for its programs and facilities from businesses of the diverse communities it serves.

SECTION III. MONITORING.

The president or delegate shall set performance goals consistent with this policy and law; remedy any discriminatory practice that deviates from this policy; and assess and reward the

performance of individuals and units using the University's critical measures for the equity and diversity performance goals as part of the University's planning and budget process.

2. Adoption of the proposed amendments to Board of Regents Policy: *International Education and Engagement*, as follows:

SECTION I. SCOPE.

This policy governs international education, research, and outreach activities of the students, faculty, and staff of the University of Minnesota (University).

SECTION II. GUIDING PRINCIPLES.

This policy affirms the commitment of the Board of Regents (Board) to foster international education, research, and outreach throughout the University community. The following principles shall guide international education, research, and outreach at the University:

- (a) In an interdependent world, the welfare of the state and the well-being of its citizens are linked to the welfare of all humankind.
- (b) Through international education, research, or outreach the University builds and extends its scholarly standing, its potential for research, its contributions to economies, and the education and skills of students and citizens of the state, the nation, and the world.
- (c) The University has a responsibility to incorporate into its community and curriculum international opportunities that provide students, faculty, and staff the understanding, skills, and knowledge necessary to be globally competent citizens of the state, the nation, and the world.
- (d) The University has a responsibility to ensure to the extent possible, respectful and ethical engagement with people, places, and ideas around the globe.

SECTION III. IMPLEMENTATION.

The president or delegate shall administer policies that, in compliance with all applicable laws and regulations, effectively promote and encourage a comprehensive approach to international education, research, and outreach that includes the following elements:

- (a) International Experience for Students. The University will encourage the participation of University students in international educational, research, and outreach experiences and provide opportunities that afford participating students the guidance and assistance necessary to integrate these experiences into University degree curricula.
 - (b) Enrollment and Inclusion of International Students. The University will recruit and enroll students from other countries in its undergraduate, professional, and graduate programs in such numbers and with such geographic origins as to meet the guiding principles stated in this policy.
 - (c) Faculty and Staff Teaching, Research, and Outreach. The University will encourage international education and engagement in the teaching, research, and outreach of its faculty and staff through the interaction of people and ideas.
 - (d) Collaboration with International Institutions. The University will build strategic international partnerships with universities, institutions, and organizations worldwide; expand international scholarly engagement; and internationalize the University community and curriculum.
3. Approval of the consent report, which includes academic program additions, changes, and discontinuations and conferral of tenure for outside hires.

The Board of Regents voted unanimously to approve the recommendations of the Mission Fulfillment Committee.

REPORT OF THE GOVERNANCE & POLICY COMMITTEE

Regent Roshia, chair of the committee, reported that the committee voted unanimously to recommend:

- 1) Adoption of proposed amendments to Board of Regents Policy: *Board Operations and Agenda Guidelines*, as follows:

SECTION I. SCOPE.

This policy governs the Board's operations, committee structure, and agenda guidelines.

SECTION II. GUIDING PRINCIPLES.

The Board of Regents (Board), created under the Minnesota Territorial Laws of 1851 by the passage of the University charter and perpetuated by the Constitution of the State of Minnesota, is the governing body of the University. The Board, guided by the constitution and laws of the state:

- holds itself accountable to the public for accomplishing the mission of the University;
- meets openly, in the spirit of the Minnesota Open Meeting Law;
- fosters communication with the citizens of Minnesota, its elected representatives, and the University community; and
- works with the president to create a relationship characterized by trust and openness.

SECTION III. BOARD BUSINESS.

Subd. 1. Governing Documents. The Board exercises its authority consistent with the University Charter, the Constitution of the State of Minnesota, the *Bylaws of the Board of Regents (Bylaws)*, and relevant Board policies. These documents provide the basic framework for the conduct of the business of the Board.

Subd. 2. Board Business. The Board conducts business through meetings of the Board and its committees. Items placed on the Board agenda have the most fundamental importance and broad policy implications for the University. The following items are required to come to the Board:

- (a) Fundamental planning documents, including:
 - Systemwide Strategic Plan - The Systemwide Strategic Plan articulates and reinforces the mission and vision of the University; identifies University priorities and goals; and establishes a framework to guide University decision-making. The plan includes goals articulated through the University Progress Card and establishes a framework for the University's operating and capital budgets.
 - University Performance and Accountability Report - The University Performance and Accountability Report publicly demonstrates the University's accountability for progress in reaching its stated goals and objectives; links planning, performance evaluation, and resource allocation at the system and campus/college level; illustrates and analyzes longitudinal trends in key areas; provides a means for comparisons with peer institutions; and identifies areas for continued work. The report includes progress made in achieving the goals articulated in the University Progress Card.

- Annual Operating Budget - The annual operating budget sets forth the operating requirements and authorizations for financing the activities of the University. The budget includes all funds (revenues and expenditures), all campuses, and all programs of the University. It incorporates historical background and projections. It is based on the framework established by the Systemwide Strategic Plan. The president recommends to the Board the annual operating budget in successive meetings.
 - Capital Budget - The capital budget has two parts. Part I is the six-year capital plan, which is updated annually and identifies capital projects, as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section VIII, Subd. 6, that are approved to proceed with preliminary project planning, but not authorized to proceed with design and construction. Part II is the annual capital improvement budget, which authorizes the completion of design and construction of projects, as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section VIII, Subd. 7, that have approved financing. The framework established by the Systemwide Strategic Plan and approved campus master plans guide both parts of the capital budget. The president recommends to the Board both parts of the capital budget in successive meetings.
- (b) Legislative funding requests, including the biennial budget request and the capital request.
 - (c) Reports on federal and legislative relations and issues.
 - (d) Reports submitted to the State of Minnesota as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section I, Subd. 7.
 - (e) Annual financial report.
 - (f) Summary of expenditures for the Office of the President, Eastcliff, and the Office of the Board of Regents (OBR).
 - (g) Gifts.
 - (h) Other reports, including, but not limited to, reports of the Faculty Consultative Committee, the University of Minnesota Foundation, the University of Minnesota Alumni Association, and the Student Representatives to the Board.
 - (i) Additional items as decided by the Board chair in consultation with the president and Board vice chair.

At the Board chair's discretion, any of these items may be referred for discussion in committee.

SECTION IV. COMMITTEES OF THE BOARD.

Subd. 1. Role of Committees. 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 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 the Board vice chair.

Subd. 2. Responsibilities of Committee Chairs. Committee chairs preside over the meetings of their respective committees, ensuring the orderly, open, and timely conduct of committee business. Committee chairs should annually review the committee responsibilities outlined in this policy as the committee work plans outlined in Section V, Subd. 4 are finalized. The senior leader committee liaison consults with committee chairs prior to committee meetings regarding background issues for committee agendas.

Subd. 3. Committee Descriptions. Standing, nominating, and special committees meet on a varying schedule set through the agenda development process. These committees, specific committee responsibilities, and required agenda items are listed below. As stated in the *Bylaws*, the Board chair has the authority to name and identify the responsibilities of all committees. Any changes in committee structure are to be noted in this policy.

Subd. 4. Audit & Compliance Committee Charter. The Audit & Compliance Committee oversees the University's system of risk assessment and internal controls, audits, financial reporting practices, and the institutional compliance program. The committee is to assist the Board in discharging its oversight responsibilities related to the audit and compliance functions by:

- promoting the development of an effective, efficient, and continuously improving control environment, in concert with the administration, to achieve the institution's objectives through an appropriate system of risk assessment and internal control;
- overseeing the University's integrated framework of internal control, risk management practices, and institutional compliance program to ensure that the administration executes the provisions of Board of Regents Policy: *Internal Control*;
- serving as an informed voice on the Board by relaying the audit and compliance perspective when related issues are brought before the Board and its standing committees; and
- providing a direct channel of communication to the Board for the chief auditor and the independent public auditor.

Consistent with Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section X, the Board reserves to itself authority to adopt policies regulating the audit function; approve selection of external public accountants and the chief auditor; review audit plans; and evaluate the performance of the independent auditor and, jointly with the president, the performance of the internal audit function.

Specific duties of the Audit & Compliance Committee include the following:

- (a) Oversight of the Independent Auditor. The independent auditor reports directly to the Board through the Audit & Compliance Committee. The committee shall recommend for Board approval the engagement and related fees of the independent auditor to perform the annual financial statement and federal compliance audits. The committee shall approve in advance all audit and non-audit services provided by the independent auditor with a value greater than \$100,000 or that may impair the audit firm's independence regarding the University. Such impairment of independence is currently limited to prohibited non-audit services as defined in the United States General Accounting Office Government Auditing Standards. Engagements not requiring approval by the Board shall be reported to the Audit & Compliance Committee at the next scheduled meeting of the committee. The committee shall annually review and evaluate the independent auditor's performance, independence, and effectiveness of coordination with other assessment activities, including internal audit.

- (b) Oversight of the Internal Audit Function. The Audit & Compliance Committee shall recommend for Board approval (1) the appointment or removal of the chief auditor, (2) changes to the Office of Internal Audit's charter, and (3) any material revisions to internal audit plans or budgets. In consultation with management and the chief auditor, the committee shall review the annual internal audit plan and the extent to which it addresses high risk areas.
- (c) Review of Financial Statements. The Audit & Compliance Committee shall review, in advance of final issuance, the proposed formats and wordings of the annual financial report, including the management's discussion and analysis, financial statements, footnotes, statistics, and disclosures.
- (d) Review of Audit Results. The Audit & Compliance Committee shall review the internal and external audit results and discuss significant issues of internal control and compliance with the independent auditor, chief auditor, and management. The committee shall monitor management's progress in addressing audit recommendations.
- (e) Investigation of Reported Concerns Regarding Accounting or Auditing Matters. The Audit & Compliance Committee shall be apprised of investigations conducted under administrative policy.
- (f) Requests for Audits. The Audit & Compliance Committee is authorized to request supplemental reviews or other audit procedures by the chief auditor, the independent auditor, or other advisors.
- (g) Approval of Engagements of Audit Firms Other Than the University's Principal External Auditors. The Audit & Compliance Committee shall approve all engagements of external audit firms to perform work or provide services with a value greater than \$100,000 or that may impair the audit firm's independence regarding the University. Such impairment of independence is currently limited to prohibited non-audit services as defined in (a) of this section. Engagements not requiring approval by the Board shall be reported to the committee at the next scheduled meeting of the committee.
- (h) This committee provides additional oversight of compliance initiatives and enterprise risk management processes, including risk identification and mitigation.

This committee also reviews:

- The annual financial statements, prior to issuance.
- Semi-annual controller reports.
- The independent auditor's annual audit and management letter.
- The chief auditor's annual audit plan.
- Responses to questions regarding audit issues, reports on enterprise systems, administrative program reviews, investigations conducted under administrative policy, and other items relevant to the audit function.
- Semi-annual institutional compliance reports.
- The institutional conflict of interest report.
- External auditor engagements not requiring approval by the Board. Any engagements shall be reported to the Audit & Compliance Committee at the next scheduled meeting of the committee.

Subd. 5. Finance & Operations Committee. The Finance & Operations Committee oversees and makes recommendations to the Board related to the University's operations, fiscal stability,

physical assets (e.g., land, buildings, infrastructure, technology, and equipment), and long-term economic health. The committee also advises the administration on faculty and staff compensation strategy, benefits, recruitment, and engagement.

Specifically, this committee recommends to the Board:

- appointments reserved to the Board as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section IV.
- budgetary, financial, and investment matters reserved to the Board as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section VII.
- property, facilities, and capital budgets reserved to the Board as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section VIII.
- employment and labor relations matters reserved to the Board as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section XI.

This committee provides oversight of:

- long-range financial planning strategies, including total indebtedness of the University and investment portfolio;
- the financial relationship between the University and its partners, including affiliated foundations, clinical operations, and external entities;
- potential risks within University finance and operations;
- long-range physical asset planning strategies, including technology infrastructure;
- public safety and emergency preparedness;
- operational services such as housing, parking, transportation, and dining;
- faculty and staff employment, compensation and benefits policy, including senior leader compensation, benchmarking, and terms of employment; and
- employee engagement and workforce development.

This committee also reviews:

- the annual report on central reserves;
- semi-annual capital financing and debt management reports;
- semi-annual management reports;
- semi-annual capital planning and project management reports;
- quarterly purchasing reports and violations of Board of Regents Policy: *Purchasing*;
- quarterly asset management reports;
- selected financial metrics that measure the University's fiscal condition;
- periodic updates on future facilities projects;
- design guidelines when a project design represents an exception to adopted campus master plans; and
- other financial reports, employment reports, and facilities management reports and significant issues.

Subd. 6. Governance & Policy Committee. The Governance & Policy Committee oversees and makes recommendations to the Board related to policy and processes that seek to ensure the integrity and high performance of the Board. The committee supports effective governance by guiding the Board to: articulate a clear vision for the University and its major components; clarify reserved and delegated authorities; establish institutional benchmarks and performance measures; and thoughtfully considers risks that may impact the performance of the institution.

Specifically, this committee recommends to the Board:

- amendments to the *Bylaws* and changes to the structure and function of the Board;
- amendments to Board policies not routed through one of the other standing committees; and
- consideration of other University policy matters referred to the committee by the Board chair.

This committee provides oversight to:

- evaluate the effectiveness of the Board through periodic self-assessment;
- ensure that Regents are fully oriented and receive ongoing education; and
- identify best practices in governance for possible implementation.

Subd. 7. Litigation Review Committee. The Litigation Review Committee reviews litigation matters and obtains legal advice regarding specific University actions and their legal consequences. This committee typically meets in non-public session and consults with the general counsel on cases and claims, consistent with Board of Regents Policy: *Attorneys and Related Services* and Board of Regents Policy: *Legal Claims and Settlements*. The committee determines which matters shall be referred to the Board for review or approval.

Subd. 8. Mission Fulfillment Committee. The Mission Fulfillment Committee oversees and makes recommendations to the Board related to the University's mission, as articulated in Board of Regents Policy: *Mission Statement* and carried out on five campuses and across the state, the nation, and the world. The committee oversees and advises the administration on academic priorities, activities, programs, and initiatives central to the threefold mission of research and discovery, teaching and learning, and outreach and public service.

Specifically, this committee recommends to the Board:

- academic matters reserved to the Board as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section V.

This committee provides oversight of:

- academic program reviews and strategic plans of academic units;
- admissions practices, demographic trends and enrollment planning;
- curricular and co-curricular educational, research and engagement opportunities;
- diversity and campus climate;
- faculty development, recruitment and retention;
- faculty promotion and tenure;
- international partnerships and global research and educational programs;
- health education and academic medicine;
- issues related to the University's academic profile such as accreditation, reputation, and academic ranking;

- online learning;
- public engagement and community partnerships that fulfill the University's land-grant mission;
- scholarship, artistic activity and commercialization of technology and intellectual property;
- sponsored projects and research support infrastructures;
- student affairs, student wellness and the student experience;
- student experience and academic performance of student-athletes;
- undergraduate, graduate, and professional education.

Subd. 9. Nominating Committee. The Nominating Committee is charged with nominating candidates to serve as Board chair, vice chair, secretary, and treasurer.

Subd. 10. Presidential Performance Review Committee. The Presidential Performance Review Committee evaluates the president's performance. This committee meets in non-public session, reporting its findings to the Board.

Subd. 11. Special Committees. The Board chair identifies the responsibilities, appoints the members, and designates the chair of special committees.

SECTION V. MEETINGS OF THE BOARD AND COMMITTEES.

Subd. 1. Board Meetings. The Annual Meeting of the Board is held on the second Friday in June, unless otherwise determined by the *Bylaws*. At the Annual Meeting a schedule is approved for regular meetings, which are usually held on the second Friday and preceding Thursday of each month in February, March, May, June, July, September, October and December.

Other meetings are scheduled as needed and may include work sessions, open forums, and public hearings. Retreats, typically held annually in the summer, are opportunities for the Board to plan, assess its performance, develop priorities for the year, and/or to consider a particular topic.

The documents, minutes, and recordings related to the public deliberations of the Board are available in the OBR.

Subd. 2. Committee Meetings. Committees usually meet as follows:

- Audit & Compliance: Meets six times a year.
- Finance & Operations: Meets six times a year.
- Governance & Policy: Meets five times a year.
- Litigation Review: Meets six times a year and as called by the committee chair.
- Mission Fulfillment: Meets six times a year.
- Nominating: May of odd-numbered years prior to the Board's Annual Meeting and election of officers in June.
- Presidential Review: As called by the Board chair.

Subd. 3. Meeting Procedures. The Board chair presides over meetings of the Board. The Board vice chair presides in the absence of the chair. Board and committee meetings are conducted consistent with the *Bylaws* and Robert's Rules of Order. The general counsel rules on all disputed questions of procedure.

Items are presented in one of the following ways:

- *Review* - All significant items typically are reviewed one month with action in a subsequent month. Any Board member may request that an item listed for Review become a Review/Action item. If there is no objection from other members of the Board, the item is voted on in that meeting. The fundamental planning documents, as described in Section III, Subd. 2, (a) of this policy, are exempt from this provision.
- *Action* - Previously reviewed items requiring Board approval.
- *Review/Action* - Items for review and action in the same meeting, as allowed by Board policy or under special circumstances with permission of the Board chair or respective committee chair. The Consent Report includes routine action items that normally do not require discussion. Any Board member may request discussion or separate action on any Consent Report item.
- *Discussion* - Items for discussion that require no action when presented.
- *Other*
 - *Information Items* - Items of interest to a committee or the Board requiring no action or discussion, such as status reports on current issues of concern and administrative searches.
 - *Receive and File Reports* - Submitted reports that are not intended for discussion and do not require action, but are listed on the agenda and officially noted by the chair in the form of a statement to “receive and file.”

Subd. 4. Work Plans. Each year the Board outlines its priorities and its committees develop work plans with the advice of the president or delegate. Committee work plans outline major agenda items and discussion topics for the year, and include a brief description of the purpose of the item.

Subd. 5. Staff Responsibilities.

- (a) Senior Leader Committee Liaisons. The Board chair and president identify a senior leader for each committee to facilitate committee meetings, assist in agenda development, prepare docket materials, coordinate presentations, and fulfill other duties. Assignments to standing committees are typically as follows:
 - Audit & Compliance: Chief Auditor
 - Finance & Operations: Senior Vice President for Finance and Operations
 - Governance & Policy: Executive Director and Corporate Secretary
 - Litigation Review: General Counsel
 - Mission Fulfillment: Executive Vice President and Provost
- (b) Board Staff. The Board elects an executive director and corporate secretary, whose duties and responsibilities include:
 - advising and supporting each Board member, as well as Board leadership, to advance good governance practices;
 - acting as a liaison between the Board and senior leaders of the University;
 - managing the Board's policy library and ongoing policy review process;
 - managing the Board agenda and docket process;
 - maintaining official records of meetings of the Board and its committees;

- advising the president regarding the standards and protocols of Board meetings;
- maintaining and providing to the Board an annual planning calendar that outlines Board and committee meetings along with reports and other actions required by Board policy; and
- ensuring that logistical support is provided so that Board proceedings are conducted in an open, timely, and accountable manner.

The executive director and corporate secretary assigns a committee coordinator to each committee. Committee coordinator responsibilities include:

- advising and supporting committee leadership and members of the committee to ensure successful committee operations;
- serving as a liaison between committee leadership and the senior leader committee liaison;
- facilitating annual work planning, agenda planning, and docket previews; and
- reviewing docket materials, resolutions, and revisions to Board policies.

