1. Ethics and Responsibilities of the Board and Regents, Part 2
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AGENDA ITEM: Ethics and Responsibilities of the Board and Regents, Part 2

☐ Review  ☐ Review + Action  ☐ Action  X Discussion

☐ This is a report required by Board policy.

PRESENTERS: Brian Steeves, Executive Director & Corporate Secretary
Jason Langworthy, Board Associate, Policy & Committees

PURPOSE & KEY POINTS

The purpose of this item is further discussion of how the Board defines the ethical principles and responsibilities that guide how the Board functions.

During the October meeting, the committee considered the role of a code of ethics and how it interacts with the role and responsibilities of the Board and individual Regents. The committee reviewed the concept of fiduciary duties, both under Minnesota State Statute and more broadly, and how those duties influence standards of conduct for boards. Components of an ethical culture were defined and discussed. Board of Regents Policy: Code of Ethics for Members of the Board of Regents, along with Board of Regents Policy: Responsibilities of the Board and Individual Regents, were outlined for the committee.

Building on that discussion, the committee will focus on additional topics that were raised in October, before reviewing potential amendments. This includes how a code of ethics framework could be structured. One option that was previously mentioned is to bifurcate the current language into policy language and a set of guidelines. Additional topics include:

- Conflict of interested related to a Regent’s family member being a University employee.
- Modified language around how Regents communicate with external groups, including partisan political activity.
- Guidance on communication between Regents.
- If a formal process for disputes is needed or if the process outlined in Robert’s Rules of Order is adequate.
- A process or expectation for how information requests made by Regents are fulfilled.

Feedback from this discussion will inform the comprehensive review of Board of Regents Policy: Code of Ethics for Members of the Board of Regents, along with any complementary changes to Board of Regents Policy: Responsibilities of the Board and Individual Regents.
POTENTIAL POLICY AND GUIDELINES LANGUAGE

Language that is highlighted is new or modified. Non-highlighted language is currently in Board policy.

<table>
<thead>
<tr>
<th>Potential Policy Language</th>
<th>Potential Guideline Language</th>
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<tbody>
<tr>
<td><strong>Guiding Principles</strong></td>
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<tr>
<td>The Board of Regents, 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 of Minnesota. The Board articulates a vision and mission for the University. It acts in good faith in accordance with the fiduciary duties of care, loyalty, and obedience. The Board places the welfare of the entire University, not just a particular constituency, as the paramount interest when exercising its governing authority. The Board works to ensure that the University fulfills its mission for the benefit of the people of Minnesota, the nation, and the world.</td>
<td>Duty of Care: The duty of care generally requires members of the Board to carry out their responsibilities in good faith, using the degree of diligence, care, and skill that ordinarily prudent people would reasonably exercise under similar circumstances in like positions. Accordingly, members of the Board must act in a manner that they reasonably believe to be in the best interests of the institution.</td>
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<td>Duty of Loyalty: The duty of loyalty requires members of the Board to act in good faith and in a manner that is reasonably believed to be in the interests of the University and its public purpose, rather than their own interests or the interests of another person or organization.</td>
<td>Duty of Obedience: The duty of obedience requires members of the Board to act to ensure that the University is operating in furtherance of its stated purposes and in compliance with the law and the written policies, rules, or regulations as adopted by the Board or delegated by the Board to the president. Regents must make reasonable efforts to ensure that the institution is in compliance with the law and University policies, and that the University has effective internal controls to achieve compliance and to identify and address problems.</td>
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(Modified from AGB Board of Director’s Statement on the Fiduciary Duties of Governing Board Members, 2015)

