Governance & Policy Committee

February 2018

February 9, 2018
7:45 a.m. - 9:15 a.m.

Boardroom, McNamara Alumni Center
1. Board of Regents Policy: Reservation and Delegation of Authority (Approval Thresholds) - Action
   - Docket Item Summary - Page 3
   - Revised Policy - Page 6
   - Presentation Materials - Page 14

2. Board of Regents Policy: Board Operations and Agenda Guidelines - Review
   - Docket Item Summary - Page 20
   - Revised Policy - Page 21

3. Transparency of the Board and Public Engagement
   - Docket Item Summary - Page 36
   - Presentation Materials - Page 37

4. Information Items
   - Docket Item Summary - Page 49
   - Associated Organizations - Page 51
   - Attorneys and Related Services - Page 54
   - Legal Claims and Settlements - Page 55
AGENDA ITEM: Board of Regents Policy: Reservation and Delegation of Authority (Approval Thresholds)

☐ Review  ☐ Review + Action  ☒ Action  ☐ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Brian R. Steeves, Executive Director & Corporate Secretary

PURPOSE & KEY POINTS

The purpose of this item is action on proposed amendments to the Board's approval thresholds, as defined within Board of Regents Policy: Reservation and Delegation of Authority.

Review Framework

In October, the committee discussed the following framework for reviewing the University's current approval thresholds:

1. Continue to strengthen public confidence in the University's decision-making processes.
2. Ensure that Board oversight of University operations is right sized and at the right level.
3. Align thresholds for consistency across types of projects and purchases.
4. Avoid surprises that might create public relations risks.

Threshold Recommendations

Board policy outlines four major types of approval thresholds:

1. Contracts for Goods & Services
2. Real Estate & Capital Projects
3. Other approval thresholds
4. Appointment authority

In addition, Board policy includes umbrella language for other commercial transactions or matters not otherwise subject to Board approval. The proposed thresholds listed below have been updated based on the committee feedback from December and consultation with committee leadership:
### Contracts for Goods & Services - Article I, Section VII

<table>
<thead>
<tr>
<th>Approval Item</th>
<th>Current Threshold</th>
<th>Proposed Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual purchases of goods and services - Subd. 6</td>
<td>$1 million</td>
<td>$1 million</td>
</tr>
</tbody>
</table>

### Real Estate & Capital Projects - Article I, Section VIII

<table>
<thead>
<tr>
<th>Approval Item</th>
<th>Current Threshold</th>
<th>Proposed Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase or sale of real property - Subd. 1</td>
<td>$1.25 million or larger than 10 acres</td>
<td>$1 million, on or within 2 miles of a University campus, larger than 10 acres</td>
</tr>
<tr>
<td>Leases, easements, or other interests in real property - Subd. 2</td>
<td>Initial term amount to be paid by or to the University exceeds $1.25 million</td>
<td>Initial term amount to be paid by or to the University exceeds $1 million</td>
</tr>
<tr>
<td>Capital budget projects and amendments - Subd. 7</td>
<td>$500,000</td>
<td>$1 million</td>
</tr>
<tr>
<td>Multi-year capital plans - Subd. 6</td>
<td>$1 million</td>
<td>$1 million</td>
</tr>
<tr>
<td>Schematic Plans - Subd. 9</td>
<td>• Interior renovations - $5 million</td>
<td>$1 million and any significant amendments.</td>
</tr>
<tr>
<td></td>
<td>• Exterior visual impact - $2 million</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Projects that vary from adopted campus master plans or have significant visual impact</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Projects noted during the annual review of the capital budget.</td>
<td></td>
</tr>
<tr>
<td>Final review of capital projects prior to award of construction contracts - Subd. 10</td>
<td>$5 million - received as an information item.</td>
<td>Eliminate review requirement.</td>
</tr>
</tbody>
</table>

### Other Approval Thresholds

<table>
<thead>
<tr>
<th>Approval Item</th>
<th>Current Threshold</th>
<th>Proposed Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial support to non-University entities for the commercialization of technology - Article I, Section V, Subd. 4</td>
<td>$250,000</td>
<td>Modify language since a “not to exceed” threshold of $250,000 is already included in Board of Regents Policy: Commercialization of Intellectual Property Rights.</td>
</tr>
<tr>
<td>Amendments to the University sponsored retirement plans - Article I, Section XI, Subd. 3</td>
<td>$250,000</td>
<td>No threshold - all amendments would come to the Board for approval.</td>
</tr>
</tbody>
</table>
Appointments Authority - Article I, Section IV

Proposed changes to this section of the policy include:

- Clarification that significant amendments to Board-approved employment agreements are also subject to Board approval;
- Adding Vice Chancellor for Academic Affairs to the list of positions requiring Board approval (this was previously identified by the administration as a gap in current policy); and
- Other minor corrections to the appointment list.