Subd. 6. Docket. The docket is the set of recommendations, reports, and all supporting documents prepared for each item on an agenda of the Board and its committees. A docket item summary accompanies each agenda item, summarizing key points and background. Materials are submitted to the Board by the president or delegate with the assistance of Board staff. The OBR distributes the docket to Regents one week prior to meeting dates, after which it is publicly available.

Subd. 7. Urgent Approvals. Upon recommendation of the president, the Board chair, Board vice chair, and the respective committee chair may act on behalf of the Board when delay for Board approval could have a significant impact on the University's mission or poses a considerable health, safety, or financial risk. Urgent approvals shall be used judiciously and any such approvals will be reported to the Board or respective committee upon approval and included as an information item at the next scheduled meeting, consistent with Subd. 3 of this section.

SECTION VI. BOARD MEETING AGENDAS.

Subd. 1. Agenda Development. The agenda is set in the following manner:

- (a) Approximately two months prior to each Board meeting, the executive director and corporate secretary develops a draft agenda for discussion at Agenda I, a meeting with the president and senior leader committee liaisons. The agenda is a result of consultation with Board leadership and committee agenda planning meetings. Agenda items are identified from Board priorities, committee work plans, and other reports and items as specified in Board policy.
- (b) The Board chair approves the agenda at a subsequent Agenda II meeting, which is also attended by the Board vice chair, the president, and senior leader committee liaisons. Changes to an approved Board or committee agenda require the approval of the Board chair and, in the case of a committee agenda, shall be done in consultation with the appropriate committee chair.

Subd. 2. Requests to Appear Before the Board. Anyone requesting to appear before the Board must follow the process stated in Article VI of the *Bylaws*.

SECTION VII. PRESIDENTIAL PERFORMANCE REVIEW, EVALUATION, AND COMPENSATION.

Subd. 1. Presidential Performance Review. The Presidential Performance Review Committee evaluates the president's performance annually in order to: assess outcomes; support the president's efforts to strengthen performance; enable the president and the Board to establish

mutually-agreeable goals; and inform decisions regarding annual compensation and other terms of employment.

This committee meets in non-public session as permitted by law, reporting its findings to the Board at a public meeting.

The following principles shall guide the performance review process:

- (a) All Board members shall be involved.
- (b) Comments on the president's performance shall be requested from multiple sources.
- (c) Collegiality shall be a hallmark of all discussions.
- (d) Confidentiality of personnel matters shall be maintained.

Performance review process procedures shall be on file in the OBR.

Subd. 2. Presidential Compensation. The compensation of the president shall be set by the Board at a public meeting. The Board shall exercise reasonable care and set compensation in a transparent, prudent, and responsible manner.

The following principles shall guide compensation setting:

- (a) The compensation plan shall reflect the public purpose of the University and support the organization's mission,
- (b) Compensation shall enable the recruitment and retention of an individual who can achieve excellence for the University and contribute to the vitality of the State of Minnesota.
- (c) Compensation is meant to appropriately reward and motivate the president, be commensurate with the president's responsibilities and performance, and be responsive to the president's requests.
- (d) Compensation shall be informed by appropriate data that helps determine comparability or fair market value.

The Board shall consider data from a comparable peer group of public research universities and private universities that are substantially similar to the University and designate a list for comparison purposes. It shall be the responsibility of the chair, in consultation with the vice chair, to recommend presidential compensation and other contract terms for Board action. The chair also shall be responsible for reviewing the president's total compensation and approving all reimbursements for presidential business travel and entertainment expenses.

Compensation-setting procedures shall be on file in the OBR.

Supersedes: Board Operation and Agenda Guidelines adopted September 11, 1992, last amended March 8, 1996.

OLD BUSINESS

Regent Rosha asked if the University retains mineral rights after a property is sold. Senior Vice President Burnett responded that his office will find out and provide an answer at a later time.

NEW BUSINESS

Regent Omari asked Executive Director Steeves to read a resolution to conduct a non-public meeting of the Board of Regents to discuss the 2018 presidential performance review as follows:

RESOLVED, that as provided by Minnesota Statute 13D.05, Subd. 3(a), a non-public meeting of the Presidential Performance Review Committee of the Board of Regents will convene on Friday, June 8, 2018 at 11:54 a.m. in the Boardroom, 600 McNamara Alumni Center, 200 SE Oak Street, Minneapolis, for the purpose of evaluating the performance of the President of the University of Minnesota.

Regent Johnson voiced his opposition to the resolution, noting that the Presidential Performance Review process is on schedule and does not need to be accelerated.

Regent McMillan responded that the review process is approximately a month behind schedule.

Regent Hsu asked if this meeting meets the requirement for proper notice under state statute. Steeves clarified that because the Board is meeting during a regularly scheduled and noticed meeting, and that New Business is on the agenda, it does constitute proper notice.

Johnson called for a roll call vote. The vote was as follows:

Regent Anderson	Yes
Regent Beeson	No
Regent Cohen	No
Regent Hsu	Yes
Regent Johnson	No
Regent Lucas	Yes
Regent McMillan	Yes
Regent Omari	Yes
Regent Powell	Yes
Regent Rosha	Yes
Regent Simonson	Yes
Regent Sviggum	Yes

The Board voted 9-3 and the Omari resolution passed. The public portion of the meeting ended at 11:58 a.m.

The meeting adjourned at 12:56 p.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents
June 18, 2018**

A special meeting of the Board of Regents of the University of Minnesota was held on Monday, June 18, 2018 at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Thomas Anderson, Richard Beeson, Linda Cohen, Michael Hsu, Dean Johnson, Abdul Omari, Kendall Powell, Darrin Rosha, Randy Simonson, and Steve Sviggum. Peggy Lucas participated by phone.

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

Regent McMillan noted that Regent Lucas was overseas, and took an informal vote to approve her participation by phone. By a show of hands, all Regents present approved her participation by phone.

**LETTER OF INTENT BETWEEN THE UNIVERSITY OF MINNESOTA,
UNIVERSITY OF MINNESOTA PHYSICIANS, AND FAIRVIEW HEALTH SERVICES**

Regent McMillan invited General Counsel Peterson; Senior Vice President Burnett; Macaran Baird, CEO, University of Minnesota Physicians; and Brad Benson, University of Minnesota Physicians Board of Directors, to present for action a nonbinding letter of intent (LOI) between the University of Minnesota (University), University of Minnesota Physicians (UMP), and Fairview Health Services (Fairview), as detailed in the docket.

Kaler reviewed the evolution of the University's partnership with Fairview over the past seven years, emphasizing it has been a priority during his tenure. He voiced his support of the nonbinding LOI, which he characterized as a critical step toward finalizing a definitive agreement between the partners.

Peterson described the complex environment in which the future of Minnesota's healthcare is unfolding. He detailed the three areas of priority where this partnership seeks agreement, and noted that adoption of the LOI is the first of three phases in developing a patient-centered vision for academic medicine.

Benson noted that the UMP Board of Directors has already unanimously approved the LOI. He outlined several shared commitments that all parties agreed upon in their vision for a successful partnership.

Baird discussed how the relationship with Fairview has evolved into a true partnership thanks to the efforts of all parties. He emphasized the importance of understanding that when mistakes are made, the partners are committed to working together in good faith to resolve them.

Burnett noted that this agreement intends to commit \$111 million for capital improvements to modernize operating rooms and other spaces. He described the goal to simplify the agreement

into one contract, instead of the many contracts that exist right now. He emphasized that Fairview has committed to a significant increase in academic support to the Medical School.

Peterson outlined the upcoming approval deadlines for phases of the agreement that will require Board action. He noted that 2023 will mark five years into the agreement, and at that point the parties will need to shift from legal documents to a culture of alignment with academic and clinical practices.

McMillan thanked the presenters, and echoed Benson's description of the LOI as imperfect but excellent.

Regent Johnson asked about public perception of this agreement. Baird responded that those he has spoken with have responded positively, but some have questioned whether the enterprise will remain an asset to the entire state.

Regent Cohen thanked the negotiating team for the years of work that led to this outcome. She expressed her appreciation for the focus on culture and ambitious goals.

Regent Powell thanked the partners for their commitment to resolving differences. He noted the substantial amount of work yet to be done, and asked if there will be consequences for missing deadlines. Burnett responded that he does not anticipate that any deadlines will be missed, and that all sides are working hard to make it happen.

Regent Beeson observed that the original agreement with the University, UMP, and Fairview was an affiliation agreement, and conveyed his appreciation for the hard work over the years that led to a fully developed partnership. He stressed the critical importance of this vote to the Board.

Regent Rosha recalled the history and evolution of the agreement, and urged caution during negotiations when working with a partner that has not met expectations in the past. He noted the importance of ensuring that the University retains the ability to consider alternatives if the agreed-upon terms are not met by the partner.

Regent Simonson voiced his support for the partnership. He asked what the University's areas of strength are in terms of research, and what the strengths will be in the future. Baird and Benson described oncology, cancer care, bone marrow transplant, cardiovascular research, orthopedics, infectious disease, and organ transplants as the University's major strengths.

Regent Hsu expressed appreciation for the work on both sides of the partnership, and conveyed his approval of the direction of the agreement. He acknowledged that while it is imperfect, the parties are committed to working together as issues arise.

A motion was made and seconded to approve the resolution related to the M Health Fairview Letter of Intent, as follows:

WHEREAS, since December 31, 1996, the University of Minnesota (the "University"), University of Minnesota Physicians ("UMPhysicians") and Fairview Health Services ("Fairview"), have been working together to deliver world class health care, research and education to the state of Minnesota and beyond, at the University of Minnesota Medical Center and at other facilities within the Fairview system; and

WHEREAS, in 2013, the parties, desiring to improve their affiliation, entered into that certain Master Integrated Structure Agreement ("MISA") and related agreements to begin providing services under the banner of M Health; however, because the M Health relationship has not achieved the goals and needs of the parties, the University, pursuant to the Board of Regents Resolution Related to Non-Renewal of the Master Integrated

Structure Agreement adopted on May 12, 2017, issued its notice of non-renewal of the MISA, with the hope and expectation that a re-negotiated agreement would be put in place among the parties; and

WHEREAS, through significant efforts, the parties have now reached nonbinding terms for a re-negotiated agreement, which, once memorialized in definitive agreements, would have the goal of creating a nationally-renowned, high performing academic health system comprised of academic and community resources serving patients and communities in a coordinated manner, that also supports the education and research missions of the University across the care delivery system; and

WHEREAS, the Letter of Intent (and its Attachment A) attached to this Resolution reflects the non-binding expressions of intent reached by the parties for the renewed relationship, and also identifies certain other agreements the parties are willing to make to each other as they work towards putting definitive agreements in place by the end of September 2018, including extending the MISA termination date set forth in the University's notice of non-renewal to the earlier of September 30, 2018 or the effective date of the definitive agreements.

NOW, THEREFORE, BE IT RESOLVED that that the Letter of Intent (and its Attachment A) attached to this Resolution is hereby approved and administration is hereby authorized and directed to execute the Letter of Intent on behalf of the University.

Cohen and McMillan conveyed their appreciation to the President for prioritizing this initiative over the past several years.

Regent Anderson echoed a comment made earlier by Johnson, urging the negotiating team to remember the needs of rural Minnesotans in this partnership. He illustrated his point with an example of a Minnesotan whose life was extended by 15 years due to the critical care provided by the University health system.

The Board voted unanimously to approve the resolution related to the M Health Fairview Letter of Intent.

The meeting adjourned at 9:55 a.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary



BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents

July 11, 2018

AGENDA ITEM: Report of the President

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler

PURPOSE & KEY POINTS

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 11, 2018

AGENDA ITEM: Report of the Chair

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

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 11, 2018

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 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, 2018.

B. Finance & Operations Committee Consent Report

- *Purchase of Goods and Services \$1,000,000 and Over*
The purpose of this item is to seek approval for the following purchases of goods and services of \$1,000,000 and over:
 - To Academic Programs International (API), Academic Studies Abroad (ASA), American Institute for Foreign Studies (AIFS), CEA Study Abroad, Center for International Studies (CISabroad), International Studies Abroad (ISA), and University Studies Abroad Consortium (USAC) and others for an estimated total of \$1,400,000 to provide services to support overseas study abroad programs for the UMD International Programs and Services' Study Abroad Office for Fiscal Year 2019. The program fees cover the costs of academic program and the administrative costs for the UMD Study Abroad office. See enclosed documentation regarding basis for supplier selection.
 - To Dell Marketing, a Microsoft Education Large Account Reseller, for an estimated \$1,062,000 to provide software license for commonly used Microsoft products for all University of Minnesota faculty and staff for the Office of Information Technology (OIT) for the period of August 1, 2018 through July 31, 2019. OIT will fund utilizing O&M funds. Supplier was selected through a competitive process.
 - To Metropolitan Council/Metro Transit for an estimated \$5,465,000 for the continuation of the Metropass, U-Pass, and Campus Zone programs for discounted transit pass program for Parking and Transportation Services for the period of August 24, 2018 through September 30, 2019 with optional contract extension through September 30, 2020 for an additional \$5,465,000. Total contract value, if all

options are exercised would be \$10,930,000. These programs will be financed annually by user fees, transportation fees, and parking revenues. See enclosed documentation regarding basis for supplier selection.

- *Real Estate Transactions*

The purpose of this item is review and action on the following real estate transaction:

- Purchase of 312 16th Avenue SE, Minneapolis (Twin Cities Campus)

- *Appointments*

The purpose of this item is to seek approval for the following appointments:

- Jeffrey Ratliff-Crain, Vice Chancellor for Academic Affairs and Innovation, University of Minnesota Rochester
- Wendy Reed, Dean of the Swenson College of Science and Engineering, University of Minnesota Duluth

C. Mission Fulfillment Committee Consent Report

- *Request for Approval of Changed Academic Programs*

- College of Science and Engineering (Twin Cities campus) – Create sub-plans in Bioelectricity/Bioinstrumentation, Biomaterials, Biomechanics, Biomedical Transport Process, Cell and Molecular Bioengineering, Cell and Tissue Engineering, Medical Device Design, and Neural Engineering within the Bachelor of Biomedical Engineering degree

D. Guidelines Related to Ticket Courtesies

Applicable tax law requires that the University report the value of tickets provided to directors of the corporation as gross income to individuals. The University is directed to implement the following guidelines related to tickets provided to Regents:

- The taxable fair market value of tickets provided to Regents will be 80 percent of the ticket's face value plus the non-deductible portion of any scholarship seating fee required to purchase the tickets. The discounted valuation is intended to reasonably reflect the prohibition on resale of tickets. The University will annually issue to each Regent a Form 1099-MISC reflecting the aggregate fair market value of tickets provided to the Regent in all cases where such value equals or exceeds \$600. The University will exclude from the aggregate fair market value:
 - Tickets in the Regents and President's box at TCF Bank Stadium.
 - One ticket from any non-Gopher football request made by the Regent on the assumption that the ticket will be personally used for oversight.
 - Any tickets documented and reported by the Regent as being used for a business purpose.

This information will also be reported to the Internal Revenue Service.

- The purchase of certain season athletic tickets requires payment of a scholarship seating fee in addition to the ticket's face value. For purposes of determining taxable fair market value of these tickets, the non-deductible portion of the fee will be added to the value of the ticket.

- Regents may be reimbursed for reasonable expenses related to attendance at cultural or athletic events if a business purpose is documented on their Expense Report.
- The Office of the Board of Regents shall maintain guidelines specifying the number and type of tickets Regents may request. The guidelines shall also define how Regents will document and report a justified business purpose if they wish to exclude certain tickets from Form 1099-MISC reporting.

BACKGROUND INFORMATION

Approvals are sought in compliance with Board of Regents policy as follows:

- Purchase of Goods and Services \$1,000,000 and Over: *Reservation and Delegation of Authority*, Article I, Section VII, Subd. 6.
- Appointments: *Reservation and Delegation of Authority*, Article I, Section IV, Subd. 1.
- Real Estate transactions: *Reservation and Delegation of Authority*, Article 1, Section VIII, Subd. 1.

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 2018 Regents Meeting

	<u>May</u>		<u>Year-to-Date</u>	
	<u>2018</u>	<u>2017</u>	<u>07/01/17 05/31/18</u>	<u>07/01/16 05/31/17</u>
U of M Gift Receiving	\$ 733,229	\$ 2,236,932	\$ 4,321,700	\$ 3,954,589
Arboretum Foundation	891,004	595,786	23,719,544	5,228,131
Univ of MN Foundation	<u>26,082,375</u>	<u>40,217,169</u>	<u>268,989,452</u>	<u>304,349,728</u>
Total Gift Activity	<u><u>\$ 27,706,608</u></u>	<u><u>\$ 43,049,887</u></u>	<u><u>\$297,030,696</u></u>	<u><u>\$313,532,448</u></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 2018

<u>Donor</u>	<u>Gift/Pledge</u>	<u>Purpose of gift</u>
<u>\$1 Million and Over</u>		
Anonymous	Gift	Center for Spirituality and Healing, Academic Health Center
Glenn E Engebretson Estate	Gift	College of Pharmacy
James A Larson Estate	Gift	Carlson School of Management
The Hormel Fdn	Gift	Hormel Institute
<u>\$500,000 - \$1,000,000</u>		
A Marilyn Sime Estate	Gift	Center for Spirituality and Healing, College of Education and Human Development
Alice M Stang	Gift	School of Public Health, College of Food, Agricultural and Natural Resource Sciences
Essentia Health	Pledge	University of Minnesota Duluth
<u>\$250,000 - \$500,000</u>		
Hill's Pet Nutrition Inc	Gift	College of Veterinary Medicine
Steven M Andersen	Gift	Weisman Art Museum
Minnesota Crop Improvement Assn	Gift	College of Food, Agricultural and Natural Resource Sciences
Richard and Maureen Schulze Fund-St Paul Fdn	Gift	Medical School
<u>\$100,000 - \$250,000</u>		
Anonymous	Pledge	College of Liberal Arts
Anonymous	Gift	Medical School
MGK Insect Control Solutions	Gift	College of Food, Agricultural and Natural Resource Sciences
Acorn Charitable Trust	Pledge	College of Veterinary Medicine
Alvin E McQuinn	Gift	Minnesota Landscape Arboretum
Eloise and Carl Pohlrad Fund-Signature Fund Mpls Fdn	Gift	Medical School
Eric A Webster	Gift	Libraries
Medica	Gift	Business and Community Economic Development
Anonymous	Pledge	Academic Health Center
W M Fdn	Gift	College of Veterinary Medicine
Sallie D Steinert Estate	Gift	College of Veterinary Medicine
Jason and Carly Zucker	Pledge	Academic Health Center

\$100,000 - \$250,000

Rogue Fdn-Signature Fund the Mpls Fdn	Gift	Academic Health Center, College of Veterinary Medicine, Intercollegiate Athletics
Warren B Stickney Estate	Gift	Scholarships
Bright M Dornblaser Estate	Gift	School of Public Health
PepsiCo Inc	Gift	College of Food, Agricultural and Natural Resource Sciences
Joan M Allmaras and Mark R Houser	Gift	College of Food, Agricultural and Natural Resource Sciences
Jeannine L Bayard	Gift	School of Nursing
Donald and Cynthia MacMillan	Pledge	Minnesota Landscape Arboretum
Earl A Peterson Estate	Gift	College of Science and Engineering
Sping Lin	Gift	College of Food, Agricultural and Natural Resource Sciences