<table>
<thead>
<tr>
<th>Responsibilities</th>
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<tr>
<td>The Board, guided by the constitution and laws of the State of Minnesota, the Bylaws of the Board of Regents, and Board policy, has the following responsibilities:</td>
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<td>Potential Policy Language</td>
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<tr>
<td>• Regents shall abide by the written policies, rules, and regulations of the University, as adopted by the Board or delegated by the Board to the president.</td>
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<td>• Define reserved and delegated authorities and provide necessary policies to carry forward those reserved and delegated authorities of the Board.</td>
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<td>• Appoint, monitor, advise, motivate, support, evaluate, and, if necessary or advisable, replace the president.</td>
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<td>• Monitor and evaluate the performance of the institution in achieving its goals and fulfilling its mission.</td>
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**Definitions**

*Business Associated with a Regent.* Business associated with a Regent shall mean an organization, corporation, partnership, proprietorship, or other entity if either the Regent or a member of the Regent’s family:

(a) receives compensation in excess of $500 in any month or has any contractual right to future income in excess of $6,000 per year;

(b) serves as an officer, director, partner, or employee; or

(c) holds a financial interest valued in excess of $10,000.
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<td>For purposes of this policy, compensation shall not include reimbursement for expenses, any non-employment related funds from a governmental source, investment or savings income, retirement or insurance benefits, or alimony.</td>
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<td><strong>Employment-Related Conflict of Interest.</strong> An employment-related conflict of interest exists whenever a Regent’s employment relationships may impair independence of judgment.</td>
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<td><strong>Family Member.</strong> Family member shall mean a spouse, parent, sibling, child, domestic partner, or any person residing in the Regent’s household.</td>
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<td><strong>Financial Conflict of Interest.</strong> A financial conflict of interest exists whenever a Regent, a Regent’s family member, and/or a business associated with a Regent or a Regent’s family member has an actual or potential financial interest or any other interest in a matter pending before the Board that may impair independence of judgment or objectivity in the discharge of the Regent’s public governance responsibilities.</td>
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<td><strong>Financial Interest.</strong> Financial interest shall mean a foreseeable, non-trivial financial effect that may result from Board action.</td>
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<td><strong>Gift.</strong> Gift shall mean any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, services, training, transportation, lodging, meals, or other item that constitutes a personal benefit to the recipient. It does not include any gift made to the University or its foundations for University purposes.</td>
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<td>Potential Policy Language</td>
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<td>Gift also shall mean a gift to a family member of a Regent or University official or a gift to any other individual based on that individual's relationship with a Regent or University official (1) if it is given with the knowledge and acquiescence of the Regent or University official and (2) if the Regent or University official has reason to believe the gift was given because of the recipient's University status.</td>
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<td>The term gift shall not include the following:</td>
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<td>(a) anything for which the individual recipient pays the market value;</td>
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<td>(b) anything the individual receives but returns or gives to the University without substantial personal use or benefit;</td>
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<td>(c) food or refreshments of reasonable value in the normal course of University business;</td>
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<td>(d) plaques, trophies, mementos, hats, or similar items of reasonable value <strong>not to exceed $75</strong>;</td>
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<td>(e) any gift from a relative, provided that the Regent has no reason to believe that the gift was provided because of the recipient's official University position;</td>
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<td>(f) informational materials in the form of books, articles, other written materials, audio/video media, and other similar materials;</td>
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<td>(g) anything received because a Regent or University official participated in a group, a majority of whose members are not Regents or University officials and who customarily may receive an equivalent item;</td>
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<td>(h) anything paid for or reimbursed by the University pursuant to University policy;</td>
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<td>(i) tickets to University athletic or cultural events; and</td>
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<td><strong>Recusal.</strong> Recusal shall mean noninvolvement of a Regent in any discussion of, and decision regarding, the relevant matter to avoid compromising the Regent's independence of judgment, to preserve public confidence in the integrity of the Board, and protect the University's public mission.</td>
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**Financial Disclosure**

Upon election to office and annually on March 31 thereafter, Regents shall file a financial disclosure statement with the executive director/secretary of the Board in a form consistent with the financial disclosure required for senior University officials. The general counsel shall review the disclosure forms for compliance with this policy.