Employment Agreements - Article I, Section XI, Subd. 4

Proposed changes to this section of the policy include a new approval threshold as follows:

Subd. 4. The Board reserves to itself authority to approve individually negotiated employment agreements, and significant amendments thereto, when such agreements have a total value of more than $1,000,000. For purposes of this subdivision, total value shall mean the potential amount due to the employee if the University terminated the employment agreement without cause. For faculty positions as defined by Board of Regents Policy: Faculty Tenure, this subdivision only applies when the faculty member's first year compensation is set at more than $1,000,000, or when individually negotiated terms of employment create a potential amount due to the faculty member of more than $1,000,000 if the faculty member's appointment were terminated.

Reports to the State of Minnesota - Article I, Section I, Subd. 7

Proposed changes to this section of the policy include new language related to reports submitted to the State of Minnesota as follows:

Subd. 7. The Board reserves to itself authority to approve and submit any report to the State of Minnesota that impacts the University's autonomy or addresses the performance of the University and/or its major initiatives. All other reports to the State of Minnesota that fall outside these criteria shall be provided to the Board upon submission to the state.

Umbrella Approval Language - Article I, Section I, Subd. 6

The proposed amendment modifies the current umbrella language to reduce confusion as follows:

Subd. 6. The Board reserves to itself authority to approve any matter delegated to the president in Article II, Section I of this policy if it raises unusual questions of public interest or public policy, has significant impact on the University's mission, or poses a significant financial risk to the University.

Any commercial transaction or matter not otherwise subject to Board approval if the transaction or matter:

a) raises unusual questions of public interest or public policy;
b) has a significant impact on the University's mission; or

c) has a value greater than $2 million.
RESERVATION AND DELEGATION OF AUTHORITY

ARTICLE I

RESERVATION OF AUTHORITY

SECTION I. GENERAL RESERVATIONS OF AUTHORITY.

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

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

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

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

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

Subd. 6. The Board reserves to itself authority to approve any matter delegated to the president in Article II, Section I of this policy if it raises unusual questions of public interest or public policy, has significant impact on the University’s mission, or poses a significant financial risk to the University.
any commercial transaction or matter not otherwise subject to Board approval if the transaction or matter:

a) raises unusual questions of public interest or public policy;

b) has a significant impact on the University’s mission; or

c) has a value greater than $2 million.

**Subd. 7.** The Board reserves to itself authority to approve and submit any report to the State of Minnesota that impacts the University's autonomy or addresses the performance of the University and/or its major initiatives. All other reports to the State of Minnesota that fall outside these criteria shall be provided to the Board upon submission to the state.

**SECTION II. CONDUCT OF BOARD BUSINESS.**

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

**SECTION III. ELECTION OF BOARD OFFICERS.**

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

**SECTION IV. APPOINTMENT AUTHORITY.**

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

- (a) Chancellor
- (b) Chief Auditor
- (c) Dean
- (d) Division I Director of Intercollegiate Athletics
- (e) Executive Vice President and Provost
- (f) General Counsel
- (g) Provost
- (g) Senior Vice President for Finance and Operations
- (h) University Librarian and Dean of Libraries
- (i) Vice Chancellor for Academic Affairs
- (j) Vice President
(k) Such other administrative positions as the Board may specify from time to time.

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

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

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

### SECTION V. ACADEMIC MATTERS.

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

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

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

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

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

### SECTION VI. AWARDS, HONORS, AND NAMINGS.

**Subd. 1.** The Board reserves to itself authority to establish and bestow awards, honors, and recognition, consistent with Board policies.
Subd. 2. The Board reserves to itself authority to name and revoke names of University buildings and other assets, consistent with Board policies.

SECTION VII. BUDGETARY, FINANCIAL, AND INVESTMENT MATTERS.

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

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

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

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

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

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

SECTION VIII. PROPERTY, FACILITIES, AND CAPITAL BUDGETS.

Subd. 1. The Board reserves to itself authority to approve the purchase or sale of real property (a) with a value greater than $1,250,000; (b) located on or within 2 miles of a University campus; or (c) larger than ten (10) acres, consistent with Board policies.