\$50,000 - \$100,000

Anonymous	Gift	Medical School
Arnold G Fredrickson Estate	Gift	College of Science and Engineering
Eugene B Hayden Jr Estate	Gift	College of Food, Agricultural and Natural Resource Sciences, School of Nursing
Helen S Henton Trust	Gift	Unrestricted
Anonymous	Gift	College of Education and Human Development, College of Liberal Arts
Daniel and Jamie Moloney	Pledge	Intercollegiate Athletics
Roger R and Carolyn Bettin	Pledge	Intercollegiate Athletics
Milton and Danae Andrews	Pledge	College of Biological Sciences
M and M 007 1969 Trust	Gift	Minnesota Landscape Arboretum
Penny and Steven Sanderson Fund-Mpls Fdn	DAF Intent	Intercollegiate Athletics
Steven and Nancy Lehman	Gift	College of Science and Engineering
Google Inc	Gift	College of Science and Engineering
Marvin E Bauer	Gift	College of Education and Human Development, College of Food, Agricultural and Natural Resource Sciences, University of Minnesota Extension
Arvid Olson Estate	Gift	Medical School
George P and Barbara M Hagemann	Gift	Intercollegiate Athletics, College of Veterinary Medicine
Duane E Hilmas	Gift	College of Veterinary Medicine

\$50,000 - \$100,000

Gloria L Hayden Estate	Gift	College of Food, Agricultural and Natural Resource Sciences, School of Nursing
Blandin Fdn	Gift	University of Minnesota Duluth
Patricia S Kane	Gift	School of Nursing, Medical School
Goal Line Club	Pledge	Intercollegiate Athletics
Jennifer M Marrone and David H Short	Gift	College of Education and Human Development
Aaron and Kelly Schoenecker	Pledge	Intercollegiate Athletics
Adobe Systems Inc	Gift	Carlson School of Management
Allen F and Barbara S Isaacman	Pledge	Global Programs and Strategy Alliance
Benton County 4-H Leaders Council	Gift	University of Minnesota Extension
Buuck Family Fdn	Gift	Scholarships
Childrens Cancer Research Fund	Pledge	Medical School
Erik Allen	Pledge	Carlson School of Management
Geraldine M Nelson	Gift	Libraries
Henkel	Gift	College of Science and Engineering
J A Wedum Fdn	Gift	Carlson School of Management
Jolan 1969 Trust	Gift	Minnesota Landscape Arboretum
Mitsui Chemicals Inc	Gift	College of Science and Engineering
Phibro Animal Health Corp	Gift	College of Food, Agricultural and Natural Resource Sciences
Robina Fdn	Gift	Law School
United Way Worldwide	Gift	Academic Health Center

\$25,000 - \$50,000

Minnesota Turf and Grounds Fdn	Gift	College of Food, Agricultural and Natural Resource Sciences
Chainbreaker	Gift	Academic Health Center
Linda Van Prooien Estate	Gift	Minnesota Landscape Arboretum
Helen M Gantzer Estate	Gift	School of Dentistry
WestWings Fam Fdn II-Signature Fund Mpls Fdn	Gift	Unrestricted
Shanghai Institute of Ceramics	Gift	College of Science and Engineering
Travelers	Gift	College of Veterinary Medicine
Ruth V Jones	Gift	College of Science and Engineering, Scholarships
Steven J Thomas Jr	Gift	Scholarships
Jason and Carly Zucker Charitable Fund	Gift	Academic Health Center
Medtronic Inc	Gift	Carlson School of Management
Slaggie Family Fdn	Gift	Academic Health Center
Neuromeka Co Ltd	Gift	College of Science and Engineering
Pine Ridge 1969 Trust	Gift	Minnesota Landscape Arboretum

\$25,000 - \$50,000

Alden C Olson Estate	Gift	Unrestricted
Steven and Nancy Lehman Charitable Fund-Vanguard	Gift	College of Science and Engineering
Mike J Sertich	Gift	University of Minnesota Duluth
Thomas and Jennifer Maxwell	Gift	Medical School
Alan L Eliason	Gift	College of Science and Engineering
Anonymous	Gift	Global Programs and Strategy Alliance
Best Buy Fdn	Gift	College of Food, Agricultural and Natural Resource Sciences
Candy Chandler-Attanasio	Gift	Medical School
Howard C Chandler Jr and Angela W Chandler	Gift	Medical School
Isora Fdn	Gift	Medical School
Katherine A Siggerud	Pledge	Humphrey School of Public Affairs
Nicholas B Alworth	Pledge	University of Minnesota Duluth
Paul and Susan Arneson Fund-Bank of America Fund	Gift	Medical School
Richard L Knowlton	Gift	Hormel Institute
Roger D Eastep	Pledge	College of Pharmacy
Roger M Adams	Gift	College of Education and Human Development
The CAG Fdn	Pledge	University of Minnesota Duluth
The Land Institute	Gift	College of Food, Agricultural and Natural Resource Sciences
United HealthCare Services Inc	Gift	Carlson School of Management
UPM Blandin Paper Co	Gift	University of Minnesota Duluth

\$10,000 - \$25,000

Cynthia J Swan and Robert Gage	Gift	College of Liberal Arts
York Potash Limited	Gift	College of Food, Agricultural and Natural Resource Sciences
Blythe A Brenden	Gift	Medical School
Uponor Inc	Gift	Medical School, College of Science and Engineering
Donald E and Mary Anne M Ryks	Pledge	Minnesota Landscape Arboretum
Mary Sue and Peter Vorbrich	Gift	Medical School
American Chemical Society	Gift	College of Science and Engineering
Jay and Rose Phillips Family Fdn of MN	Gift	Humphrey School of Public Affairs
Monsanto Co	Gift	College of Food, Agricultural and Natural Resource Sciences
NCASI Natl Council for Air/Stream Improv Inc	Gift	University of Minnesota Duluth
Newman's Own Fdn	Gift	University of Minnesota Extension

\$10,000 - \$25,000

Robert W Page	Gift	College of Veterinary Medicine
TCF Fdn	Gift	Medical School
The Saint Paul Fdn	Gift	Humphrey School of Public Affairs
Minnesota Landscape Arboretum Auxiliary	Gift	Minnesota Landscape Arboretum
Bayer Corp	Gift	College of Food, Agricultural and Natural Resource Sciences
Minnesota Veterinary Medical Fdn	Gift	College of Veterinary Medicine
Robin J and Craig R Dahl	Gift	Medical School
Guangzhou Wisdom Bio-Technology Co Ltd	Gift	College of Food, Agricultural and Natural Resource Sciences
Jane and Thomas Nelson	Gift	Minnesota Landscape Arboretum
Teambackers	Gift	University of Minnesota Crookston
Center for Computer-Assisted Legal Instruction	Gift	Law School
Leonberger Health Fdn	Gift	College of Veterinary Medicine
Mary K and Richard T Ostlund	Gift	Medical School
Boston Scientific Corp	Gift	College of Science and Engineering
Schwebel Goetz and Sieben P A	Gift	Law School
Mary K and Gary H Stern	Pledge	College of Liberal Arts
McVay Fdn	Gift	College of Continuing and Professional Studies
Nachurs	Gift	College of Food, Agricultural and Natural Resource Sciences
Syngenta Crop Protection LLC	Gift	College of Food, Agricultural and Natural Resource Sciences
Wilmac Fdn	Gift	Minnesota Landscape Arboretum
Juanita B and Richard C Luis	Gift	College of Liberal Arts, Law School
Compeer Financial	Gift	University of Minnesota Extension
Epitopix	Gift	College of Veterinary Medicine
Pursell Agri-Tech	Gift	College of Food, Agricultural and Natural Resource Sciences
Kerri Spinazola	Gift	Medical School
American Legion Family Brain Sciences Fdn	Gift	Medical School
Laurie K Houle	Gift	Medical School
Lucas and Libby Detor	Gift	Medical School
Brad and Linda Kennedy	Gift	Medical School
Grant P Kennedy	Gift	Medical School
Noble Energy Inc	Gift	University of Minnesota Morris
Richard and Mavis Whiteman Fund-Fidelity Charitable	Gift	University of Minnesota Duluth
Scott D Kennedy	Gift	Medical School

\$10,000 - \$25,000

Sharon L Kennedy	Gift	Medical School
Land O'Lakes Inc	Gift	Carlson School of Management, College of Science and Engineering
Dawn Plender	Gift	Medical School
Gordon and Betty Moore Fdn	Gift	College of Science and Engineering
James H and Janelle House	Gift	Medical School
Lee Fdn	Gift	College of Food, Agricultural and Natural Resource Sciences
E Calvin Alexander Jr and Sheri Alexander	Gift	College of Science and Engineering
Francis and Wendy Sauvageau	Gift	Medical School
Elizabeth G Redleaf	Gift	College of Food, Agricultural and Natural Resource Sciences
Best Buy Purchasing LLC	Gift	Humphrey School of Public Affairs
Rosemary J Graham	Gift	College of Food, Agricultural and Natural Resource Sciences
Anheuser Busch Agricultural Resources LLC	Gift	College of Food, Agricultural and Natural Resource Sciences
Alfred Harrison and Ingrid Lenz Harrison	Gift	Medical School
Timothy P Metcalf	Gift	Medical School
Scott H Fisher	Gift	Minnesota Landscape Arboretum
Art and Martha Kaemmer Fund-HRK Fdn	Gift	Weisman Art Museum
Joanne A Kosanke	Gift	College of Liberal Arts
The Boeing Co	Pledge	College of Science and Engineering
The Toro Co	Gift	Minnesota Landscape Arboretum
Hunter Houle Memorial Fdn	Gift	Academic Health Center
Aeolus Wind Power IV LLC	Gift	College of Veterinary Medicine
Alexandra M Daitch	Gift	Minnesota Landscape Arboretum
Bentson Fdn	Pledge	Scholarships
Carlson Family Fdn	Gift	Northrop
Ciresi and Conlin LLP	Gift	Medical School
Dan McDonald Fund-Fidelity Charitable	Gift	College of Science and Engineering, Law School
David and Shannon C Keller	Gift	Medical School
Douglas and Wendy Dayton Fdn	Gift	College of Veterinary Medicine
Frida A Xhonga-Decker Estate	Gift	School of Dentistry
Grain Millers Inc	Gift	Carlson School of Management
Handy Help LLC	Gift	College of Education and Human Development
Harvey A Bartz	Gift	Academic Health Center
Hormel Foods Corp Charitable Trust	Pledge	University of Minnesota Rochester

\$10,000 - \$25,000

Hugh C Smith and Aynsley Smith	Gift	University of Minnesota Rochester
James A and Mary G Lawrence	Gift	Medical School
LaCrosse Milling Co	Gift	College of Food, Agricultural and Natural Resource Sciences
Lois E Quam	Gift	Humphrey School of Public Affairs
M Janice Hogan-Schiltgen	Gift	Medical School
Mary K Brainerd	Gift	College of Liberal Arts
Mithun Family Fdn	Gift	Minnesota Landscape Arboretum
National Center for Women and Information Tech	Gift	College of Science and Engineering
Patti S Smith	Gift	College of Food, Agricultural and Natural Resource Sciences
Paul E Duchscherer Estate	Gift	University of Minnesota Duluth
Richard H Anderson	Gift	Minnesota Landscape Arboretum
Sally B and Charles R Jorgensen	Gift	College of Biological Sciences
Steven B Goldfine	Gift	University of Minnesota Duluth
Stoel Rives LLP	Gift	Carlson School of Management
Super Radiator Coils	Gift	Intercollegiate Athletics
Target Corp	Gift	Carlson School of Management
Todd and Tammie Zarfos	Gift	College of Science and Engineering
U S Bank	Gift	Carlson School of Management

\$5,000 - \$10,000

Ivan Gandrud	Gift	University of Minnesota Crookston
Amanda Crain	Gift	Medical School
Ruth W Redhead Estate	Gift	College of Liberal Arts
Lee R Anderson Sr	Gift	Intercollegiate Athletics
Charles J Geyer	Gift	Intercollegiate Athletics, College of Liberal Arts
Kahn Brothers LLC	Gift	Academic Health Center, Law School, Consortium on Law and Values
Lee A Borah Jr Estate	Gift	College of Liberal Arts
Carol J Hayden Estate	Gift	College of Food, Agricultural and Natural Resource Sciences, School of Nursing
Syvilla M Turbis Estate	Gift	Medical School, Academic Health Center
Mary Jean Laubenfels Estate	Gift	Unrestricted
3M Co	Gift	University of Minnesota Duluth
Jacqueline Lou Smith	Gift	Minnesota Landscape Arboretum, College of Veterinary Medicine
Park Dental Fdn	Gift	School of Dentistry

\$5,000 - \$10,000

Willis and Dorothy Peterson Fund-Fidelity Charitable	Gift	College of Food, Agricultural and Natural Resource Sciences
Paul and Elaine Campbell	Gift	Medical School
Fred C and Katherine B Andersen Fdn	Gift	Minnesota Landscape Arboretum
Joan K Bartz	Gift	Minnesota Landscape Arboretum
The St Paul Radiology Fdn of The St Paul Fdn	Gift	Medical School
Bryan E Dowd	Gift	School of Public Health
Truist	Gift	Various Colleges
Annabel R Cornelison Estate	Gift	Law School
Graham Construction	Gift	Medical School
Helena Hernmarck	Gift	Libraries
Joel Kunza	Gift	Medical School
Keelie Jones	Gift	Medical School
Deloitte Fdn	Pledge	Carlson School of Management
Heather M McElory-Goeger and Daniel Goerger	Gift	Medical School
Jean G and John E Geisler	Gift	Medical School
Marty L and Patti D Nanne	Gift	Medical School
Ajinomoto Animal Nutrition North America Inc	Gift	College of Food, Agricultural and Natural Resource Sciences
Dean A and Mary S Ramos	Gift	Medical School
Douglas and Ruth Hanold Crane Fund-American Center Philanthropy	Gift	College of Design
Germain's Seed Technology Inc	Gift	College of Food, Agricultural and Natural Resource Sciences
Patricia A Erlandson	Gift	Medical School
Wells Fargo Fdn	Gift	Various Colleges
Anonymous	Gift	Medical School
Todd and Kerry Nimmo	Gift	Medical School
3M Fdn Inc	Gift/Pledge	Minnesota Landscape Arboretum, College of Veterinary Medicine
Karin R O'Hara	Gift	University of Minnesota Extension
William R Tempest	Gift	Law School
Jennifer L Martin	Gift	College of Food, Agricultural and Natural Resource Sciences
Marcia C Carthaus	Gift	Minnesota Landscape Arboretum
Jenny L Verner	Gift	Minnesota Landscape Arboretum
Inari Agriculture Inc	Gift	College of Biological Sciences
Lola Red PR	Gift	Academic Health Center
Janet K Jezior	Gift	Medical School
Allan and Evelyn Gebhard Charitable Fund of UBS	Gift	Minnesota Landscape Arboretum

\$5,000 - \$10,000

Anonymous	Gift	College of Veterinary Medicine
Barbara L Butcher	Gift	Medical School
Bender Family Charitable Fund-Tulsa Community Fdn	Gift	Law School
Bercom Inc	Gift	Medical School
Carlson-LaVine Inc	Gift	Medical School
Cathryn Myers	Gift	Medical School
Charles L and Iris P Fried	Gift	College of Science and Engineering
Charles S Larson	Gift	Medical School
CSM Corp	Gift	Medical School
Daniel A Whalen	Gift	Humphrey School of Public Affairs
David J Meyer	Gift	Carlson School of Management
David Mortenson	Gift	Scholarships
Dentsply Sirona	Gift	School of Dentistry
Dorothy F Boen	Gift	School of Public Health
Edith D Leyasmeyer	Gift	College of Liberal Arts
Envoi LLC	Gift	Medical School
Eric C and Rebecca K Newell	Pledge	University of Minnesota Morris
Frederick D Bock	Gift	Academic Health Center
Gerald W Ireland	Gift	Medical School
Golden Dunkers Booster Club Inc	Gift	Intercollegiate Athletics
Gregg N and Cynthia A Dyste	Gift	Medical School
Hauff Berdie Legacy - Fidelity Charitable	Gift	College of Liberal Arts
HSW Advisors at HighTower	Gift	Academic Health Center
IGA Midtown Foods	Gift	Intercollegiate Athletics
James FX Fahy	Gift	University of Minnesota Duluth
Jane A Phillips	Gift	College of Veterinary Medicine
Jeff Donnay	Gift	Academic Health Center
Jeffrey J Murray and Jennifer L Hart-Murray	Gift	Intercollegiate Athletics
Jeffrey P Dankey	Gift	College of Food, Agricultural and Natural Resource Sciences
Jin Yu Baoling	Gift	College of Veterinary Medicine
Joan E Cloutier Estate	Gift	Medical School
John Hayes Batson	Gift	Medical School
Kathleen M Schmidlkofer	Gift	Medical School
Kenneth C and Patricia L Graupner	Gift	Medical School
Lyle and Jane Fahning	Gift	Medical School
Main Lake LTD	Gift	College of Food, Agricultural and Natural Resource Sciences
Mankoff Family Fdn	Gift	Law School
Mark and Paulete Lindblom	Gift	Intercollegiate Athletics

\$5,000 - \$10,000

Mark Scharmer	Gift	Medical School
Mary Jane Weaver	Gift	Law School
Metropolitan Mechanical Contractors Inc	Gift	College of Science and Engineering
Metropolitan Regional Arts Council	Gift	University of Minnesota Extension
Morsman Family Fdn	Gift	Minnesota Landscape Arboretum
NovaVive Inc	Gift	College of Veterinary Medicine
Oppidan Inc	Gift	Medical School
Paul and Jeanne Ravich	Gift	Law School
Polaris Industries Inc	Gift	College of Science and Engineering
Porter Legacy Fund-Vanguard Charitable	Gift	College of Veterinary Medicine
Robert C Ramsdell Jr	Gift	College of Science and Engineering
Robin Galloway	Gift	Minnesota Landscape Arboretum
Runestone Electric Assn	Gift	College of Food, Agricultural and Natural Resource Sciences
Sharon A and James Ridgeway	Pledge	University of Minnesota Duluth
Sondag Family Charitable Fund - Schwab Charitable Fund	Gift	Law School
Stantec Consulting Services Inc	Gift	College of Science and Engineering
The Longview Fdn	Gift	Minnesota Landscape Arboretum
Vosbeck Giving Fund-Fidelity Charitable Gift Fund	Gift	College of Design

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

To Academic Programs International (API), Academic Studies Abroad (ASA), American Institute for Foreign Studies (AIFS), CEA Study Abroad, Center for International Studies (CISabroad), International Studies Abroad (ISA), and University Studies Abroad Consortium (USAC) and others for an estimated total of \$1,400,000 to provide services to support overseas study abroad programs for the UMD International Programs and Services' Study Abroad Office for Fiscal Year 2019.