**Gifts**

*Financial or Personal Interests.* No Regent shall solicit or accept a gift from any person or organization having a financial or other direct personal interest in a decision before the Board, provided, however, that a Regent may receive food, lodging, or other benefits resulting from the Regent's outside business or employment activities or other outside activities not connected to their duties as a Regent if (a) such food, lodging, or other benefits have not been offered or enhanced because of the Regent’s official status and (b) such benefits customarily are provided to others in similar circumstances.

This prohibition does not apply to complimentary tickets to University events furnished in accordance with guidelines on file in the Office of the Board of Regents.

**Expenses**

Regents serve without compensation, but are entitled to reimbursement for expenses incurred while representing the University in an official capacity in accordance with guidelines on file in the Office of the Board of Regents.
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<tr>
<td><strong>Financial and Employment-Related Conflict of Interest Procedures</strong></td>
<td><strong>Interpretation and Application.</strong> The conflict of interest provisions of this policy shall be interpreted and applied to best serve the interests of the University. In some cases, full disclosure and consideration of the particular facts may indicate that a potential conflict of interest is insubstantial so that the University's interests are best served by the Regent's participation. If doubt remains regarding the need for recusal, the Regent involved must elect recusal.</td>
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<td><em>Disclosure or Acknowledgment of Actual or Potential Conflicts.</em> Actual or potential conflicts of interest shall be brought to the attention of the chair of the Board at the earliest opportunity. Such actual or potential conflicts may be reported by an individual Regent or by any other person. Disclosure or acknowledgment of such a conflict of interest and recusal shall be noted appropriately in Board minutes.</td>
<td><em>Consultation with General Counsel.</em> A Regent with a conflict of interest question is encouraged to consult with the general counsel who, if requested, shall provide a written opinion on whether a conflict of interest exists under this policy. A copy of any such opinion shall be provided to the chair. The chair also may request an opinion from the general counsel on any conflict of interest question.</td>
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</table>

*Interpretation and Application.* Recusal on a particular matter because of a conflict does not reflect adversely on the Regent involved; rather, it simply recognizes that in a complex and interconnected society conflicts cannot be entirely avoided and will occur.
### Potential Policy Language

**Disputed Conflicts of Interest.** Any disputed issues relating to the existence of a conflict of interest requiring recusal shall be decided by the chair, who may choose to refer the question to an ad hoc group of Regents consisting of the chair, the vice chair, and one other Regent appointed by the chair. If the chair or vice chair is the subject of the conflict of interest dispute, another Regent shall be appointed by the ranking Regent. The chair, or the ad hoc group if appointed, shall determine whether there is a conflict of interest and report the decision to the Board; however, in all cases the Board is the final authority on conflict questions.

**Deliberations and Voting.** Regents who declare or have been found to have an actual or potential financial or employment-related conflict of interest shall recuse themselves regarding the matter determined to be a conflict and shall not take any action to influence the outcome of the matter.

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### Potential Guideline Language

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### University Employment

Notwithstanding any other provision of this policy, a Regent shall not serve as a compensated University employee, except that the Regent elected to hold the seat designated for a student may engage in student employment at the University.

### Annual Review of Policy

At the beginning of each fiscal year, the Board, with the assistance of the general counsel, shall publicly review the requirements and procedures of this policy.

### Communication

The chair of the Board is the only person authorized to speak for the Board on actions taken by the Board. Members of the Board may speak as individuals and shall clarify they are speaking on their behalf and not for the Board.
Ethics and Responsibilities of the Board and Regents, Part 2

Brian Steeves
Executive Director & Corporate Secretary

Jason Langworthy
Board Associate, Policy & Committees

December 14, 2018
Overview

• Board of Regents Policy: *Code of Ethics for Members of the Board of Regents* is currently under comprehensive review.
• Today’s conversation will build on the October discussion.
• Feedback will inform any potential changes to Board policy.
Potential Code of Ethics Structure

• Policy
  – All principles, definitions, and procedures are included in Board policy.

• Policy plus guidelines
  – Current language is separated into areas that remain in policy and areas that are moved into a broader set of guidelines.
Policy vs. Guidelines

• Board policies establish specific principles, definitions, and procedures.