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

Subd. 3. The Board reserves to itself authority to exercise the power of eminent domain to acquire land for University purposes.
Subd. 4. The Board reserves to itself authority to (a) exercise property owner rights regarding the designation, decommissioning, or demolition of historic resources; and (b) take final action on all environmental reviews of historic resources initiated by the administration for which the University is the responsible governmental unit, consistent with Board policies and applicable state and federal laws.

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

Subd. 6. The Board reserves to itself authority to approve multi-year capital plans consisting of projects with a value greater than $1,000,000 or a value anticipated to be greater than $1,000,000 if a cost estimate has not yet been established.

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

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

Subd. 9. The Board reserves to itself authority to approve project schematic plans, or significant amendments thereto, for (a) interior renovations with a value greater than $5,000,000; (b) projects with a value greater than $2,000,000 that have an exterior visual impact; (c) projects that vary from adopted campus master plans or that have a significant visual impact; and (d) projects noted during the annual review of the capital budget any project or amendment with a value greater than $1,000,000.

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

SECTION IX. LEGAL MATTERS.

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

SECTION X. AUDIT FUNCTION.

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

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

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

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

Subd. 4. The Board reserves to itself authority to approve individually negotiated employment agreements, and significant amendments thereto, when such agreements have a total value of more than $1,000,000. For purposes of this subdivision, total value shall mean the potential amount due to the employee if the University terminated the employment agreement without cause. For faculty positions as defined by Board of Regents Policy: Faculty Tenure, this subdivision only applies when the faculty member’s first year compensation is set at more than $1,000,000, or when individually negotiated terms of employment create a potential amount due to the faculty member of more than $1,000,000 if the faculty member’s appointment were terminated.

Subd. 45. The Board reserves to itself authority to review individually negotiated employee severance agreements of unusual importance or significance.

SECTION XII. ASSOCIATED ORGANIZATIONS.

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

ARTICLE II

DELEGATION OF AUTHORITY

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

SECTION II. LIMITATIONS UPON PRESIDENTIAL AUTHORITY.

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

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

SECTION III. DELEGATION OF AUTHORITY BY THE PRESIDENT.

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

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

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

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

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

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

Adopted: April 5, 2001
Amended: July 9, 2004; December 10, 2004; July 9, 2008; February 12, 2010; February 10, 2012; May 12, 2017
Technical Change: March 1, 2012; December 11, 2013; March 31, 2016; February 10, 2017; October 13, 2017
Supersedes: (see end of policy)

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

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

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

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

SECTION VI. CONFORMANCE WITH THIS POLICY.

Subd. 1. Any request or demand by a Board member for action must be consistent with the written policies, rules, and regulations of the Board and the University.

Subd. 2. No executive officer or employee of the University shall have any authority to take any action or make any representation on behalf of the University beyond the scope of, or materially inconsistent with, the authority delegated to such executive officer or employee as provided in this policy.

Subd. 3. The secretary and the general counsel each shall have the duty to inform the Board of any existing or proposed Board policy or directive that is inconsistent with or alters the delegations of authority as provided in this policy.

Board of Regents Policy: Reservation and Delegation of Authority (Approval Thresholds)

Brian R. Steeves
Executive Director & Corporate Secretary
Process Review

• October 2017 – Discussion of principles to guide review of Board approval thresholds.
• December 2017 – Review of proposed amendments to thresholds.
• February 2018 – Potential action on amended thresholds.
Principles to Guide Review

1. Continue to strengthen public confidence in University decision-making processes.
2. Ensure Board oversight of University operations is right-sized and at the right level.
3. Align thresholds for consistency across types of projects and purchases.
4. Avoid surprises that have potential to create public relations risks.
Overview of Current Thresholds

$250,000
- Amendments to University-sponsored retirement plans
- Financial support to non-University entities for the commercialization of technology

$500,000
- Capital budget projects or amendments

$1 million
- Individual purchases of goods and services
- Multi-year capital plans

$1.25 million
- Purchase or sale of real property
- Leases, easements, or other interests in real property

$2 million
- Schematic plans that have exterior visual impact
- Commercial transactions or matters not otherwise subject to Board approval

$5 million
- Schematic plans for interior renovations
- Final review of capital projects prior to award of construction contracts

*Includes only thresholds outlined in Board of Regents Policy: Reservation and Delegation of Authority.
Overview of Proposed Thresholds

$1 Million
- Individual purchases of goods and services ($1.0M)
- Purchase or sale of real property ($1.25M)
- Leases, easements, or other interests in real property ($1.25M)
- Capital budget projects and amendments ($500K)
- Multi-year capital plans ($1.0M)
- Schematic designs
- Employment agreements and significant amendments.