The International Programs and Services' Study Abroad office at the University of Minnesota Duluth offers students a portfolio of study abroad programming through over 40 programs from affiliated programs and university partners around the world. As a result of the University of Minnesota's Education Abroad Policy and the strategic internationalization of the University of Minnesota Duluth's campus, UMD's Study Abroad contracts with international providers in order to provide services to support overseas study abroad programs. Services include, but are not limited to the following:

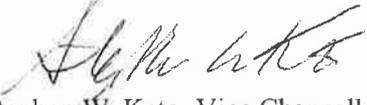
- *Student Services – pre-departure and on-site orientation, airport transfers, room and board arrangements including home-stays, health and safety management, and in-country travel and liability insurance.*
- *Academic programs and facilities – enrollment requirements, academic program design, delivery and procedures, course content, tutorial sessions, faculty hiring and support, transportation for course related travel, program evaluations, and administration and course assessment.*

Costs for students participating on study abroad programs are based on a per student fee which is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the UMD campus.

The program fees cover the costs of the academic program and the administrative costs for the UMD Study Abroad office.

Submitted by: Karl Markgraff, Chief International Officer
Director, International Programs & Services
Phone 218-726-7053

Approval for this item requested by:


Stephen W. Keto, Vice Chancellor, UMD Finance & Operations

6/12/18
Date

Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because a comprehensive and diligent process to select external administrators is used by UMD's International Programs and Services (IPS) Study Abroad Office.

External administrators, third parties who work with UMD Study abroad program associates to design and customize programs in particular locations for the University of Minnesota Duluth are researched and selected based on (1) their familiarity with and contacts in a particular location, (2) student's and UMD Study Abroad's assessments of the external program administrator's past performance, (3) demonstrated ability to provide for the housing, health and safety of participants, and (4) references from other Universities. The continued success of the program depends on the administrator's ability to provide a safe, productive and memorable student experience in the particular location. The risk of vendor non-performance in this area is a risk to the program and a risk to the students. The UMD Study Abroad selection process is the optimal process to assure that the University's interests are protected for this type of purchase.

Costs for students participating on study abroad programs are based on a per student fee which is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the UMD campus. The program fees cover the costs of the academic programs and the administrative costs for UMD's Study Abroad.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.

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

To Dell Marketing, a Microsoft Education Large Account Reseller, for an estimated \$1,062,000 to provide software licensing for commonly used Microsoft products for all University of Minnesota faculty, staff and students for the Office of Information Technology (OIT) for the period of August 1, 2018 through July 31, 2019.

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 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.

Faculty/Staff Benefits:

This Agreement includes current versions and upgrades 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 Systems upgrades, Software Assurance benefits, all versions of Windows Servicers, 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. Additionally, faculty and staff are able to take advantage of Office 365 Pro Plus desktop applications for personal use on up to 15 devices during their employment.

Student Benefits:

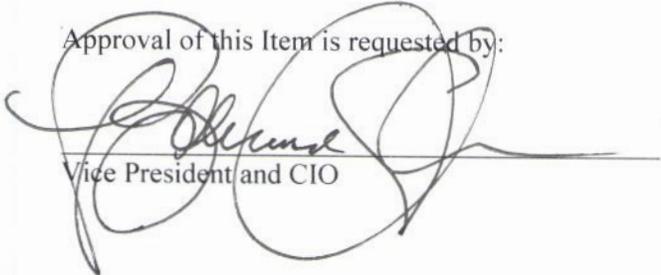
Students are allowed to use Microsoft Office in University-managed computer labs and Microsoft Office 365 Pro Plus desktop applications for personal use on up to 15 device, including mobile devices, during the term of their enrollment.

The supplier 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: Douglas Ahlgren
Purchasing, OIT Business Office
Phone: (612) 625-2333

Approval of this Item is requested by:


Vice President and CIO

Date

6-22-18

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

To Metropolitan Council/Metro Transit for an estimated \$5,465,000 for the continuation of the Metropass, U-Pass, and Campus Zone programs for discounted transit pass program for Parking and Transportation Services for the period of August 24, 2018 through September 30, 2019 with optional contract extension through September 30, 2020 for an additional \$5,465,000. Total contract value, if all options are exercised would be \$10,930,000.

The programs provide the University with unlimited passes that are accepted on Twin Cities transit routes. The University offers discounted transit passes to its actively enrolled students and current employees. The goal of the programs is to offer a commuting alternative thereby reducing regional traffic and campus parking congestion. By increasing transit ridership, the University reduces its carbon footprint and promotes environmental preservation.

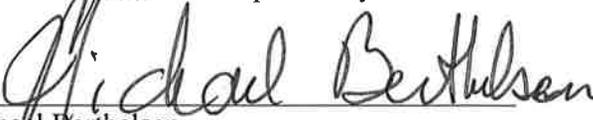
Metro Transit is the only entity providing complete transit services within the Twin Cities metro area.

- *Metropass; \$1,800,000/annual; October 1, 2018-September 30, 2019; Renewal period October 1, 2019-September 30, 2020*
- *U-Pass; \$3,500,000/annual; August 28, 2018-August 27, 2019; Renewal period August 28, 2019-August 27, 2020*
- *Campus Zone; \$165,000/annual; August 25, 2018-August 24, 2019; Renewal period August 25, 2019-August 24, 2020*

These programs will be financed annually by user fees, transportation fees, and parking revenues.

Submitted by: Ross Allanson, Director
Parking & Transportation Services
University of Minnesota
Twin Cities Campus
Phone: (612) 625-9543

Approval for this item requested by:


Michael Berthelsen
Vice President of University Services


Date

Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because it is a purchase available only from another governmental agency or public entity. Metro Transit is the only fully comprehensive bus transit system in the Twin Cities metro area. It partners with other smaller regional providers to ensure comprehensive service.

Metropass, U-Pass and Campus Zone programs offer a commuting alternative to reduce regional traffic and campus congestion by increasing bus ridership and at the same time promoting environmental conservation. The programs provide students discounted unlimited semester-period bus pass and qualifying University employees a discounted unlimited annual bus pass.

Procedures undertaken to ensure reasonableness of price included negotiations between Parking and Transportation Services and the Metropolitan Council (Metro Transit) to reach an acceptable pricing agreement. Negotiation sessions included experienced managers and directors from both parties qualifies to make judgment of reasonableness in the bus transit industry. Financial officials and legal counsel from both parties analyzed and approved the contract terms.

Real Estate Transaction
PURCHASE OF 312 16th AVENUE SE, MINNEAPOLIS
TWIN CITIES CAMPUS

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to purchase the property at 312 16th Avenue SE, Minneapolis, Hennepin County, Minnesota.

2. Location and Description of the Property

The subject property consists of approximately 0.07 acre improved with a 2.5-story 8-unit rooming house (first constructed in 1900 and at the end of its useful life) located at 312 16th Avenue SE, Minneapolis. It is adjacent to University Parking Lot C-59 on the east side of 16th Avenue SE, between University Avenue SE and 4th Street SE (see attached map).

The legal description of the property is:

Lot 6, Tuttle's Addition to St. Anthony, Minneapolis, Hennepin County, Minnesota.

3. Basis for Request

The purchase of this property has been targeted since 2009 when the University entered into a purchase option agreement with the current owners / sellers.

4. Details of Transaction

The sellers are Richard A. Minn and Jill M. Minn, husband and wife. The purchase price for the subject property will be \$717,500 (which is the average of two independent MAI appraisals as specified in the purchase option agreement). The closing is expected to occur on or after August 1, 2018. The current renters have leases that expire on August 31, 2018. The seller will complete the demolition of the structure and transfer the vacant land to the University following the expiration of the leases. The University will reimburse the owner for the cost of the hazardous material abatement and demolition, as well as pay administrative fees.

5. Use of Properties

The property will remain as open space for the near term and provides additional options with its adjacency to parking lot C59.

6. Environmental

The University will complete a Phase I environmental site assessment and a limited Phase II environmental site assessment in conjunction with the seller's demolition of the structures, to confirm the property is in acceptable environmental condition.

7. Source of Funding

The University will purchase the property at 312 16th Avenue SE, Minneapolis using balances from the Twin Cities Campus Real Estate Acquisition Account.

When the University sells real estate, the proceeds received from the sale are first used to pay for any costs associated with the sale. Once all costs associated with the sale are covered, the remaining proceeds are deposited into a real estate holding account in the PeopleSoft general ledger. The use of a Real Estate Acquisition Account ensures that the University has access to cash to finance small or opportunistic real estate transactions, without requiring the use of debt on every real estate transaction.

8. Recommendations

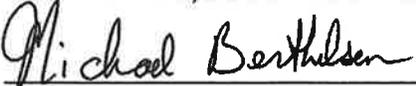
The above-described real estate transaction is appropriate:



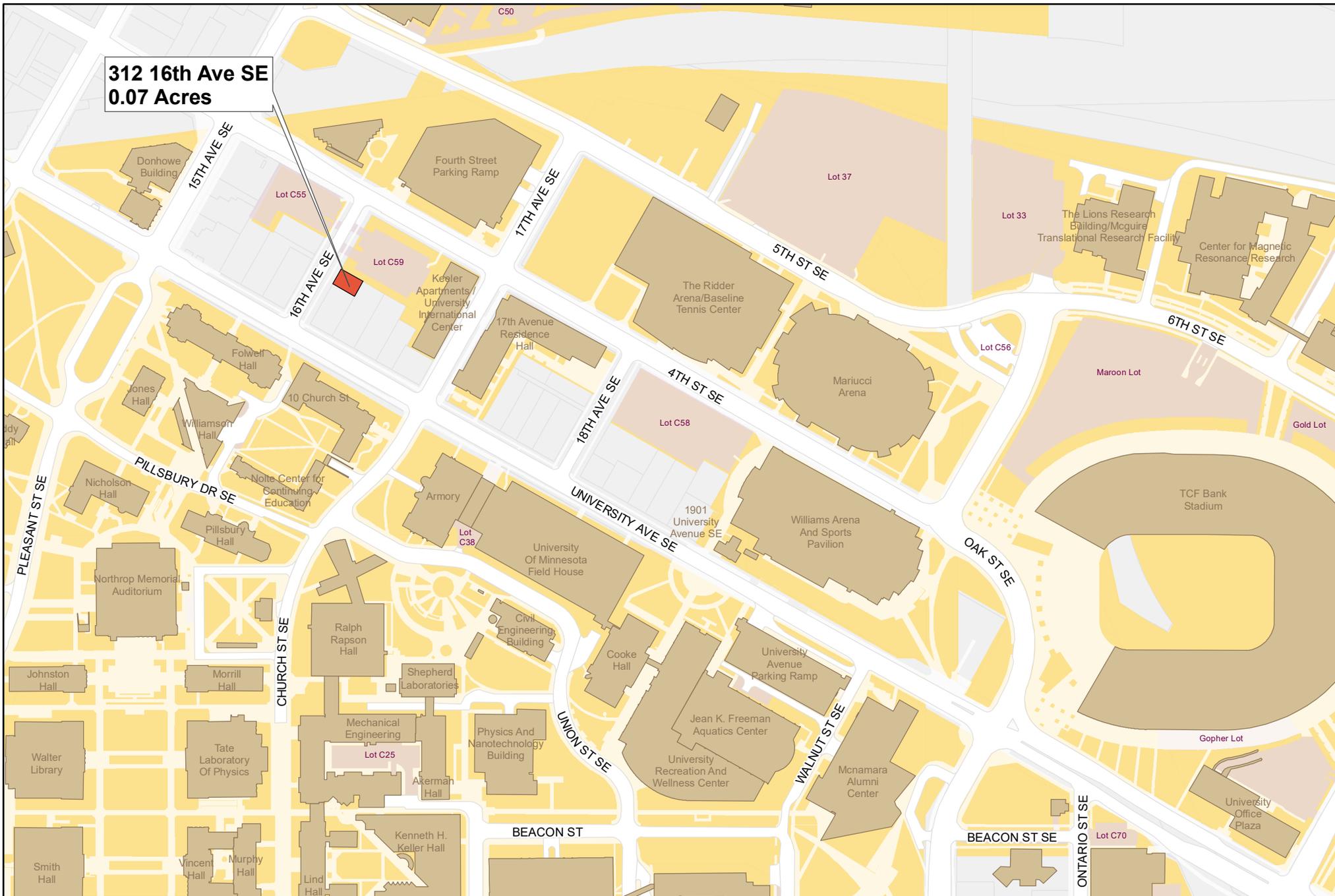
Karen Hanson, Executive Vice President and Provost



Brian Burnett, Senior Vice President for Finance and Operations and CFO



Michael Berthelsen, Vice President for University Services



**312 16th Ave SE
0.07 Acres**

Real Estate Office



University of Minnesota

**Purchase of 312 16th Ave SE
Minneapolis East Bank Campus**

- Property to be Purchased
- University Property



This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office
UServices EGIS, MET Council

6/22/2018



**Finance & Operations Committee
Board of Regents Meeting
Consent Report
July 11, 2018**

Personnel Appointment

Pending approval by the Board of Regents, Dr. Jeffrey A. Ratliff-Crain will be appointed Vice Chancellor for Academic Affairs and Innovation at the University of Minnesota Rochester, effective August 15, 2018.

Position Overview

As Vice Chancellor for Academic Affairs and Innovation, Dr. Ratliff-Crain is the chief academic officer for the campus, reporting to the Chancellor and serving in this capacity in the absence of the Chancellor. Dr. Ratliff-Crain will operate within objectives and policies of the University of Minnesota, and the Chancellor of the University of Minnesota Rochester. He will advise the Chancellor on academic matters and work collaboratively with the other officers of the University of Minnesota system to meet the strategic objectives of the university. As a member of the Chancellor's staff, Dr. Ratliff-Crain will provide academic leadership and work collaboratively with other members of the Chancellor's Senior Advisory Council. He will build and sustain academic partnerships with other University of Minnesota system campuses, Mayo Clinic School of Health and Sciences, and other higher education institutions to meet the workforce and innovation needs of Rochester and southeast Minnesota.

Appointee's Background and Qualifications

Dr. Ratliff-Crain has served as Associate Dean, Curriculum and Enrichment, at Augustana College in Illinois since 2013. Prior to that role he was on the faculty as professor of psychology at the University of Minnesota Morris (beginning at Morris in 1989), with administrative responsibilities as Assistant Dean (2008-2011) and Director, Academic Center for Enrichment (2012-2013). Prior to his faculty and administrative roles at UMM, Dr. Ratliff-Crain completed his Ph.D. in Medical Psychology at the Uniformed Services University of the Health Sciences in Bethesda, Maryland. That disciplinary lens is a welcome addition to UMR's multidisciplinary Center for Learning Innovation faculty who focus their teaching in the health sciences.

Dr. Ratliff-Crain has broad experience in academic leadership, launching programs, engaging faculty in professional development, supporting grant procurement, working closely with student recruitment and retention, and managing academic unit budgets. He is a recipient of

the Horace T. Morse-University of Minnesota Alumni Award for Outstanding Contributions to Undergraduate Education and the Walter D. Mink Award for Outstanding Undergraduate Teaching awarded by the Minnesota Psychological Association. That commitment to undergraduate education will serve him well at UMR given the focus on innovation in undergraduate teaching and learning.

Recommended Salary and Appointment Type

Dr. Ratliff-Crain's annual salary will be \$169,000. His appointment as Vice Chancellor of Academic Affairs and Innovation at the University of Minnesota Rochester is a 100% time, A-term (12 month), L-type (limited) appointment, reporting to and serving at the pleasure of the Chancellor at UMR. The full employment agreement between the University of Minnesota Rochester and Dr. Ratliff-Crain 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

Benchmarking with the CUPA Administrators in Higher Education salary survey for the position of Vice Chancellor for Academic Affairs and Innovation at the University of Minnesota Rochester peer group:

Lowest - \$
25th percentile - \$167,600
50th percentile - \$198,500
75th percentile - \$280,900
Average - \$236,500

Recommendation

The Chancellor recommends the appointment of Dr. Jeffrey A. Ratliff-Crain as Vice Chancellor for Academic Affairs and Innovation at the University of Minnesota Rochester.

UNIVERSITY OF MINNESOTA

Rochester

UM Rochester

300 University Square
111 South Broadway
Rochester, MN 55904
Office: 507-258-8000
Fax: 507-258-8066
www.r.nmn.edu

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of this 18th day of June 2018, by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the "University"), and Jeffrey Ratliff-Crain.

WHEREAS, the University wishes to employ Jeffrey Ratliff-Crain as the Vice Chancellor for Academic Affairs and Innovation and at the University of Minnesota Rochester and Jeffrey Ratliff-Crain wishes to accept employment as the Vice Chancellor for Academic Affairs and Innovation;

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 Jeffrey Ratliff-Crain 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 Jeffrey Ratliff-Crain as the Vice Chancellor for Academic Affairs and Innovation at the University of Minnesota Rochester and he agrees to be so employed. The Vice Chancellor for Academic Affairs and Innovation position is a 100-percent time, 12-month, L appointment in the professional and academic personnel classification. The position serves as an at-will employee at the pleasure of the Chancellor. As such, you report to and serve at the pleasure of the Chancellor, and your appointment may be terminated at any time without cause or advance notification.

II. DUTIES

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

- A. Advance the University's academic, research, and outreach mission for the University of Minnesota Rochester, including shared collaboration between Rochester and the Twin Cities campuses, the broader University, and affiliated education settings across the state;
- B. Oversee the responsible planning, stewardship, management and accountability of capital, human, fiscal and other critical resources of the University of Minnesota Rochester, providing leadership in securing adequate resources for the campus through public and private partnership;

- C. Supervise the staff, responsibilities, and operations of the offices of the Vice Chancellor for Academic Affairs and Innovation and of those units which report to you;
- D. Cultivate strong relationships within the campus, the broader University community and with key external stakeholder, and represent the University and those units that report to you in a positive fashion in private and public forums; and
- E. 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 and, in accordance with University policy, you will receive a broader systemic review of your performance no later than the end of your third year in the position.

IV. FACULTY APPOINTMENT

In addition to your appointment as Vice Chancellor for Academic Affairs and Innovation, you will also be considered for appointment as a tenured, full professor at the University of Minnesota Rochester. Any such appointment as a professor is subject to Board of Regents Policy: *Faculty Tenure*. Your appointment requires approval of the faculty as well as the Board of Regents. During the time you serve as Vice Chancellor for Academic Affairs and Innovation, 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 Vice Chancellor for Academic Affairs and Innovation and retain this faculty appointment, this will be your established faculty salary.

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 Sixty-Nine and No/100 Dollars (\$169,000).
- 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

In accordance with University policy, 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>). It is our expectation that your costs will not exceed one month of salary.

VIII. SEPARATION

A. Your appointment as Vice Chancellor for Academic Affairs and Innovation is an L appointment, which means you serve at the pleasure of your appointing authority. Your appointment may be terminated at any time, with or without cause, and without any required notice.

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.

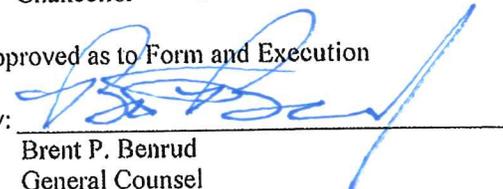
IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

By: 
Jeffrey A. Ratliff-Crain

REGENTS OF THE UNIVERSITY OF MINNESOTA

By: 
Lori J. Carrell
Chancellor

Approved as to Form and Execution

By: 
Brent P. Benrud
General Counsel

**Finance & Operations Committee
Board of Regents Meeting
Consent Report
July 11, 2018**

Personnel Appointment

Pending approval by the Board of Regents, Dr. Wendy L. Reed will be appointed Dean of the Swenson College of Science and Engineering at the University of Minnesota Duluth, effective August 20, 2018.