• Board policy identifies areas were guidelines are used to provide processes that implement specific policy principles. The guideline process is delegated to the Office of the Board of Regents (OBR).

• OBR, working within relevant Board and Administrative policies, writes and maintains guidelines used by the Board.
Policy vs. Guidelines

• Current guidelines required by Board policy include:
  - Guidelines for Expenses
  - Ticket Guidelines and Processes
  - Board policy comprehensive review process
  - Presidential performance review process
  - Presidential compensation-setting process
Policy vs. Guidelines

• Only in specific instances, like the value of a ticket, are portions of guidelines approved by the Board.
• Other guidelines, like the presidential performance review process and presidential compensation-setting process, establish a process to bring items to the Board for approval.
Policy Plus Guidelines

• Example structure included in the docket, starting on page four.
• Includes current language. New or modified language is highlighted.
Additional Areas for Discussion

• Conflict of interest related to a Regent’s family member being a University employee.
• Modified language around how Regents communicate with external groups, including partisan political activity.
• Guidance on communication between Regents.
• If a formal process for disputes is needed or if the process outlined in Robert’s Rules of Order is adequate.
• A process or expectation for how information requests made by Regents are fulfilled.
• Other gaps or topics for consideration.
AGENDA ITEM: Information Items

☐ Review  ☐ Review + Action  ☐ Action  X Discussion

☐ This is a report required by Board policy.

PRESENTERS: Brian Steeves, Executive Director & Corporate Secretary

PURPOSE & KEY POINTS

Completed Comprehensive Review of Board Policy

The purpose of this item is to inform the committee that the comprehensive review of the following Board policy has been completed and the policy implementer has recommended that no changes be made at this time:

- Board of Regents Policy: Possession and Carrying of Weapons
- Board of Regents Policy: Safety of Minors

The policy is in the docket for reference.

If there are items that the committee would like addressed, those will be recorded and referred back to the policy implementer. If the committee raises no additional items, the comprehensive review process will be complete and the date of last comprehensive review will be noted within the policy.

BACKGROUND INFORMATION

Board of Regents Policy: Board Policy Development defines the comprehensive review process as follows:

Board polices shall be comprehensively reviewed every six years. The objective of the comprehensive review is to determine:

- whether the fundamental principles established in the policy still align with the strategic direction and mission of the University;
- if the policy is still needed; and
- if the policy aligns with current practice.
The comprehensive review process ensures that policies are monitored and reviewed in a timely manner. Policies are divided into “classes,” which seek to balance review load across policy implementers and Board committees in any given year.
POSSSESSION AND CARRYING OF WEAPONS

SECTION I. POLICY STATEMENT

The Board of Regents (Board) is charged with the constitutional responsibility to adopt laws and policies for the governance of the University of Minnesota (University). In order to achieve the University’s teaching, research, and public service missions, the Board considers it essential that all persons feel safe and be free from violence, threats, and intimidation when on University property or attending University functions and events. Accordingly, the Board hereby regulates the possession and carrying of weapons by members of the University community and by others when on University property.

SECTION II. DEFINITIONS

Subd. 1. University Property. *University property* means all real property, buildings, and facilities under the primary control of the University through ownership, lease, or other means. This includes all public or private locations, arenas, stadiums, and halls that the University has leased for University events, including, but not limited to, academic and administrative meetings, intercollegiate and intramural sporting events, and student, faculty, and staff activities. University property also includes all places of residence owned by the University in which students reside.

Subd. 2. Employee. *Employee* means any individual employed by the University, including a student employee, when acting within the course and scope of employment.

Subd. 3. Weapon. *Weapon* means a firearm or a dangerous weapon as defined by Minnesota law.

Subd. 4. Firearm. *Firearm* means a gun, whether loaded or unloaded, that discharges shot or a projectile by means of an explosive, a gas, or compressed air.

Subd. 5. Student. *Student* means an individual taking one or more University courses or classes, credit or noncredit, or participating in any program administered in part or wholly by the University.