Eliminated
- Final review of capital projects prior to award of construction contracts

Other
- Financial support to non-University entities for commercialization of technology – ADD CROSS REFERENCE TO THRESHOLD ALREADY IN BOARD POLICY
- Amendments to University sponsored retirement plans APPROVE ALL - ELIMINATE $250K THRESHOLD
- Removed specific dollar threshold from Umbrella language.

Capital plans & budgets
- Real property
- Facilities
- Purchasing
- Umbrella
- Other
AGENDA ITEM: Board of Regents Policy: *Board Operations and Agenda Guidelines*

**X** Review  [ ] Review + Action  [ ] Action  [ ] Discussion

This is a report required by Board policy.

**PRESENTERS:** Brian R. Steeves, Executive Director & Corporate Secretary

**PURPOSE & KEY POINTS**

The purpose of this item is review of proposed amendments to Board of Regents Policy: *Board Operations and Agenda Guidelines* (BOAG).

The proposed amendments respond to committee discussions during the comprehensive review of the policy that have taken place over the last 18 months. The major proposed amendments include:

- Addition of a system-wide strategic plan as a fundamental planning document (Section III, Subd. 2).
- Inclusion of the University Progress Card as a component of both the system-wide strategic plan and the University Performance and Accountability Report (Section III, Subd. 2).
- Codification of the new committee structure. This includes merging Board of Regents Policy: *Audit Committee Charter* into BOAG with small modifications to add in existing committee responsibility language and additional compliance oversight (Section IV).
- A new provision allowing for the Board or a committee to move an item from “Review” to “Review/Action” if there are no objections from any members of the Board or committee (Section V, Subd. 3).
- Revisions to the Emergency Approval process to clarify when the approval should be used, a reporting requirement within five days of the approval to the Board or committee, and clarification of how the item is reported to the Board or committee (Section V, Subd. 7).
- Other changes that seek to align the policy with current practice and/or clarify language.

**BACKGROUND INFORMATION**

The Governance & Policy Committee participated in several discussions regarding BOAG in 2016-17. Significant effort was devoted to advancing a new committee structure for implementation in 2017-18.

The committee discussed the fundamental planning documents included in BOAG in September 2017, meeting procedures and emergency approval in October 2017, and Legislative Reports and Presidential Performance Review, Evaluation, and Compensation in December 2017. The committee also reviewed draft charges for the Audit & Compliance, Finance & Operations, Governance & Policy, and Mission Fulfillment Committees this past fall.
SECTION I. SCOPE.

This policy provides an overview of the Board’s operations, committee structure, and agenda guidelines.

SECTION II. PRINCIPLES OF BOARD OPERATIONS 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 laws and constitution 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 OPERATIONS 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, 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:

- System-wide Strategic Plan - The System-wide 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 Plan, Performance, and Accountability Report - The University Plan, Performance, and Accountability Report (Plan) articulates the mission and vision of the University; identifies critical issues and challenges confronting the University; and sets forth major goals, objectives, and timelines for the ongoing pursuit of the teaching, research, and outreach functions of the University. The Plan The University Plan, 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.

- **University Budget: Operating and Capital** — The University budget sets forth the operating and capital 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. The capital budget has two parts. Part I is the six-year capital plan, which is updated annually and identifies capital projects 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 with approved financing and schematic design, consistent with Board policies. The president recommends to the Board both the operating and capital budgets in successive meetings.

- **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 System-wide 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 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 with approved financing. The framework established by the System-wide Strategic Plan defines 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 report of asset management.**

(f) **Annual report of capital financing and debt management.**

(e) Annual financial report.
(f) Summary of expenditures for the Office of the President, Eastcliff, and the Office of the Board of Regents (OBR) Office.

(g) Gifts.

(h) Other reports, including, but not limited to, reports of the Faculty Consultative Committee, the University of Minnesota Foundation and Minnesota Medical 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. 13. Committees 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 governance oversight on topics within the committee’s purview;
- review and make recommendations on relevant new and existing Board policies;
- receive reports on policy-related issues affecting University departments and units;
- receive information items (e.g., status reports on current issues of concern and administrative searches); and
- review other items placed on the agenda by the Board chair in consultation with the president and 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.