Position Overview

As dean, Dr. Reed will serve as the chief academic and administrative officer of the Swenson College of Science and Engineering (SCSE). She will provide strategic and intellectual leadership and administrative oversight for the college and will collaborate with other campus deans, the Vice Chancellors, and other campus leaders to advance UMD's mission and strategic plan. Dr. Reed will provide visionary leadership and administrative oversight of, and accountability for, the college. Dr. Reed will be a visible leader for the college and be engaged with external stakeholders, including alumni, industry partners, System colleagues, and legislators. As dean, she will promote and represent the school, playing a major leadership role in fundraising and in efforts to secure philanthropic support. Dr. Reed will be engaged on various UMD leadership councils and participate in raising the academic profile of the college and of UMD nationally and internationally.

Appointee's Background and Qualifications

Dr. Reed has served as a faculty member at North Dakota State University since 2002. Dr. Reed was elevated to Professor in 2015. In addition to her faculty roles, Dr. Reed has served as Assistant Dean (2009-10), Associate Dean (2010-11), and Department Chair of Biological Sciences (2012-present) at NDSU. Prior to her faculty appointments served as a post-doctoral scientist at Indiana University after completing her Ph.D. in Ecology and Evolutionary Biology at Iowa State University in 2000.

Dr. Reed is an accomplished grant writer, having received twenty grants from federal agencies (including the USDA, NSF, and NIH). Her ongoing research interests in zoology, ecology, and evolutionary biology have yielded more than two dozen research articles, numerous invited presentations and lectures and resulted in several awards, including being named a National Academies Education Fellow in the Life Sciences at the National Academies of Science. Dr. Reed has received several teaching and mentoring awards while at NDSU—an important feature for UMD given the institution's emphasis on undergraduate teaching excellence and undergraduate research.

Recommended Salary and Appointment Type

Dr. Reed's annual salary will be \$215,000. Her appointment as Dean of the Swenson College of Science and Engineering is a 100%-time, A-term (12-month), L-type (limited) appointment, reporting to and serving at the pleasure of the Executive Vice Chancellor at UMD. The full employment agreement between the University of Minnesota and Dr. Reed 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

Benchmarking with the CUPA Administrators in Higher Education salary survey for the position of Dean of Engineering for the University of Minnesota Duluth peer group:

Lowest - \$195,000

25th percentile - \$211,700

50th percentile - \$236,100

75th percentile - \$270,900

Highest - \$283,000

Recommendation

The President recommends the appointment of Dr. Wendy L. Reed as Dean of the Swenson College of Science and Engineering at the University of Minnesota Duluth.

*aged to July 1, 2018

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of this 20th day of June, 2018, by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the “University”), and Wendy L. Reed (“Wendy Reed,” “you”).

WHEREAS, the University wishes to employ Wendy Reed as the Dean of the Swenson College of Science and Engineering at the University of Minnesota Duluth and Wendy Reed wishes to accept employment as Dean of the UMD Swenson College of Science and Engineering;

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 Wendy Reed 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 Wendy Reed as the Dean of the Swenson College of Science and Engineering and she agrees to be so employed by the University for a one-year term commencing on August 20, 2018. The Dean of the Swenson College of Science and Engineering 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 Swenson College of Science and Engineering you will diligently and consciously devote your full-time attention and best efforts in performing and discharging the duties of Dean of the Swenson College of Science and Engineering 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 SCSE faculty, students, staff, and others across the University and externally to advance the College’s overall quality, reputation, and aspirational goals;
- B.** Provide administrative oversight of the College, including overall strategic leadership and accountability; oversee planning, stewardship, and management of fiscal, capital, and human resources of the College;
- C.** Promote and represent the interests of the College 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 College, incorporate forward-looking trends in

science, engineering, and higher education, and catalyze new opportunities for innovation and collaboration;

- E. Oversee recruitment and retention of outstanding faculty, students and staff;
- F. Support the College through fundraising; lead efforts to secure philanthropic support; and garner support for the College from both internal and external stakeholders;
- G. Promote and strengthen international and multicultural research and education; advance diversity across the College and productive engagement with local and global communities;
- H. Work collaboratively with other academic deans and administrators to advance the College 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 Dean of the Swenson College of Science and Engineering, 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 Swenson College of Science and Engineering, 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.

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 Two Hundred and Fifteen Thousand and No/100 Dollars (\$215,000).
- 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>). Relocation expenses reimbursed will not exceed Twenty Thousand and No/100 Dollars (\$20,000).

VIII. SEPARATION

A. Your appointment as Dean of the Swenson College of Science and Engineering 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.

By: 
Wendy L. Reed

REGENTS OF THE UNIVERSITY OF MINNESOTA

By: 
Fernando Delgado
Executive Vice Chancellor for Academic
Affairs

**University of Minnesota Board of Regents
Mission Fulfillment Committee
July 11, 2018**

Consent Report

II. Request for Changes to Academic Programs

- **College of Science and Engineering (Twin Cities campus)—Create sub-plans in Bioelectricity/Bioinstrumentation, Biomaterials, Biomechanics, Biomedical Transport Process, Cell and Molecular Bioengineering, Cell and Tissue Engineering, Medical Device Design, and Neural Engineering within the Bachelor of Biomedical Engineering degree**

The College of Science and Engineering on the Twin Cities campus requests approval to create sub-plans in Bioelectricity/Bioinstrumentation, Biomaterials, Biomechanics, Biomedical Transport Process, Cell and Molecular Bioengineering, Cell and Tissue Engineering, Medical Device Design, and Neural Engineering within the Bachelor of Biomedical Engineering (B.Bm.E), effective fall 2018. The proposed changes better reflect current curricular alignment and student demand.



BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents

July 11, 2018

AGENDA ITEM: Collective Bargaining Agreement: Minnesota State Building and Construction Trades Council

Review Review + Action Action Discussion

This is a report required by Board policy.

PRESENTERS: Kathryn F. Brown, Vice President, Office of Human Resources
Patti Dion, Sr. Director of Employee Relations, Office of Human Resources

PURPOSE & KEY POINTS

The purpose of this item is review and action on a Collective Bargaining Agreement (CBA) between the Regents of the University of Minnesota and the Minnesota State Building and Construction Trades Council. Once approved, the CBA will define the terms and conditions of employment for covered employees between the date of signing and June 30, 2021.

Covered Employees

The employees covered by this CBA are construction trades employees as defined by the Minnesota Public Employee Labor Relations Act Unit 2. The total number of employees is 281.

Summary Economic Highlights

The University has committed to the prevailing wage rates (market rate) as negotiated between the locals and the general contractor associations in the metropolitan area. In 2019, 2020, and 2021, the University has agreed to a wage reopener, as neither party is able to accurately predict respective economic positions at this time.

Effective July 1, 2018, the University has agreed to increase shift differential rates by \$0.50 an hour.

Financial Impact - Recurring Costs

Base annual Payroll	\$ 21,913,403
Shift Differential Cost	\$ 7,899
Total Recurring Cost	\$ 21,921,302

BACKGROUND INFORMATION

Negotiations began on June 19, 2018, and a tentative agreement was reached at that meeting. The Union's contract ratification process was completed on June 29, 2018. Board approval is required before this CBA can be implemented.

PRESIDENT'S RECOMMENDATION

The President recommends approval of the Collective Bargaining Agreement between the University of Minnesota and the Minnesota State Building and Construction Trades Council.



REGENTS OF THE UNIVERSITY OF MINNESOTA

RESOLUTION RELATED TO

**The Proposed Labor Agreement with
Minnesota State Building and Construction Trades Council**

WHEREAS, the parties have met and negotiated and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit; and

WHEREAS, the Minnesota State Building and Construction Trades Council has ratified acceptance of this agreement; and

WHEREAS, according to Board of Regents Policy: *Reservation and Delegation of Authority*, approval of labor agreements by the Board of Regents is required;

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for July 11, 2018.



BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents

July 11, 2018

AGENDA ITEM: Appointment of the Vice President for Clinical Affairs and Dean of the Medical School

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler

PURPOSE & KEY POINTS

The purpose of this item is to review and take action on the appointment of Jakub Tolar as the Vice President for Clinical Affairs and the Dean of the Medical School in the context of restructuring the leadership and administration in the health sciences at the University.

The goals of restructuring the leadership of health sciences are to:

- Support innovation.
- Strengthen collaboration across the University.
- Create greater operational integration, efficiency, and alignment.

The new structure is designed to include a more focused role for the dean of the Medical School that also encompasses leadership of the University’s clinical enterprise. This combined role recognizes the unique nature of the Medical School, enhances coordination of clinical affairs across all disciplines, and provides greater attentiveness to clinical work at the University. The restructuring of health sciences leadership and administration will not add to the number of senior administrators. All positions are similarly occupied in the current structure.

The Vice President and Dean reports to the President and is a member of the President’s senior leadership team. An organizational chart reflecting the proposed changes is included in the docket.

BACKGROUND INFORMATION

The Board previously discussed this topic at the following meetings:

- February 2017: *Resolution on Restructuring University and Government Relations*, Board of Regents

PRESIDENT’S RECOMMENDATION

The President recommends approval of the following:

- Amendment of the senior leader position Dean of the Medical School and Vice President for Health Sciences (adopted by the Board in February 2017) to Vice President for Clinical Affairs and Dean of the Medical School.
- Direct the Secretary to make any necessary revisions to Board policy to reflect the amended senior leader position.
- Appointment of Jakub Tolar as Vice President for Clinical Affairs and Dean of the Medical School.

**Board of Regents Meeting
July 11, 2018**

Personnel Appointment

Pending approval by the Board of Regents, Dr. Jakub Tolar will be appointed Vice President for Clinical Affairs and Dean of the Medical School at the University of Minnesota, effective July 12, 2018.

Position Overview

As Vice President for Clinical Affairs and Dean of the Medical School, Dr. Tolar will advance the University's academic, research and outreach mission in the Medical School; oversee the responsible planning, stewardship, management and accountability of capital, human, fiscal and other critical resources of the Medical School; ensure the Medical School is accountable to the University's Executive Vice President and Provost on issues regarding faculty promotion and tenure in, and academic programming for the Medical School; supervise the staff, responsibilities, and operations of the offices of the VPCA and Dean of the Medical School; cultivate strong relationships within the broader University community and with key external stakeholders; and lead the University's health sciences clinical agenda, including clinical research and clinical training, working closely with the health sciences schools and colleges to advance strategic alignment, coordination and integration.

Appointee's Background and Qualifications

Dr. Tolar came to the University in 1992, where he completed his Ph.D. in Molecular, Cellular, and Developmental Biology and Genetics. Tolar has a clinical practice through the University of Minnesota Masonic Children's Hospital. He is also a Distinguished McKnight Professor in the Department of Pediatrics, Blood and Marrow Transplantation; Director of the Stem Cell Institute; and the Edmund Wallace Tulloch and Anna Marie Tulloch Chair in Stem Cell Biology, Genetics and Genomics. Tolar is a member of the graduate faculty of the Microbiology, Immunology and Cancer Biology Program, the Molecular, Cellular, and Developmental Biology and Genetics Program, and the Stem Cell Biology Program.

Recommended Salary and Appointment Type

Dr. Tolar's annual salary will be \$714,000, representing a 2% merit increase over the \$700,000 salary approved at the December 2017 meeting. His appointment as Vice President for Clinical Affairs and Dean of the Medical School is a 100%-time, 12-month, L-type appointment, in the professional and academic personnel classification reporting to and serving at the pleasure of the President. The full employment agreement between the University of Minnesota and Dr. Tolar is included in the docket.

Individually Negotiated Terms of Employment or Separation Agreements

(Same as the prior agreement, approved in December 2017) In addition to retirement contributions made to Faculty Retirement Plan, the University will contribute an additional \$50,000 annually toward Dr. Tolar's retirement so long as he holds the position of Dean of the Medical School.

Comparable Market Data

Benchmarking with the *Annual Review of Senior Leader Compensation*, which was presented to the Board of Regents in December 2017, shows comparative base salary data* among University of Minnesota peers for the position of Vice President for Clinical Affairs and Dean of the Medical School:

10th percentile - \$255,100
25th percentile – \$535,200
50th percentile – \$800,500
75th percentile – \$914,700
90th percentile - \$990,500

*salary data aged to July 1, 2018

Recommendation

The President recommends the appointment of Dr. Jakub Tolar as Vice President for Clinical Affairs and Dean of the Medical School at the University of Minnesota.

AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of this 2nd day of July, 2018, by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the “University”), and Dr. Jakub Tolar (“Dr. Tolar” or “you”).

WHEREAS, the University wishes to employ Dr. Tolar as the its Vice President for Clinical Affairs (VPCA) and Dean of the Medical School, and Dr. Tolar wishes to accept employment as VPCA and Dean of the Medical School;

WHEREAS, this Employment Agreement is subject to the approval of the Board of Regents of the University of Minnesota;

THEREFORE, the University and Dr. Tolar agree as follows, subject to the approval of the Board of Regents:

I. EMPLOYMENT TERM

Subject to the terms and conditions of this Agreement and University Policies and Procedures, the University appoints Dr. Tolar as its VPCA and Dean of the Medical School, and Dr. Tolar agrees to be so employed by the University for a term commencing on July 12, 2018. The VPCA and Dean of the Medical School position is a 100 percent time, 12-month, L appointment in the professional and academic personnel classification that serves as an at will employee at the pleasure of the President. As such, you will report to and serve at the pleasure of the President, and your appointment may be terminated at any time without advance notification.

II. DUTIES

During the term of your employment as VPCA and Dean of the Medical School you will diligently and conscientiously devote your full-time attention and best efforts in performing and discharging the duties of VPCA and Dean of the Medical School including, but not limited to, the following:

A. Advance the University’s academic, research, and outreach mission in the Medical School, including shared collaboration between the Twin Cities and Duluth Medical School campuses, the Health Sciences colleges and schools, the broader University, and affiliated clinical education settings across the state;

B. Oversee the responsible planning, stewardship, management and accountability of capital, human, fiscal and other critical resources of the Medical School, providing leadership in securing adequate resources and support for the school through philanthropy and public and private partnerships;

C. Ensure the Medical School is accountable to the University’s Executive Vice President and Provost on issues regarding faculty promotion and tenure in, and academic programming for the Medical School.

D. Supervise the staff, responsibilities, and operations of the offices of the VPCA and Dean of the Medical School, and of those units that report to you;

E. Cultivate strong relationships within the broader University community and with key external stakeholders, including state policymakers and CEOs of the state's health care systems, and represent the University and those units that report to you in a positive fashion in private and public forums;

F. Lead the University's health sciences clinical agenda, including clinical research and clinical training, working closely with the health sciences schools and colleges to advance strategic alignment, coordination and integration;

G. Oversee the responsible planning, stewardship, management and accountability of fiscal, capital, and human resources of the units that report to you; and

H. Perform such other duties as related to your employment position and assigned to you by the President.

III. PERFORMANCE

In accordance with University Policy, you will receive regular annual performance evaluations and, in accordance with University Policy, you will receive a broader systemic review of your performance no later than the end of your third year in the position.

IV. 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 Seven Hundred Fourteen Thousand and No/100 Dollars (\$714,000).

B. All 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 President or his/her designee.

D. The 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.

V. SUPPLEMENTAL RETIREMENT

As part of this appointment, you will participate in the University of Minnesota Faculty Retirement Plan. In addition to the regular retirement contributions made under the Plan, the University will contribute an additional \$50,000 annually toward your retirement so long as you hold the position of VPCA and Dean of the Medical School. Each annual amount will vest on June 30th of each year, beginning in 2019. The University will deposit these funds each year on the vesting date (or such business day immediately following the vesting date) to the University of Minnesota Optional Retirement Plan or, to the extent such contribution exceeds contribution limits for such plan, to the University of Minnesota 415(m) Retirement Plan.

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. SEPARATION

A. Your appointment as VPCA and Dean of the Medical School is an L appointment, which means you serve at the pleasure of the President. Your appointment may be terminated at any time without any required advance notice.

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.

VIII. 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.

IX. BOARD OF REGENTS APPROVAL

This agreement is subject to the approval of the Board of Regents and a background check that is satisfactory to the University.

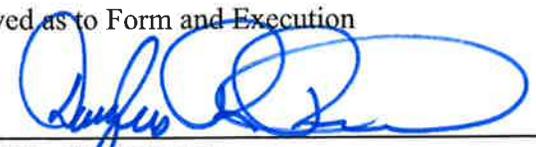
IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

TOLAR

Dr. Jakub Tolar

REGENTS OF THE UNIVERSITY OF MINNESOTA

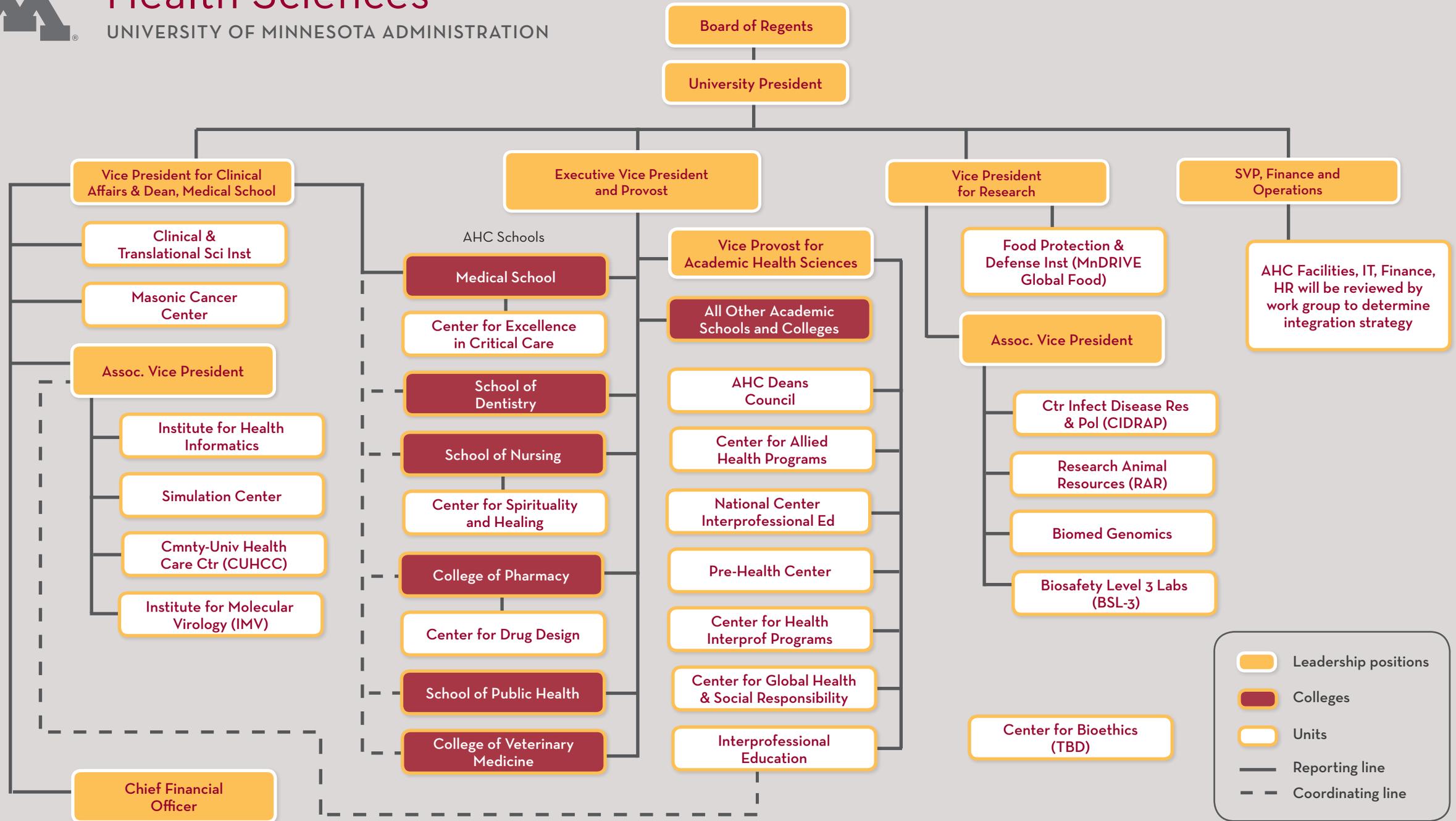
By: _____
Eric W. Kaler
President

Approved as to Form and Execution
By: _____
Douglas Peterson
General Counsel



Health Sciences

UNIVERSITY OF MINNESOTA ADMINISTRATION



Leadership positions
 Colleges
 Units
 — Reporting line
 - - Coordinating line



BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents

July 11, 2018

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
Sandra Ulsaker Wiese, FY 2018 Board Chair, UMAA
Doug Huebsch, FY 2019 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 to the Board was last delivered in July 2017.