Subd. 6. Visitor. *Visitor* means any person who is on University property, except an employee or a student.

SECTION III. POSSESSION OR CARRYING OF WEAPONS

No person, whether a student, employee, or visitor, shall possess or carry a weapon while on University property, except as authorized in Section IV of this policy.
SECTION IV. AUTHORIZED POSSESSION OR CARRYING OF WEAPONS

This policy authorizes the possession or carrying of weapons on University property under the following circumstances:

Subd. 1. Law Enforcement and Military Personnel. Licensed peace officers, security guards, other law enforcement agents, and military personnel may possess or carry weapons on University property when acting in the course of their official duties and when authorized by law to carry weapons.

Subd. 2. Military Training. Students, employees, and visitors participating in military training may possess or carry weapons on University property when acting in the course of their official duties or performing duly assigned tasks involving weapons.

Subd. 3. Presidential Approval. The president or delegate may in writing permit or revoke permission for the otherwise lawful possession or carrying of a weapon on University property. This may include possession or carrying of a weapon for an academic use, use of a firearm at a campus shooting range, otherwise lawful storage of a weapon on residential property not operated as a residence hall, or any other possession or carrying of a weapon on University property.

Subd. 4. Storage of a Firearm. Otherwise lawful storage of a firearm inside a personal motor vehicle is permitted on University property.

SECTION V. VIOLATIONS

Subd. 1. Students. Violation of this policy by a student is a violation of, and will be adjudicated in accordance with, Board of Regents Policy: Student Conduct Code.

Subd. 2. Employees. Violation of this policy by an employee constitutes misconduct subject to University discipline up to and including termination.

Subd. 3. Visitors. Violation of this policy by a visitor shall result in a request to leave the University property, function, or event, as the case may be, and also may result in a written directive to remain off University property.

Subd. 4. Referral to Law Enforcement Agencies. The University may refer related suspected violations of law to appropriate law enforcement authorities and provide access to investigative and other data as permitted by law.
SAFETY OF MINORS

SECTION I. SCOPE.

This policy provides for the safety of minors (persons under the age of 18, also "children") on University of Minnesota campuses and facilities and in University programs.

SECTION II. GUIDING PRINCIPLE.

It is the policy of the Regents of the University of Minnesota to protect and provide a safe environment for children when they are on University premises, participate in University sponsored programs, or are in the care of University employees or University volunteers. Children come to the campuses and into the facilities of the University for many purposes including educational programs, recreational programs, childcare, cultural events, and athletic programs. These programs and opportunities provide immense benefits only available at the University. These programs have operated successfully on our campuses and facilities for many years and enriched the lives of tens of thousands of children. This policy is intended to support the continuation of this tradition and enhance the safety of minors on our campuses, in our facilities and in our programs. The policy applies to all minors on University premises and in University sponsored programs including, but not limited to, all enrolled students and Post Secondary Enrollment Option students.

SECTION III. IMPLEMENTATION.

In order to assure the safety and wellbeing of children, the University shall adopt administrative policies and procedures that address children's safety including, but not limited to the following:

1. Requiring all University employees and volunteers who have reason to believe that a child is being neglected or physically or sexually abused to make an immediate report of the neglect or abuse to a law enforcement or social service agency.
2. Requiring background checks of all University employees and volunteers where appropriate and who have significant contact with or supervise children on campus.
3. Requiring appropriate training for University employees on the identification and reporting of neglect, physical abuse, or sexual abuse of children and the notification requirements mandated by policy and Minnesota law.
4. Establishing appropriate requirements for the safety of children participating in University-sponsored programs.
5. Identifying and assuring compliance with all state or federal laws relating to the safety of children.

All University employees and volunteers shall cooperate in the effort to protect children and provide for their safety on our campuses, in our facilities and in our programs.
SECTION IV. DELEGATION.

The president or delegate shall maintain appropriate administrative policies and procedures and implement programs to protect and advance the safety of children.