(1) Audit Committee. The Audit Committee oversees the University’s system of risk assessment and internal controls, audits, financial reporting practices, and the institutional
compliance program. This committee also provides a direct channel of communication to
the Board for the independent auditor and internal auditors.
Specifically, this committee:

-— recommends the engagement and related fees of the independent auditor to
  perform the annual financial audit of the University and required federal
  compliance audits;
-— approves all engagements of external audit firms;
-— annually reviews the results of the independent auditor's work;
-— recommends appointment or removal of the chief auditor;
-— reviews the chief auditor's annual audit plan and approves subsequent material
  revisions to the plan or the department's budget; and
-— recommends changes in the Office of Internal Audit Charter.

This committee also reviews:

-— the annual financial statements, prior to issuance;
-— periodic Office of Internal Audit reports, including a report on the implementation
  of audit recommendations;
-— semi-annual controller reports;
-— the independent auditor’s annual audit and management letter; and
-— responses to questions regarding audit issues, reports on enterprise systems,
  administrative program reviews, and other items relevant to the audit function.

Detailed information on Audit Committee authority and responsibilities is outlined in
Board of Regents Policy: Audit Committee Charter.

**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;
Draft for Review

- 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.

(2) Academic and Student Affairs Committee. The Academic and Student Affairs Committee advises on academic priorities and the teaching, research, and outreach missions of the University. This committee assesses academic programs for relevance to students and consistency with the University's mission and strategies and reviews internal and external evaluations of academic programs.
Specifically, this committee recommends:

- academic program additions, revisions, or discontinuations;
- tuition and fees policy;
- reciprocity agreements; and
- support for commercialization of technology to non-University entities.

This committee provides governance oversight to:

- academic program reviews and strategic plans of academic units;
- enrollment and demographic trends;
- student affairs;
- academic medicine;
- issues related to the University's academic profile such as accreditation, reputation, and academic ranking;
- e-Learning;
- public engagement;
- international partnerships and education; and
- intercollegiate athletics.

(3) Facilities and Operations Committee. The Facilities and Operations Committee oversees the University's physical assets (e.g., land, buildings, infrastructure, and equipment) and operations. This committee considers the general adequacy, condition, and use of existing facilities and infrastructure; oversees policy related to technology, operations and physical planning; reviews renewal, replacement, and new construction decisions; and recommends capital projects.

Specifically, this committee recommends:

- project components of the University capital budget;
- district and campus master plans;
- real estate transactions;
- capital budget amendments; and
- schematic plans prior to the inclusion of a project in the annual capital budget.

This committee provides governance oversight to:

- long range physical asset planning strategies;
- public safety and emergency preparedness;
- technology infrastructure and long range planning; and
- operational services such as housing, parking, transportation, and dining.

This committee also reviews:

- semi-annual capital planning and project management reports;
- miscellaneous facilities management reports and significant issues;
- design guidelines when a project design represents an exception to adopted campus master plans; and
- approved capital budget projects prior to the award of construction contracts, consistent with Board policies.
(4) **Faculty and Staff Affairs Committee.** The Faculty and Staff Affairs Committee advises the administration on faculty and staff compensation, benefits, recruitment, development, retention, and other issues related to employee engagement. This committee also reviews employment-related issues and policies.

Specifically, this committee recommends:

- the granting of faculty promotion and tenure and continuous appointments;
- appointments to specific boards and advisory committees;
- appointments of senior leaders;
- approval of negotiated labor agreements, retirement plans, and other employment matters, consistent with Board policy; and
- changes in the University Senate Constitution and civil service rules.

This committee also provides governance oversight to:

- senior leader compensation, benchmarking, and terms of employment;
- faculty and staff compensation and benefits policy as well as other policies related to employment; and
- employee engagement.

(5) **Finance Committee.** The Finance Committee oversees the fiscal stability and long-term economic health of the University. This committee monitors the University's financial operations, debt level, and investment performance; requires the maintenance of accurate and complete financial records; and maintains open lines of communication with the Board about the institution's financial condition.

Specifically, this committee recommends:

- the University operating budget;
- financial components of the University capital budget;
- approval of purchases of goods and services over $1,000,000;
- the issuance of debt;
- changes to the approved central reserves budget; and
- asset allocation guidelines and other policies related to the University's asset management function.

This committee also provides governance oversight to:

- long range financial planning strategies;
- total indebtedness of the University;
- the investment portfolio; and
- the financial relationship between the University and its partners, including affiliated foundations, clinical operations, and external entities.