STRATEGIC PLAN 2023 EXECUTIVE SUMMARY

The UMAA is embarking on a new strategic plan to strengthen the lifelong bonds between alumni and their Alma Mater through high-impact services that are relevant to alumni and fully capitalize on their talents and interests to advance the University's mission.

Using the 2017 alumni survey results and feedback from University leaders, the UMAA has established four overarching goals:



1 Enriching the Lives of All Alumni:

The UMAA will foster career growth and lifelong learning at each life stage to enhance the quality of life beyond graduation. It will build a sense of connectivity among alumni to support and nurture their well-being.



2 Bolstering Student Success:

The UMAA will tap the vast talent of alumni to support students' career aspirations and begin building lifelong connections as members of the University family.



3 Advancing the University of Minnesota:

The UMAA will advocate for the University with an independent and credible voice; it will engage alumni in the life of the University to help achieve University goals and increase the value of every degree.



4 Leading through Strength:

The UMAA will continue to lead a strong culture of alumni engagement across the campus while developing the long-term talent and financial resources to position itself for growth.



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION

2018

BOARD OF REGENTS
PRESENTATION



Engaged alumni strengthen the U of M



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION





582,000 alumni system-wide

Campus	Alumni
Twin Cities	485,000
Duluth	73,000
Crookston	10,000
Morris	16,000
Rochester	500



UMN TC Alumni are loyal and engaged 485,000 alumni



72%

Connected with the U
since graduation



49%

Connected to
the U in FY17

Alumni Survey Insights



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION



93%

of alumni said it was a “good” or
“great” decision to attend the University.



90%

of alumni have a “good” or “excellent”
current opinion of the University.



The primary driver of alumni opinion of the University is the value and respect for a U of M degree.

University quality and excellence are important to alumni.



In looking at alumni involvement, alumni rated these top three items as “very important”:

- Providing career services for alumni
- Mentoring students
- Serving as ambassadors for the U



UMAA Strategic Plan - 2023

- Enrich the lives of all alumni
- Bolster student success
- Advance the University of Minnesota
- Lead through strength

Four Points of UMAA Impact



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION

1

UMAA Strategic Plan

Grow the U of M brand and the value of every degree



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION



Alumni Angle



- **Data segmentation delivers targeted content specific to alumni interests & affiliations**
- **Up to 20 variables for segmentation**
- **Potential for thousands of unique, customized versions**



Minnesota Alumni Magazine



2

UMAA Strategic Plan

Foster alumni engagement for University support



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION



Engaging alumni through a diverse array of experiences





Corporate Alumni Networks



UNITEDHEALTH GROUP®





Minnesota Sparks



Deepens connection between
Greater MN and the U

- **5 events this year:**

- **Andover**
- **Crookston**
- **Rochester**
- **Worthington**
- **Cloquet**



Minnesota Alumni Market



Launched November 2017

- **1st alumni maker online store**
- **32 alumni vendors**
- **1 student vendor**





The Value of Alumni Engagement on Philanthropy



Highly engaged alumni:

- **are 28 times more likely to give than non-engaged alumni**
- **give \$4,500 more per year than non-engaged alumni**



In FY17, more than
38,000 alumni

gave over
\$160,000,000 to the U

representing **55% of all donors**
and **48% of all gifts**

3

UMAA Strategic Plan

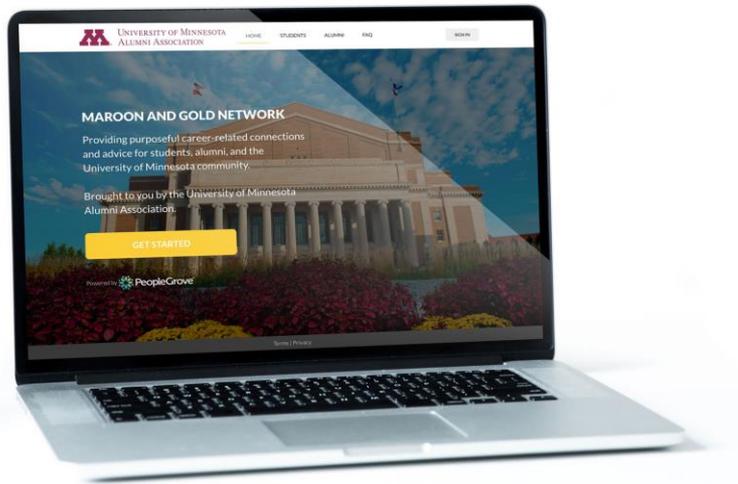
Support Student Success



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION



Maroon and Gold Network



Launched March 2018

- **Online career advice platform**
- **Free to alumni and students**
- **1,147 volunteer mentors**
- **553 students**
- **Alumni mentors in 25 countries**



Senior Send Off



Held for 1st time - May 2018

- **900+ attendees**
- **Students to proud alumni**
- **Annual event**

4

UMAA Strategic Plan

Lead alumni involvement in legislative advocacy



UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION



MINNESOTA 201

Statewide grass tops alumni network





- Deepening alumni relationships at the Capitol
- Connecting with candidates early in the process



UMAA Revenue Sources

\$4.9 Million budget

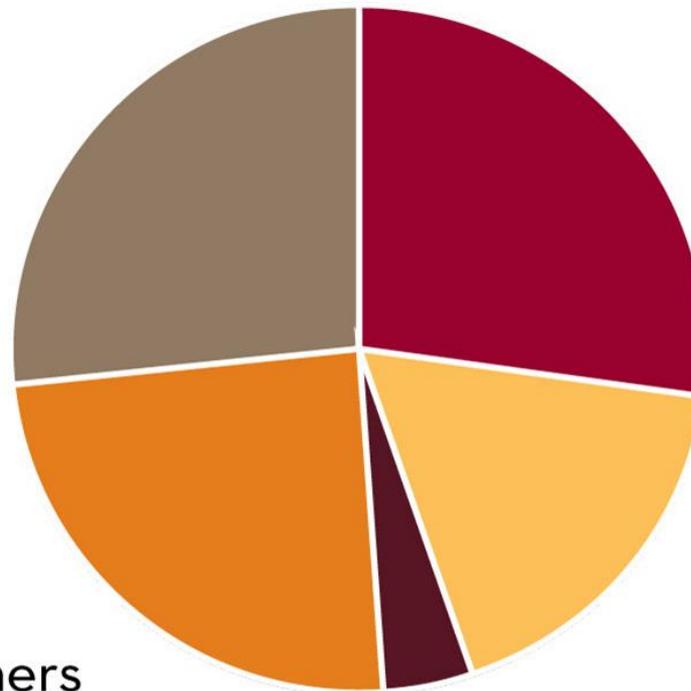
Investments and Other
26%

Memberships
27%

External Partners
24%

U Support
17%

Fundraising
4%





UNIVERSITY OF MINNESOTA
ALUMNI ASSOCIATION

2018

BOARD OF REGENTS
PRESENTATION





BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents

July 11, 2018

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, Twin Cities
Brian D. Burnett, Senior Vice President
Rhonda McFarland, Deputy Athletics Director
Julie Tonneson, Associate Vice President and Budget Director

PURPOSE & KEY POINTS

The purpose of this item is to provide the annual report on the Intercollegiate Athletics program on the Twin Cities campus. In addition to the academic and athletic achievements of Gopher student-athletes, the report will include an update on Intercollegiate Athletics facilities and budget.

The Board also will discuss details and historical perspectives on state support for Intercollegiate Athletics, O&M allocation for Intercollegiate Athletics, subsidy of athletics across the University system, and a context for how Division I programs are supported across the country.

Academic Achievements

Gopher student-athletes excelled in the classroom this past year, continuing the department’s record of consecutive fall/spring terms with a 3.2 or greater GPA average for nine straight semesters. Following spring 2018, Gopher student-athletes held a collective GPA of 3.24, which matches the highest recorded GPA in department history. Every Gopher program had a term GPA of 3.0 or better this past spring.

Gopher Athletics set a new department record by collecting 351 Academic All-Big Ten honors this past season, which is an award given to student-athletes in at least their second year of school who hold a GPA of 3.0 or better. Gopher student-athletes also earned 10 Academic All-American and 23 Academic All-District awards last year. Both numbers are the second-highest for a single year in the department’s history.

While Gopher student-athletes excel as they pursue more than 80 different majors on the University’s Twin Cities campus, they are also graduating at a record rate. Gopher Athletics currently has a 92 percent graduation success rate, which is the highest in the department’s history and of any public school in the Big Ten.

The University of Minnesota maintained its strong record in the NCAA's Academic Progress Rate (APR) report. Seven Gopher teams again earned a perfect 1,000 multi-year score and received Public Recognition Awards for being among the top ten percent nationally in their respective sports. Seven additional Gopher programs scored perfect 1,000 single-year APR scores.

Athletic Accomplishments

The Gophers will once again finish this year in the top 20 of the Learfield Directors' Cup standings, which is a competition that measures broad success across a department's athletic programs based on performance in NCAA postseason competition. The Directors' Cup standings include nearly 300 Division I schools, and this accomplishment places the University in roughly the top six percent nationally.

Gophers won six conference championships in 2017-18, with a total of 11 in the past two years. Each of those totals is among the highest in the Big Ten. Across all programs, the Gophers had the third-highest average in final conference standings at the Big Ten this year, trailing only Ohio State and Michigan.

Gophers also had three individual national champions, bringing the total to eight such titles in the past five years. In addition, 57 different Gophers were selected as All-American athletes during the past year.

Facilities

The opening of Athletes Village in January had a positive effect across the athletics department. Student-athletes benefitted from improvements to academic, leadership, including professional development and community outreach, as well as nutrition facilities. With football and both basketball programs in new spaces, many Gopher Olympic sport programs are moving into newly renovated offices and locker rooms. The wrestling department has renovated the Bierman Gym and created a new practice facility – fully funded through private contributions – that replaces a room in the Bierman basement that had hosted the team since 1972. These department-wide moves will continue into next year.

Other capital projects to be completed in the next six to eight months include the new golf training facility adjacent to Les Bolstad Golf Course, which is fully funded through private contributions, and the new outdoor track and field stadium located just beyond Siebert Field and Cowles Stadium.

Private investment in both Athletes Village and the broader "Nothing Short of Greatness" fundraising campaign continues to be strong. As of June 1, 2018, more than \$108 million has been raised for Athletes Village, with more than \$123 million raised for all facilities projects under the "Nothing Short of Greatness" campaign. Fundraising for these capital projects will continue through the coming year.

Work is underway to update the existing competition venues as well. This includes ongoing fundraising for updates to the weight room and training areas inside 3M Arena at Mariucci; new LED lighting in Williams Arena (completed last year) and Maturi Pavilion (to be completed for the upcoming fall and winter seasons); air conditioning in Maturi Pavilion (fall of 2019); and future updates to the Freeman Aquatic Center.

Department Budget

The budget for FY 2019 is \$121 million. Major expense categories include:

- Salaries and fringe, \$41.1 million
- Facility operations and debt service, \$21.4 million
- Sport unit operations, \$17.9 million
- Scholarships, \$12.6 million
- Support unit operations, \$11.2 million

Major revenue categories include:

- Big Ten/NCAA allocations and media rights, \$53.8 million
- Ticket sales, \$22.4 million
- Fundraising, \$16.4 million
- Sponsorships, \$11 million

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 is presented annually by the Director of Intercollegiate Athletics and was last delivered in July 2017.



Intercollegiate Athletics – Twin Cities Annual Report

**Mark Coyle, Director
Rhonda McFarland, Deputy Director
Brian Burnett, Senior Vice President
Julie Tonneson, Associate Vice President**

**Presentation to the Board of Regents
July 11, 2018**





Accountability

EOAA/OCS education

Dan Beebe Group training

Campus-wide training

Purchasing training

Successful audits

Athletics Executive and Senior Staff Expenses Control Evaluation



■ Adequate Control

■ Significant Control Issue(s)

■ Essential Control Issue(s)

Accountability

EOAA/OCS education

Dan Beebe Group training

Campus-wide training

Purchasing training

Successful audits

Consistency in Leadership

Administrative stability

Strategic coaching and
support staff hires





Campus Relationships

Broad staff involvement

University Senate /
subcommittees

Faculty Consultative
Committee (FCC)

Guiding Principles

ACTION

HONESTY

HUMILITY

INNOVATION





“Minnesota — perhaps the most overachieving athletic department in the country. The Gophers ranked 19th nationally in 2017-18 and 23rd over the five-year span.”

-Pat Forde, National Sports Columnist (July 3, 2018)



Our Department

25 programs

700 student-athletes

275 full-time employees

FY19 budget of **\$121 million**

Our Students

9 straight semesters of 3.2+ GPA (current cum GPA – 3.24)

Every Gopher team had a **3.0+ GPA** spring semester

351 Academic All-Big Ten student-athletes in 2017-18 (department record)

92% Graduation Success Rate (department record)





Our Students

3 individual **national champions**

6 conference championships

- 11 in the past 2 years
- 13 different programs in the past 5 years

19th in the Learfield Directors' Cup standings

57 student-athletes were All-Americans in 2017-18

FACILITIES

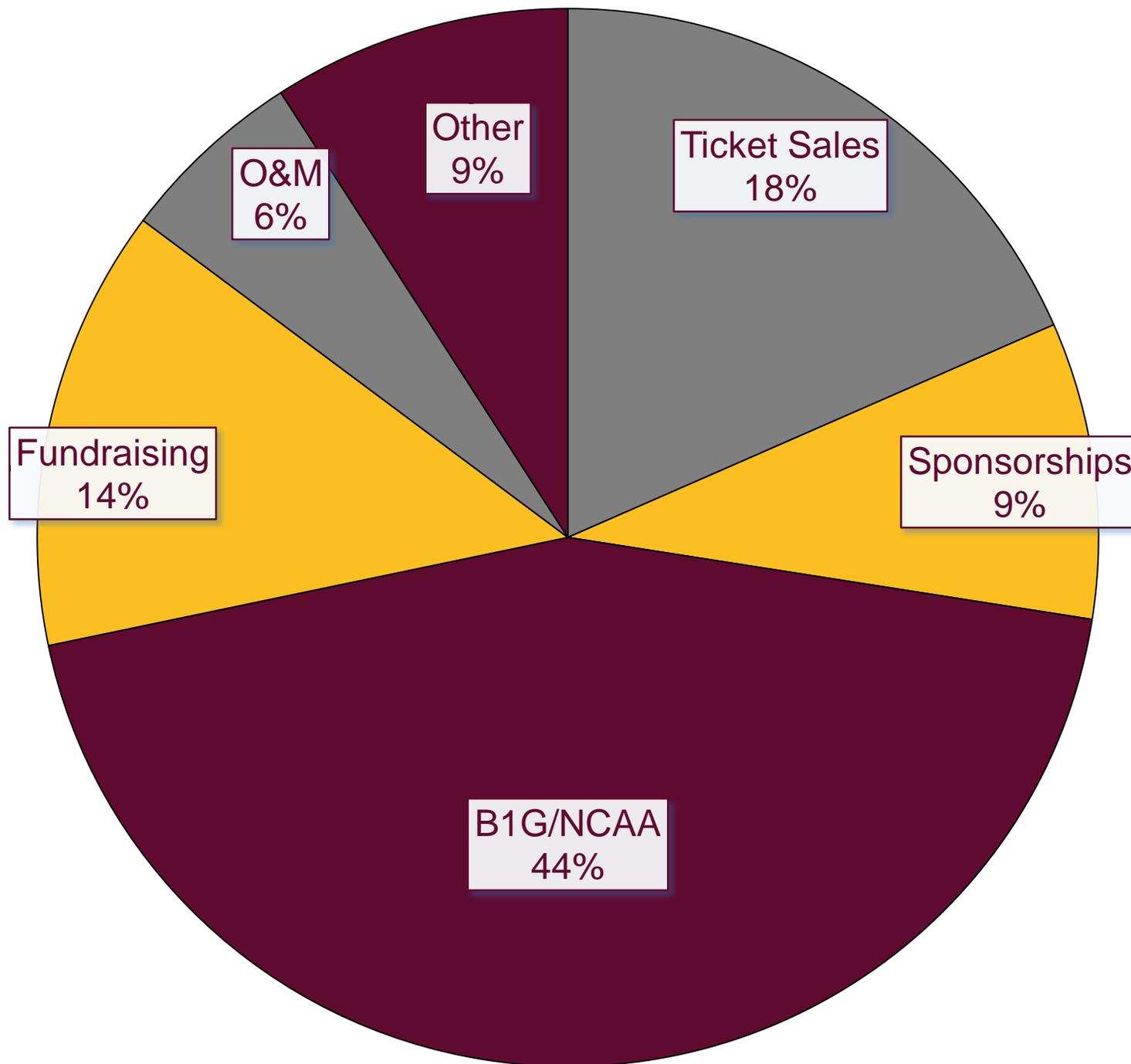
Impact of Athletes Village

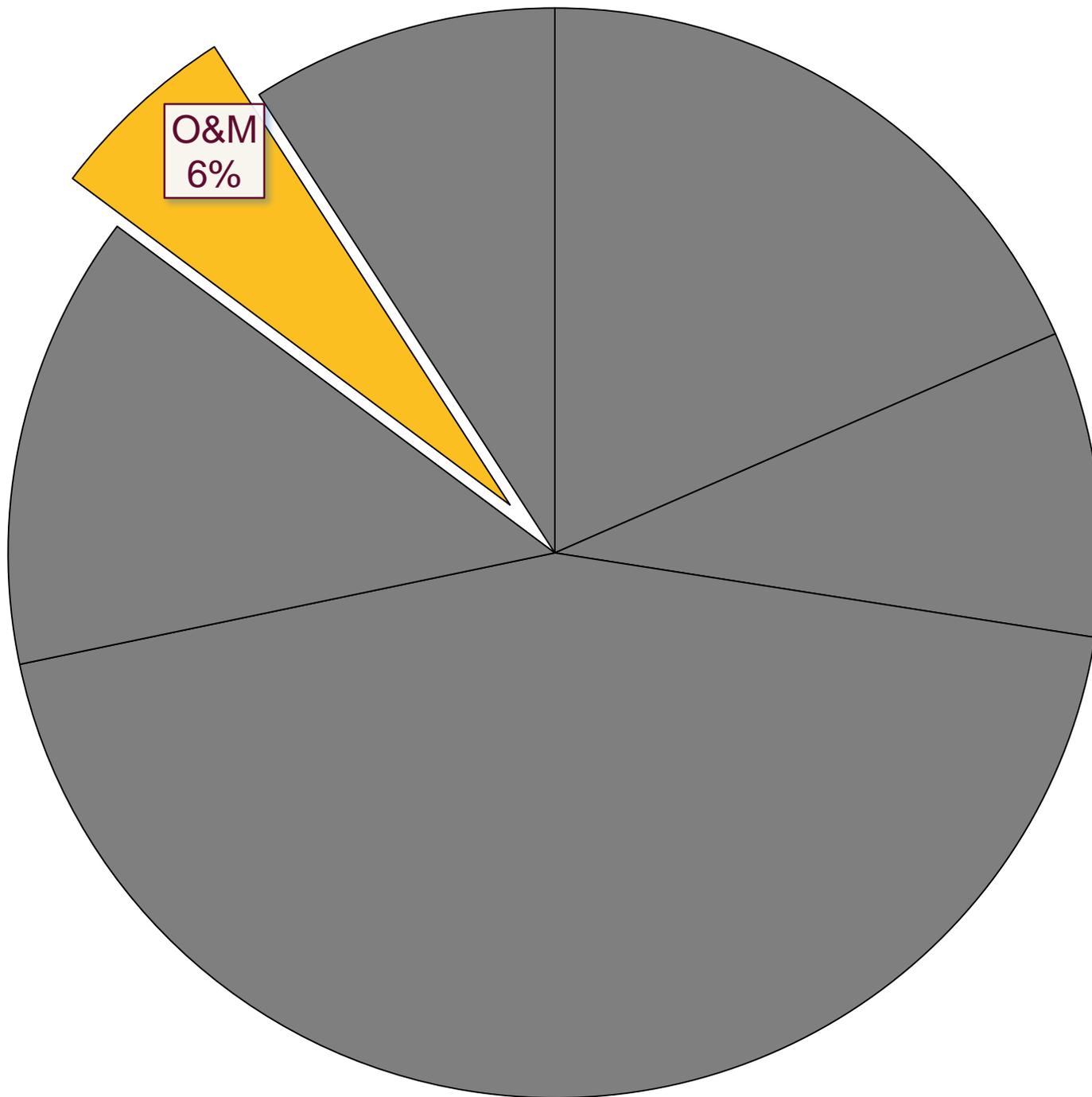
Investment in competition venues

Privately funding facility needs



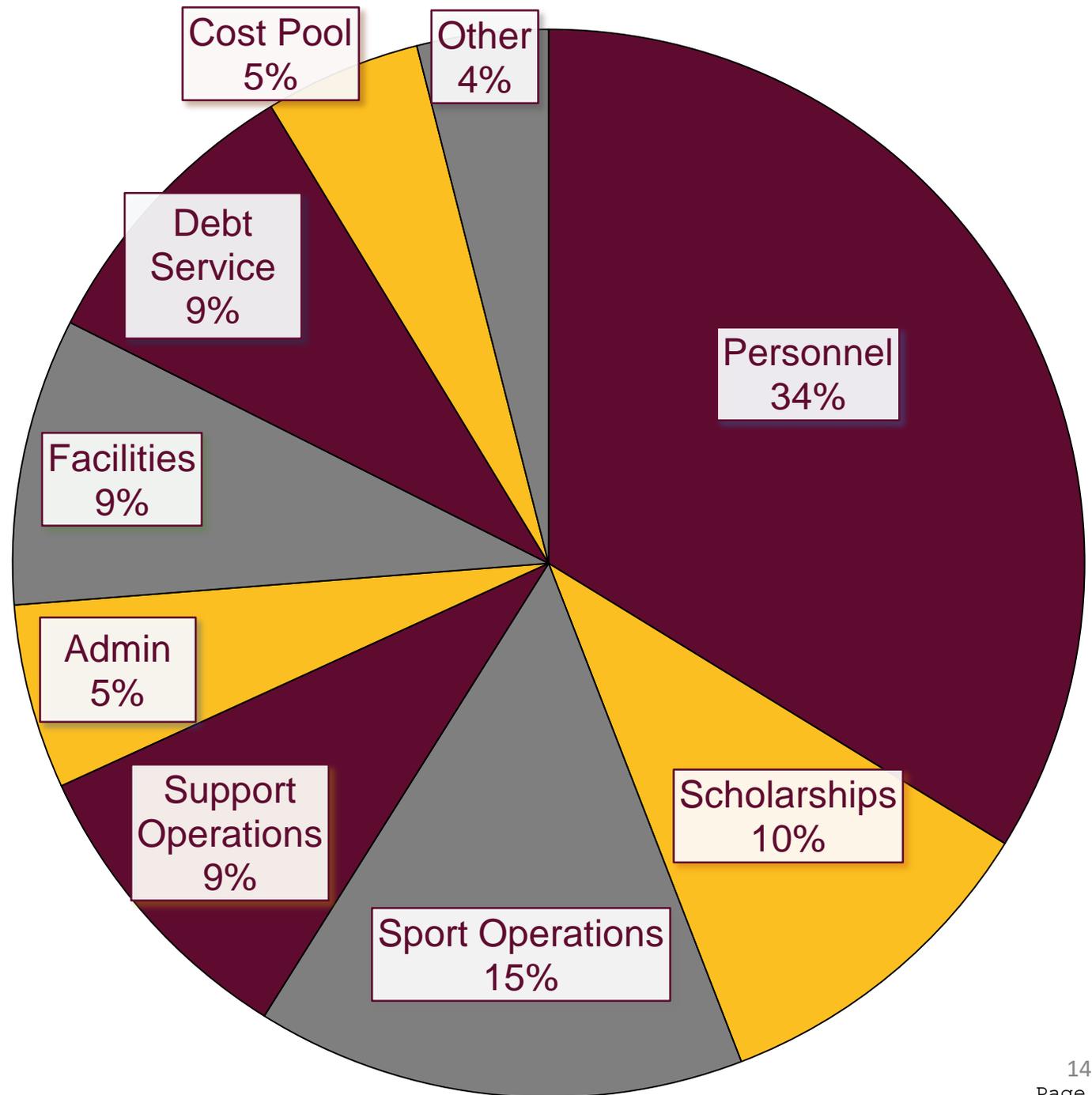
FY2019 Budgeted Revenue



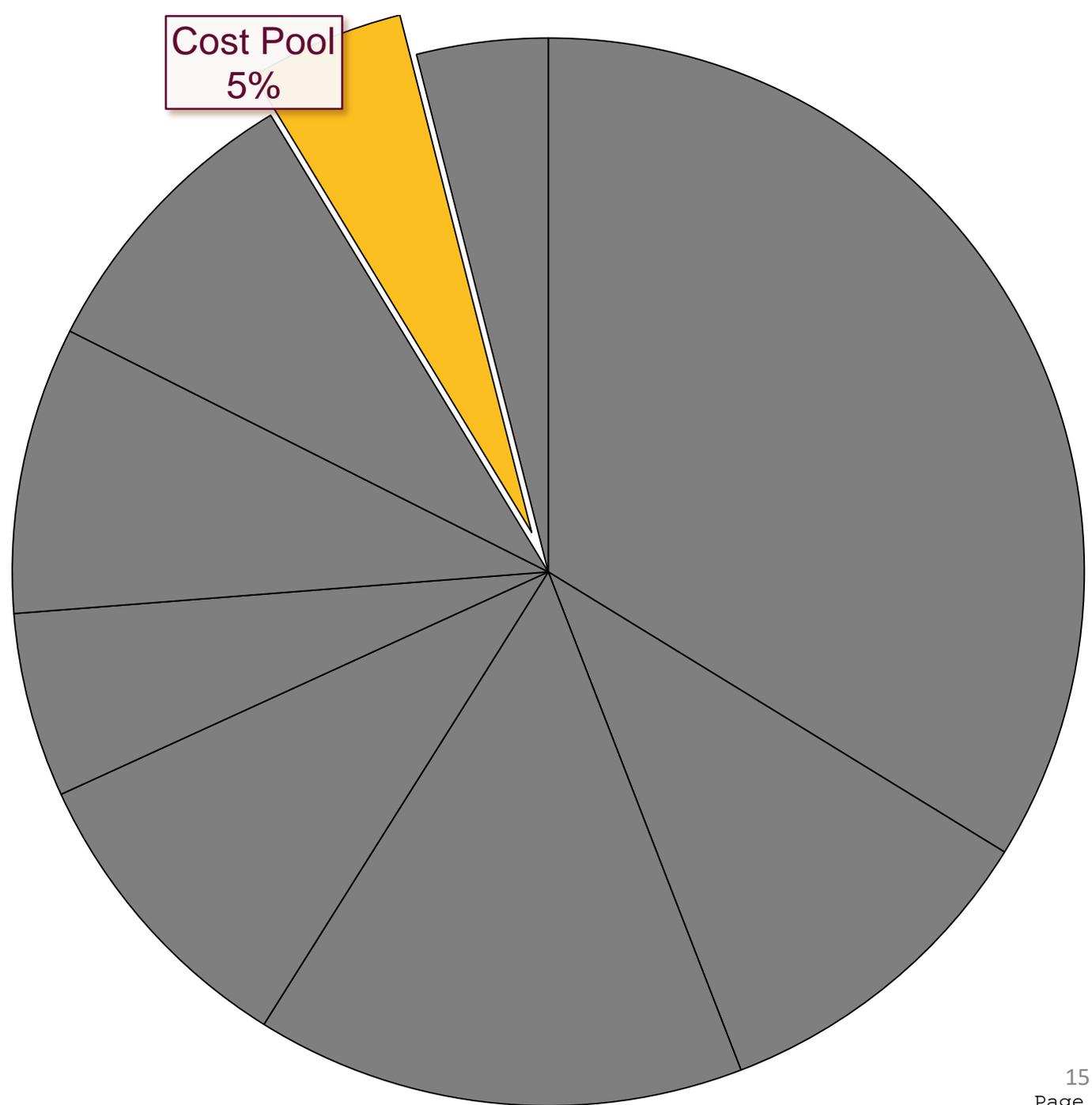


FY2019 Budgeted Revenue

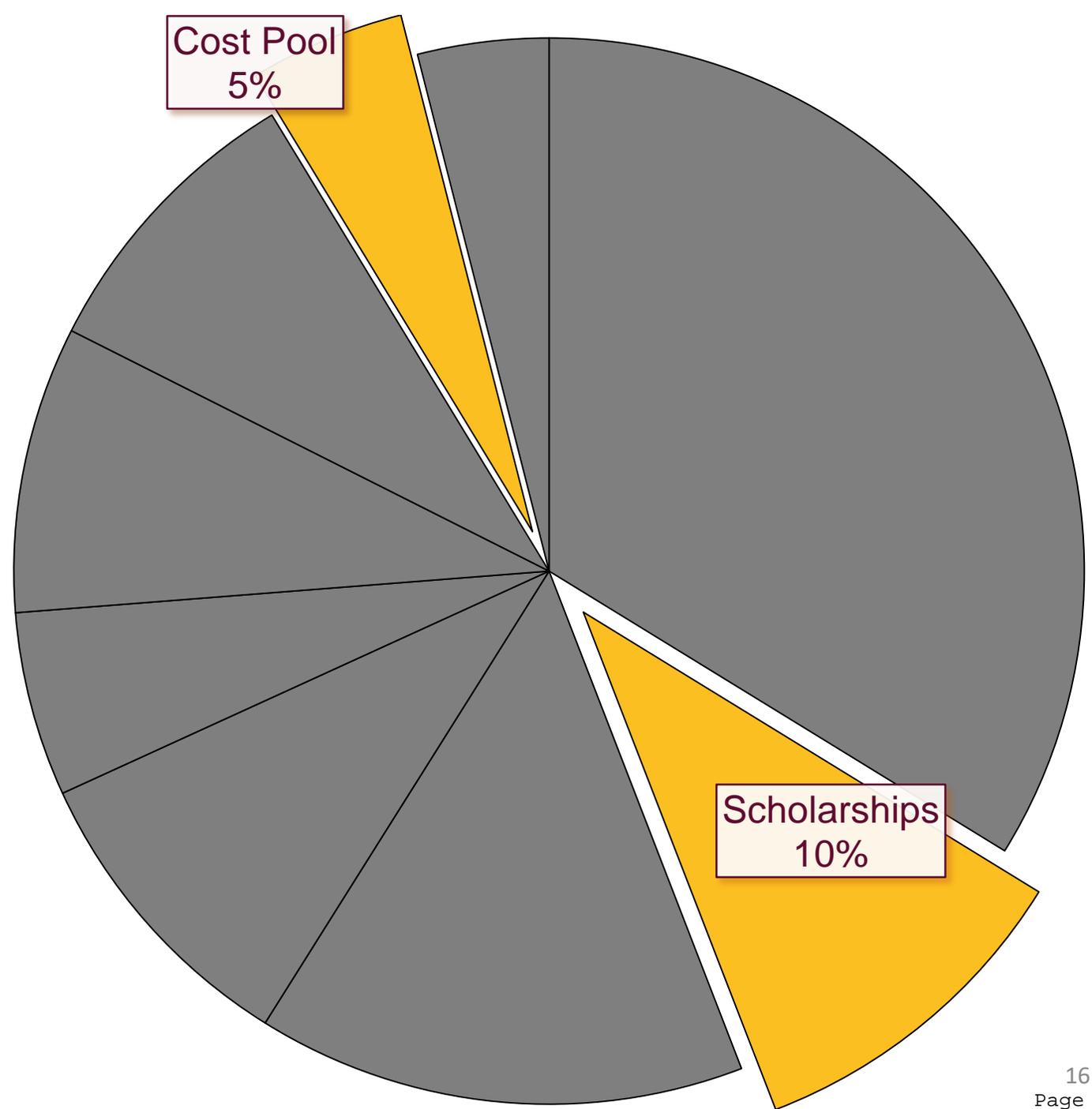
FY2019 Budgeted Expenses



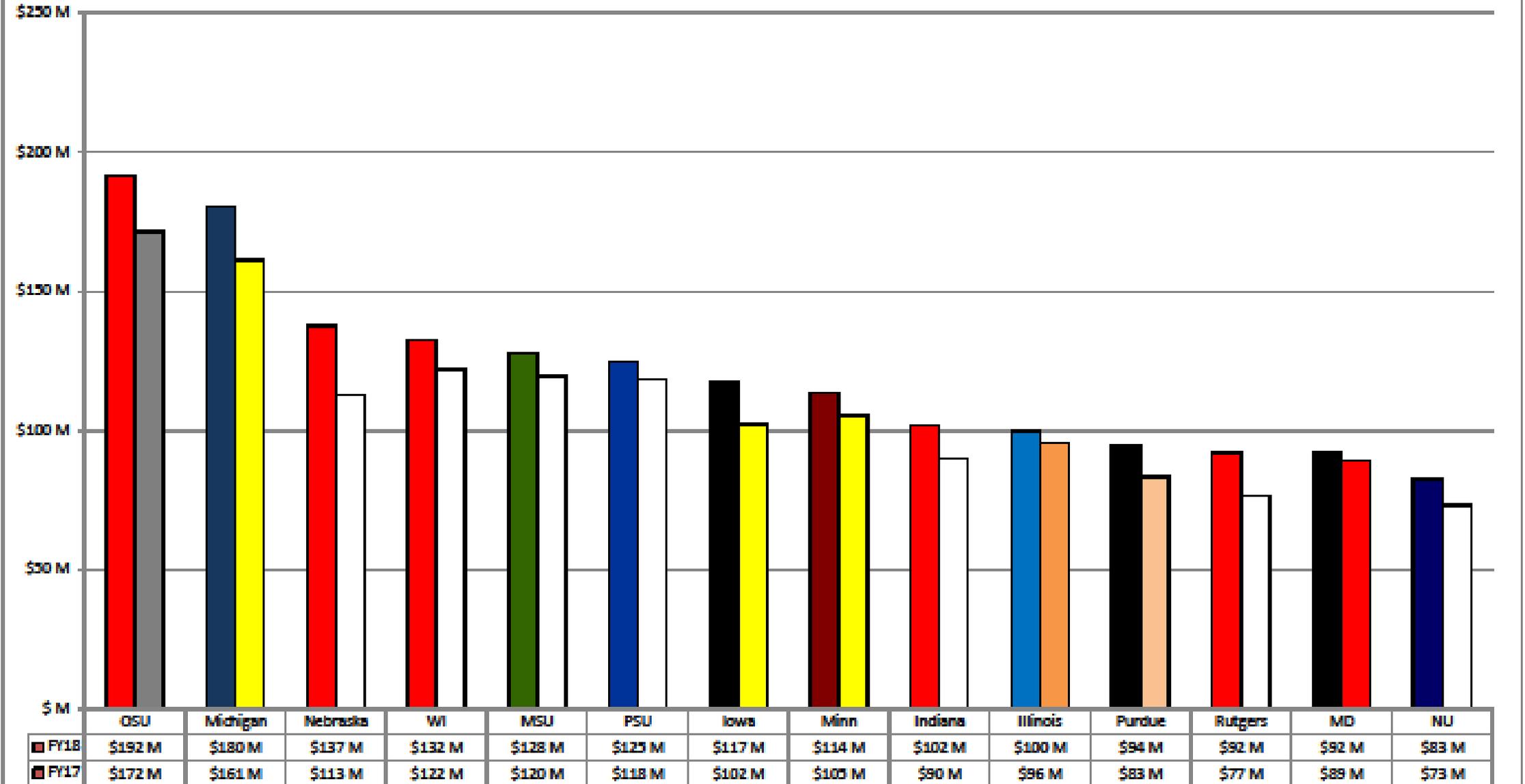
FY2019 Budgeted Expenses



FY2019 Budgeted Expenses



Big Ten Budgets FY17 & FY18



Teams 39 29 24 25 25 31 24 25 24 21 19 24 20 19

FY2019 Budget

Forecasted budgets for each Gopher program

Team	Revenue	Expenses	Net
Football	62,773,214	20,112,824	42,660,390
Men's Basketball	18,532,599	6,943,161	11,589,438
Men's Hockey	5,574,127	3,037,913	2,536,214
TOTAL	86,879,940	30,093,898	56,786,042
Baseball		1,711,067	
Women's Basketball		3,466,032	
Men's Golf		593,137	
Women's Golf		637,509	
Men's Gymnastics		746,620	
Women's Gymnastics		1,127,491	
Women's Hockey		1,846,368	
Rowing		1,729,237	
Soccer		1,341,606	
Softball		1,554,472	22,658,674
Men's Swim / Dive		1,157,644	
Women's Swim / Dive		1,298,190	
Men's Tennis		644,675	
Women's Tennis		743,736	
Men's T&F / CC		1,644,828	
Women's T&F / CC		2,082,671	
Volleyball		2,255,542	
Wrestling		1,315,603	
	3,237,754	25,896,428	

Program Size

Number of participants per program in latest NCAA Financial Report (FY17)

Wrestling	44
Volleyball	18
Men's T&F (Outdoor)	62
Women's T&F (Outdoor)	84
Men's T&F (Indoor)	62
Women's T&F (Indoor)	86
Men's Tennis	13
Women's Tennis	11
Men's Swimming & Diving	39
Women's Swimming & Diving	38
Softball	21
Soccer	27
Rowing	88