This committee also reviews:

- selected financial metrics that measure the University's fiscal condition;
- quarterly purchasing reports and violations of Board of Regents Policy: Purchasing;
- semi-annual capital financing and debt management reports;
- the annual report on central reserves;
- quarterly asset management reports;
- semi-annual management reports; and
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 policy 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 chair of the Board identifies the responsibilities, appoints the members, and designates the chair of special committees.

SECTION V. MEETINGS OF THE BOARD AND COMMITTEES.

Subd. 4-1. 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 Board Office OBR.

Subd. 5 2. Committee Meetings. Committees usually meet as follows:

- Audit & Compliance: Meets four to six times a year.
- Academic and Student Affairs: Most months when Board meets.
- Facilities and Operations: Most months when Board meets.
- Faculty and Staff Affairs: Most months when Board meets.
- Finance: Most months when Board meets.
- Governance & Policy: Meets five times a year.
- Litigation Review: Meets four to five 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. 6 3. Meeting Procedures. The Board chair presides over meetings of the Board. The 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. 74. 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. 59. Staff Responsibilities.**

(a) **Administrative Staff Senior Leader Committee Liaisons.** The Board chair and president identifies 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
- **Academic and Student Affairs:** Executive Vice President & Provost
- **Facilities and Operations:** Vice President for University Services
- **Faculty and Staff Affairs:** Vice President for Human Resources
- **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 appoints an executive director and corporate secretary, whose duties and responsibilities include:

- providing advice and support to advising and supporting each Board member, as well as to-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 staff a committee coordinator to each committee. Staff 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;
• scheduling and attending facilitating annual work planning, agenda planning, and docket previews; and
• reviewing docket cover sheets, materials, resolutions, and revisions to Board policies.

Subd. 69. 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 cover for each agenda item includes a statement related to the policy and financial impact of the item. 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 Board Office OBR distributes the docket to Regents one week prior to meeting dates, after which it is publicly available.

Subd. 710. Emergency Urgent Approvals. Upon the 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 significant considerable health, safety, or financial risk to the University. Urgent approvals shall be used judiciously and any such emergency approvals will be brought reported to the Board or respective committee within five days of the approval and included as an information item to the next meeting of the Board at the next scheduled meeting, consistent with Board policy Subd. 3 of this section.

SECTION VIII, 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. Following this meeting, the draft agenda is shared with the Board chair and committee chairs for review and comment.

(b) The Board chair approves the agenda at a subsequent (Agenda II) Agenda II meeting, which is also attended by the Board vice chair, the president, and senior leader committee liaisons and participants in the Agenda I meeting. Subsequent 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 directly or through staff.

Subd. 2. Requests to Appear Before the Board. Anyone requesting to appear before the Board must submit a written request to the executive director, who reviews the request with the Board chair follow the process stated in Article VI of the Bylaws.

SECTION IVII. 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 Board Office 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 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 Board Office OBR.
AGENDA ITEM: Transparency of the Board and Public Engagement

- Review
- Review + Action
- Action
- X Discussion

This is a report required by Board policy.

PRESENTERS: Brian R. Steeves, Executive Director & Corporate Secretary
Maggie Flaten, Board Associate, Communications & Committees

PURPOSE & KEY POINTS

The purpose of this item is to discuss ways the Board’s work is transparent to the public, and how the Board and the public engage with one another. The discussion will include:

- Overview of the Board’s commitment to transparency via both proactive access to materials and adherence to Open Meeting Law.
- How the Board’s new committee structure enhances transparency and public engagement opportunities.
- Review of website analytics, including total website visits, most frequently visited pages, and downloads of meeting agendas, dockets, and minutes.
- Review of YouTube metrics.
- The Board’s approach to public comment at its meetings.
- Comparisons to peer institutions.
Transparency of the Board and Public Engagement

Brian R. Steeves
Executive Director & Corporate Secretary

Maggie Flaten
Board Associate, Communications & Committees
Commitment to Accountability

“Board accountability has a public dimension to it. … While boards are often called upon to make difficult and controversial decisions, it often is the court of public opinion in which boards are judged.”