Men's Hockey	28
Women's Hockey	26
Men's Gymnastics	20
Women's Gymnastics	19
Men's Golf	14
Women's Golf	7
Football	112
Men's Cross Country	19
Women's Cross Country	43
Men's Basketball	16
Women's Basketball	16
Baseball	35



CHALLENGES AHEAD

National trends in ticket sales

Crowded fundraising market

Legalized sports gambling

Federal and state tax changes,
including potential state tax on
scholarship seating

Support for Intercollegiate Athletics and Title IX: An Historical Perspective



State Appropriation History - Athletics

			<u>Purpose in Law</u>
FY80 – FY85:	Separately Identified State Special	\$1.2-\$1.8M	General support for a “unified department of intercollegiate athletics”
FY86 – FY89:	Separately Identified State Special	\$2.8-\$3.1M	Improve programs available to women and ensure compliance with Title IX
FY90 – FY97:	Incorporated into “System” State Special	\$3.1M	Rider language indicates “Intercollegiate Athletics” is included in the state special and references “women’s programs” on each campus
FY98 – Today:	Moved into O&M Appropriation (along with 9 other state specials)	\$3.1M at time of move	Rider language disappears from appropriation law


\$4.9M in Today’s \$



O&M Allocation History – Gopher Athletics 15 Year Summary

Original FY04	Increases	Increases	Budget Neutral		
Base O&M	to Support	to Support	Cost Pool Adj.	Base	FY19 O&M
Allocation	Compensation	Cost Pools	& Transfers	Reductions	Allocation
\$7,673,355	\$27,306	\$3,215,190	(\$223,869)	(\$3,854,813)	\$6,837,169



FY04 = First year as a separate RRC



Nothing after FY08



Units were re-based for budget neutral FY07 cost pool implementation. No add'l support since then



Technical adjustment: No gain or loss in budget terms



TC Athletics has covered all cost pool increases while their O&M has been cut



Revenues provided to Athletics by the University + Expenses paid by University on behalf of Athletics

REVENUE

- O&M Allocation \$6,892,158
- UMF Support / Development Officers \$ 590,000

EXPENSE

- NR/NR Tuition \$1,000,000
- Lindahl Academic Center \$ 784,637
- Office of Athletic Compliance \$ 566,358
- Facilities Debt Service \$ 727,192

TOTAL \$10,560,345



Expenses paid by Athletics to University

• Grant-in-Aid/Scholarships		\$12,574,043
• FY18 Cost Pool Charges		\$ 5,746,856
A. Campus Support/Technology	\$4,004,097	
C. Facilities Op./Main.	\$252,990	
D. Library/Warehouse	\$80,709	
E. Debt/Leases	\$751,364	
F. Utilities	\$657,696	
• Lindahl Academic Center Support		\$ 1,126,600
• UMPD/EMT's		\$ 661,749
• Enterprise Assessment		\$ 525,655
• Insurance		\$ 386,984
• UMP/Family Practice		\$ 300,000
• Marching Band Support		<u>\$ 215,000</u>
TOTAL		\$21,536,887



Four of the five University campuses have athletic programs, and all four receive a direct O&M allocation plus the benefit of University overhead services and support

FY18	UMC	UMD	UMM	UMTC
Direct O&M	\$4.3m	\$4.4m	\$1.3m	\$6.9m
Indirect Support	<u>\$0.4m</u>	<u>\$0.9m</u>	<u>\$0.2m</u>	<u>\$3.7m</u>
Total "Subsidy"	\$4.7m	\$5.3m	\$1.5m	\$10.6m
% of Revenues	~97%	~44%	~69%	~8%
Subsidy per Student	\$1,658	\$475	\$922	\$204



Gopher Athletics – University Allocation is Low Among NCAA Division I Public Schools/3rd Highest in Big 10

Of the 217 Schools Reporting an Allocation:

Big 10 School	Rank – Total \$ Allocation
Rutgers	5
Maryland	63
Minnesota	172
Illinois	194
Wisconsin	199
Indiana	204
Michigan State	212
Iowa	213
Michigan	217 <i>lowest</i>

Big 10 School	Rank – Allocation as % of Revenue
Rutgers	172
Maryland	181
Minnesota	196
Illinois	200
Indiana	204
Wisconsin	206
Michigan State	213
Iowa	215
Michigan	217 <i>lowest</i>

Note – 4 Big 10 schools reported \$0 allocation: Ohio State, Penn State, Nebraska, Purdue Northwestern as a private institution is not reported.

Source: USA TODAY Sports – NCAA/Finances: 2015-16 Finances



National Context – Subsidizing Division 1 Athletics

USA Today Comparison 230 Division I Schools

Gopher Athletics / FY16:

- 19th in overall revenues
 - 6th in the Big Ten (now 8th)
- 196th in subsidy
 - 3rd in Big Ten

BUT.....

Comparisons in D1 athletics are tricky:

- Purdue reports 0% subsidy, but...
 - Sponsor 20 sports and do not pay any overhead (cost pools)
- Alabama reports 1.5% subsidy, but...
 - Sponsor 21 sports and reported FB revenue of \$108M in 2017
- Missouri reports 1.0% subsidy, but...
 - Sponsor 20 sports and do not fully charge athletics for facilities
- Just a few examples of how difficult, if not impossible, comparisons can be.



Value and Beneficial Influence of Intercollegiate Athletics

- Front porch of the University of Minnesota
 - inspires connections and a common bond
 - sparks school spirit and loyalty
 - forges friendships across the generations
- Increases the value of the university brand
 - Drives enrollment
 - Drives academic excellence (student athletes graduate at a higher rate than the general student body)
 - Drives revenue for other auxiliaries
- Enhances engagement and alignment throughout the community and beyond
- Participation in athletics, from Division I to intramural, teaches students critical life skills like leadership, teamwork, loyalty, commitment, perseverance, and time management





Intercollegiate Athletics – Twin Cities Annual Report

**Mark Coyle, Director
Rhonda McFarland, Deputy Director
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**Presentation to the Board of Regents
July 11, 2018**





BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents

July 11, 2018

AGENDA ITEM: Systemwide Strategic Plan: Supporting the Mission

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler
Brian D. Burnett, Senior Vice President for Finance and Operations

PURPOSE & KEY POINTS

The purpose of this item is discussion of the Support the Mission focus area of the 2017-18 systemwide strategic planning effort.

This is the fifth and final focus area discussion with the Board. The February meeting focused on Outreach & Public Service, the March meeting on Research & Discovery, the May meeting on Medicine & Health, and the June meeting on Teaching & Learning.

In October 2017, President Kaler charged Senior Vice President Brian Burnett and the SVP leadership team to lead the conversations necessary to identify how to align budget decisions with the systemwide strategic priorities. He further charged Burnett with leading the development of a biennial budget request that aligns with and reflects the priorities of the other four focus areas.

BACKGROUND INFORMATION

- One of the Board’s priorities for 2017-18 is completion of a systemwide strategic plan that incorporates an academic program investment strategy and a long-term financial framework.
- At the September 2017 meeting, the Board discussed the general systemwide strategic planning process, the five focus areas, and timeline.
- In October 2017, the Board discussed intersections among existing strategic plans across the system.
- At the December 2017 meeting, the Board discussed data related to the 2017 University Plan, Performance, and Accountability Report. This discussion provided an overview of other institutional data most relevant to the current systemwide strategic planning efforts.

Systemwide Strategic Plan: Supporting the Mission

Eric Kaler, President

Brian Burnett, Senior Vice President

Board of Regents

July 11, 2018

SENIOR VICE PRESIDENT FOR FINANCE AND OPERATIONS

World Class Services for a World Class University



Agenda

Supporting the Mission - Purpose

Context – Other objectives

Activities underway in support
of other objectives

Financial sustainability

Closing / Discussion

Supporting the Mission: Purpose

The University is like a quality car.

Don't oversteer.

Watch ahead to avoid potholes, ditches.

Keep it filled with fuel; maintain and replace parts as needed.

Avoid sudden starts and stops.



Contract

Status
Quo

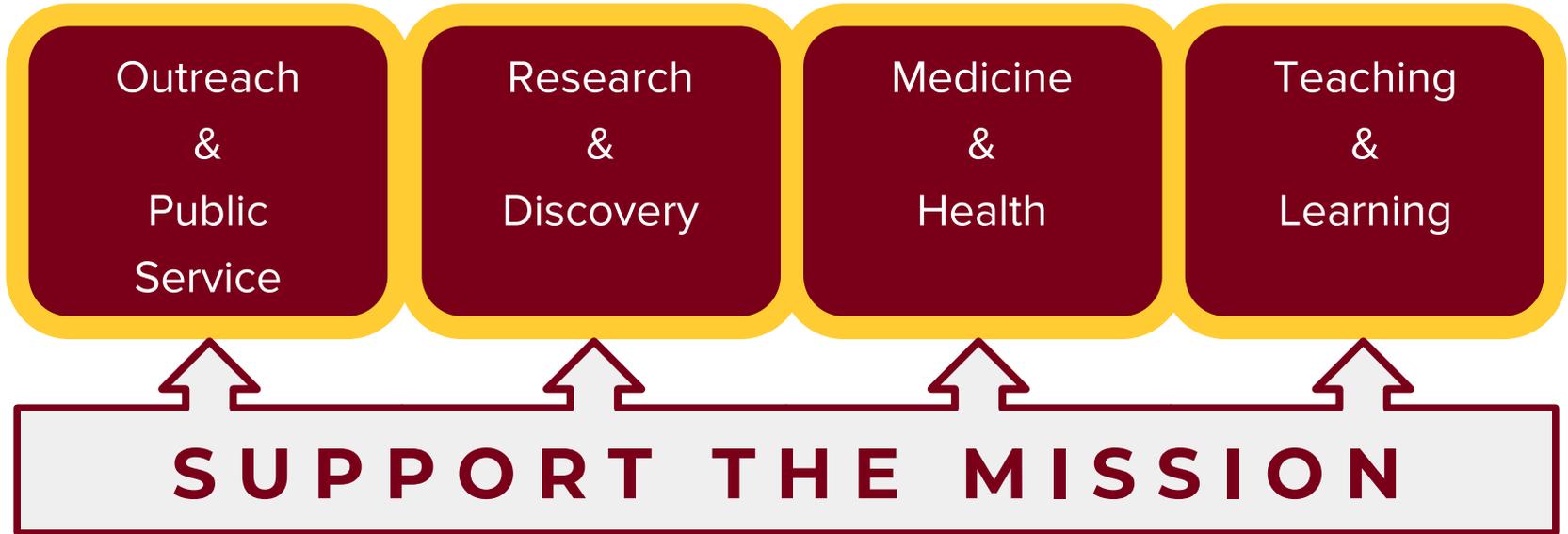
Aspire

Purpose

University operations support the mission through a continued focus on long-term financial sustainability, **optimization of human, facility, technology and financial resources**, and operational efficiency and excellence in all academic and administrative units



System Objectives



Priorities

- Financial Viability
- Optimized Use of Resources
- Investments Aligned with Approved Strategies

Supporting the Mission: Outreach & Public Service

Outreach
&
Public
Service

Priorities:

- Extend, apply, and exchange knowledge between the University and society.
- Optimize communications and marketing systemwide.
- Deliver useful and actionable information to stakeholders.



Supporting the Mission: Research & Discovery

Research
&
Discovery

Priorities:

- Build upon, enhance, & activate research that addresses core and emerging issues important to Minnesota.
- Leverage outstanding areas of expertise & national/local funding.
- Demonstrate transparency, accountability, and optimization of institutional research funding & infrastructure.



Supporting the Mission: Medicine & Health

Medicine
&
Health

Priorities:

- Enhance clinical partnerships.
- Enhance the prestige of the Medical School.
- Align University work in the health sciences with priorities of the State of Minnesota health policy and workforce needs



Supporting the Mission: Teaching & Learning

Teaching
&
Learning

Priorities:

- Deliver education across distinct campuses for a changing Minnesota with enhanced system mindfulness.
- Enhance the student experience on all University campuses in order to promote and support student success.
- Articulate an academic investment strategy for the system to leverage distinct campus strengths and advance collective excellence.



University of Minnesota Progress Card

The University's Progress Card drives performance and supports oversight of specific aspirational goals set by the Board of Regents and the administration.

The progress card includes two sets of measures: gold and maroon. Gold measures represent data sources that are well understood and agreed upon, where there is the ability to set a quantifiable goal over a reasonable time period, and where the University can take action to influence the results. Maroon measures are important trends and indicators, but the goals may be directional in nature or the measure may only need to be monitored, and University action alone is not likely to significantly influence the measure.

Progress Card measures are connected to and more deeply informed by the University's Plan, Performance and Accountability Report. For more information, please visit: z.umn.edu/accountabilityreport.

Gold Measures

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
		2011-12	2012-13	2013-14	2014-15	Goal/Year
Institutional gift aid	System	\$210M	\$216M	\$223M	\$233M	\$275M/2021
		FY2012	FY2013	FY2014	FY2015	Goal/Year
R&D expenditures	Twin Cities	\$826M	\$858M	\$877M	\$881M	\$900M/2021
		FY2012	FY2013	FY2014	FY2015	Goal/Year
Medical School ranking	Twin Cities/ Duluth	28	27	30	32	Top 20/2021
		2009-10	2010-11	2011-12	2012-13	Goal/Year
Faculty awards (N and Rank Public Universities)	Twin Cities	34 (7th)	25 (10th)	33 (5th)	32 (6th)	35 (Top 10)/2021
		2013	2014	2015		Goal/Year
% Participation, Employee Engagement Survey	System	57%	64%	67%		72%/2021
		FY2014	FY2015	FY2016		Goal/Year
Op Ex—continued progress on \$90M	System	\$18.8M	\$40.4M	\$57.8 M		\$90M/FY19

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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%
			2011-12	2012-13	2013-14	2014-15	Goal
Graduate Education	Twin Cities/ Duluth	Graduate and professional degrees awarded	5,291	5,242	5,294	5,305	>5250
			2011-12	2012-13	2013-14	2014-15	Goal
Financial Accessibility	System	Median undergraduate debt at graduation	\$25,186	\$24,880	\$24,854	\$24,776	Grow no faster than CPI. Correct for federal/state policy changes
			2012	2013	2014	2015	Goal
Inclusive Success	Twin Cities	Students of color with a favorable sense of belonging on campus (SEIU survey)	58.7%	59.2%	57.5%	57.3%	Match to non-SOC response (currently 73.5%)
			2012	2013	2014	2015	Goal
Serving Minnesota Students	System	Percent of incoming new (and all currently enrolled undergraduate) students who are Minnesota high school graduates	70.3% (72.5%)	72.3% (71.9%)	71.0% (71.4%)	70.0% (71.0%)	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	13.9%	16.2%	16.7%	16.6%	Maintain historical access
			2013-13	2013-14	2014-15	2015-16	Goal
Health Sciences	Twin Cities/ Duluth/ Rochester	Enrollment in in-demand health science specialties (Nursing, Pharmacy, Dentistry)	1,988	2,000	2,051	2,085	>2,100
	Twin Cities/ Duluth/ Rochester	The total combined fall enrollments in the Academic Health Center schools and the AHC Center for Allied Health	6,268	6,292	6,194	6,198	>6,350
			2013-13	2013-14	2014-15	2015-16	Goal
Research	Twin Cities	National public research ranking	9	9	8	8	Maintain top 10
	System	MN-ID agreements	41	51	69	81	10% annual growth
			2011-12	2012-13	2013-14	2014-15	Goal
Land Grant Mission	System	Public service expenditures	\$245M	\$249M	\$253M	\$248M	>\$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
			FY2012	FY2013	FY2014	FY2015	Goal
Operational Excellence	System	Spending on leadership & oversight vs. mission and mission support (%)	7.9%	7.7%	7.4%		Decrease over time
	System	GSF in poor or critical condition (facility condition assessment)	7.33M	7.61M	7.73M	8.32M	Decrease over time
	System	Sustainability—Metric tons of greenhouse gasses (2008 base level: 703,317)	566,057	626,599	603,504	592,269	50% reduction from 2008 levels by 2021 (351,656)
	System	Credit rating	Aa1	Aa1	Aa1	Aa1	Maintain per Board policy
			2003-05	2005-06	2006-07	2005-08	Goal
Athletics	Twin Cities	Graduation Success Rate (GSR)	83.2%	83.6%	86.2%	88.2%	Maintain recent gains

		2011-12	2012-13	2013-14	2014-15	Goal/Year
Institutional gift aid	System	\$210M	\$216M	\$223M	\$233M	\$275M/2021

		FY2012	FY2013	FY2014	FY2015	Goal/Year
R&D expenditures	Twin Cities	\$826M	\$858M	\$877M	\$881M	\$900M/2021

		FY2012	FY2013	FY2014	FY2015	Goal/Year
Medical School ranking	Twin Cities/ Duluth	28	27	30	32	Top 20/2021

			2013	2014	2015	Goal/Year
% Participation, Employee Engagement Survey	System		57%	64%	67%	72%/2021

			FY2012	FY2013	FY2014	FY2015	Goal
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			2011-12	2012-13	2013-14	2014-15	Goal
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			2011-12	2012-13	2013-14	2014-15	Goal
Financial Accessibility	System	Median undergraduate debt at graduation	\$25,186	\$24,880	\$24,854	\$24,776	Grow no faster than CPI; Correct for federal/state policy changes

Supporting the Mission: Activities

Activities:

Human Resources

Information Technologies

Real Asset and Space Management



Supporting the Mission: Financial Sustainability

FY 20-21

FY 22-23

FY 24-25

Financial Sustainability: Focus Current Mechanisms



- Biennial Budget Request
- Continued Reallocation/Efficiency Improvements
- Budget Development Process
- Capital Budget Process
- Enhanced Clinical Partnerships
- Philanthropic Campaigns

Financial Sustainability: Key Drivers - 6 Year Financial Model



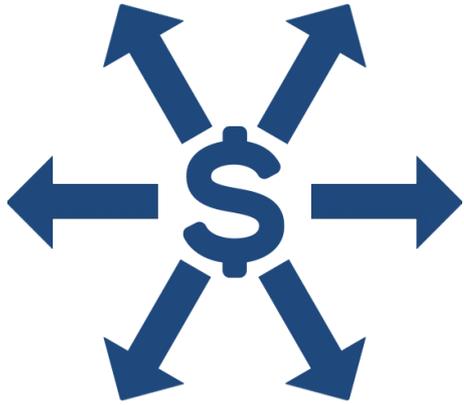
Resource Drivers

- Tuition Rates and Enrollment Plans
- State Appropriations
- Federal Funding/Miscellaneous Revenues
- Reallocations

Spending Drivers

- Compensation/# of Employees
- General Operating & Facilities Costs
- Academic/Programmatic Investments

Financial Sustainability: Bold Ideas to Expand, Explore & Reevaluate



- Public Private Partnerships
- Strategic Asset Review
- Space Utilization
- Funding for Facility Repair & Renovation
- System-wide Enrollment Management Plan
- Central Service Centers or Clusters
- Stop Doing Things
- Other?



Contractus

*Status
Quo*

Aspirata

Discussion

**Strategic
Direction**



- Access
- Quality
- Cost

- Contract
- Status Quo
- Aspire

Priorities



Other?



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