– Cathy Trower and Peter Eckel
 Accountability

Open meeting law

Clear, transparent policies

Direct contact with Regents

Forums & system campus meetings

Board operations and action

BOR website
Board of Regents Website

- On average:
  - 10,575 pageviews per month
  - 1,764 visitors per month
  - 2:49 spent on website
  - 3 pages viewed
Ten Most Visited Pages

Account for 68% of all website traffic

<table>
<thead>
<tr>
<th>Page</th>
<th>Pageviews</th>
<th>Unique Pageviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homepage</td>
<td>11,035</td>
<td>8,659</td>
</tr>
<tr>
<td>Meeting Materials</td>
<td>7,065</td>
<td>4,127</td>
</tr>
<tr>
<td>Meet the Regents</td>
<td>5,702</td>
<td>2,980</td>
</tr>
<tr>
<td>Board of Regents Policy Index</td>
<td>3,283</td>
<td>1,888</td>
</tr>
<tr>
<td>Upcoming Meetings</td>
<td>2,711</td>
<td>2,076</td>
</tr>
<tr>
<td>October 2017 Meeting</td>
<td>1,516</td>
<td>882</td>
</tr>
<tr>
<td>September 2017 Meeting</td>
<td>1,454</td>
<td>857</td>
</tr>
<tr>
<td>December 2017 Meeting</td>
<td>1,451</td>
<td>777</td>
</tr>
<tr>
<td>David J. McMillan</td>
<td>861</td>
<td>757</td>
</tr>
<tr>
<td>Contact Us</td>
<td>733</td>
<td>590</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,811</strong></td>
<td><strong>23,593</strong></td>
</tr>
</tbody>
</table>

Data from September 1, 2017 – January 31, 2018
What Information are Visitors Looking For?
Meeting agendas, dockets, videos, and minutes

<table>
<thead>
<tr>
<th>Page</th>
<th>Pageviews</th>
<th>Unique Pageviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homepage</td>
<td>11,035</td>
<td>8,659</td>
</tr>
<tr>
<td>Meeting Materials</td>
<td>7,065</td>
<td>4,127</td>
</tr>
<tr>
<td>Meet the Regents</td>
<td>5,702</td>
<td>2,980</td>
</tr>
<tr>
<td>Board of Regents Policy Index</td>
<td>3,283</td>
<td>1,888</td>
</tr>
<tr>
<td>Upcoming Meetings</td>
<td>2,711</td>
<td>2,076</td>
</tr>
<tr>
<td>October 2017 Meeting</td>
<td>1,516</td>
<td>882</td>
</tr>
<tr>
<td>September 2017 Meeting</td>
<td>1,454</td>
<td>857</td>
</tr>
<tr>
<td>December 2017 Meeting</td>
<td>1,451</td>
<td>777</td>
</tr>
<tr>
<td>David J. McMillan</td>
<td>861</td>
<td>757</td>
</tr>
<tr>
<td>Contact Us</td>
<td>733</td>
<td>590</td>
</tr>
<tr>
<td>Total</td>
<td>35,811</td>
<td>23,593</td>
</tr>
</tbody>
</table>

Data from September 1, 2017 – January 31, 2018
## What Information are Visitors Looking For?

### Engagement with Regents

<table>
<thead>
<tr>
<th>Page</th>
<th>Pageviews</th>
<th>Unique Pageviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homepage</td>
<td>11,035</td>
<td>8,659</td>
</tr>
<tr>
<td>Meeting Materials</td>
<td>7,065</td>
<td>4,127</td>
</tr>
<tr>
<td>Meet the Regents</td>
<td>5,702</td>
<td>2,980</td>
</tr>
<tr>
<td>Board of Regents Policy Index</td>
<td>3,283</td>
<td>1,888</td>
</tr>
<tr>
<td>Upcoming Meetings</td>
<td>2,711</td>
<td>2,076</td>
</tr>
<tr>
<td>October 2017 Meeting</td>
<td>1,516</td>
<td>882</td>
</tr>
<tr>
<td>September 2017 Meeting</td>
<td>1,454</td>
<td>857</td>
</tr>
<tr>
<td>December 2017 Meeting</td>
<td>1,451</td>
<td>777</td>
</tr>
<tr>
<td>David J. McMillan</td>
<td>861</td>
<td>757</td>
</tr>
<tr>
<td>Contact Us</td>
<td>733</td>
<td>590</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,811</strong></td>
<td><strong>23,593</strong></td>
</tr>
</tbody>
</table>

*Data from September 1, 2017 – January 31, 2018*
## What Information are Visitors Looking For?

### Board of Regents Policies

<table>
<thead>
<tr>
<th>Page</th>
<th>Pageviews</th>
<th>Unique Pageviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homepage</td>
<td>11,035</td>
<td>8,659</td>
</tr>
<tr>
<td>Meeting Materials</td>
<td>7,065</td>
<td>4,127</td>
</tr>
<tr>
<td>Meet the Regents</td>
<td>5,702</td>
<td>2,980</td>
</tr>
<tr>
<td>Board of Regents Policy Index</td>
<td>3,283</td>
<td>1,888</td>
</tr>
<tr>
<td>Upcoming Meetings</td>
<td>2,711</td>
<td>2,076</td>
</tr>
<tr>
<td>October 2017 Meeting</td>
<td>1,516</td>
<td>882</td>
</tr>
<tr>
<td>September 2017 Meeting</td>
<td>1,454</td>
<td>857</td>
</tr>
<tr>
<td>December 2017 Meeting</td>
<td>1,451</td>
<td>777</td>
</tr>
<tr>
<td>David J. McMillan</td>
<td>861</td>
<td>757</td>
</tr>
<tr>
<td>Contact Us</td>
<td>733</td>
<td>590</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,811</strong></td>
<td><strong>23,593</strong></td>
</tr>
</tbody>
</table>

*Data from September 1, 2017 – January 31, 2018*
Meeting Material Downloads
## YouTube Views

<table>
<thead>
<tr>
<th></th>
<th>Sep 2017</th>
<th>Oct 2017</th>
<th>Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOR</td>
<td>146</td>
<td>143</td>
<td>181</td>
</tr>
<tr>
<td>FIN</td>
<td>121</td>
<td>119</td>
<td>121</td>
</tr>
<tr>
<td>GOV</td>
<td>71</td>
<td>67</td>
<td>49</td>
</tr>
<tr>
<td>MIS</td>
<td>147</td>
<td>52</td>
<td>65</td>
</tr>
<tr>
<td>Playback</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live Views</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
YouTube Views

- On average, 715 views per 2-day Board meeting
- Same period in 2016 had 273 views on average
AGENDA ITEM: Information Items

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Brian R. 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 policies has been completed and the policy implementer has recommended that no changes be made at this time:

- Board of Regents Policy: Associated Organizations
- Board of Regents Policy: Attorneys and Related Services
- Board of Regents Policy: Legal Claims and Settlements

The policies are included in the docket materials for your 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

The 2017-18 Governance & Policy Committee work plan included a pilot program to establish a process for Board input on policies where the policy implementer has determined that no changes are needed. Previously, this information was reported to the Board in the annual Board Policy Report.

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

Board policies 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.
ASSOCIATED ORGANIZATIONS

SECTION I. SCOPE.

This policy governs legal, financial, and other relationships of the University of Minnesota (University) with Associated Organizations and sets forth the University's expectations regarding the conduct of Associated Organizations relative to the University.

SECTION II. EXCLUSIONS.

Subd. 1. Recognized Foundations. Recognized Foundations are Associated Organizations that are governed separately under other Board of Regents (Board) and University administrative policies.

Subd. 2. Registered Student Organizations. Registered student organizations are regulated separately and shall not be classified as Associated Organizations.

Subd. 3. Booster Clubs. Booster clubs are regulated separately and shall not be classified as Associated Organizations.

SECTION III. DEFINITIONS.

Subd. 1. Associated Organization. Associated Organization shall mean a nonprofit corporation, foundation, partnership, or other entity exempt from federal and state income taxation:

(a) whose primary purpose is to support the University or the University's mission and that uses substantial University resources, such as financial support, employees, or facilities, to accomplish its purpose; or

(b) regarding which the University may be legally responsible for its activities and liabilities; or

(c) whose financial condition or results of operations should be included or noted in the University's financial statements.

SECTION IV. GUIDING PRINCIPLES.

The Board intends to maintain excellent relationships with Associated Organizations, which are highly valued by the University and enhance the institution's ability to accomplish its mission. To that end, the University and Associated Organizations shall work cooperatively to ensure that Associated Organizations adhere to the highest standards of ethical conduct, employ sound fiscal and business practices, and comply with all applicable laws and University policies and procedures.

SECTION V. UNIVERSITY RECOGNITION.

Subd. 1. Recognition. The University shall maintain a process for granting recognition to Associated Organizations. Criteria to be considered in deciding whether to grant recognition shall include:

(a) the Associated Organization's commitment and capacity to undertake activities primarily to support the University or its mission and to enhance the University's stature;
(b) the Associated Organization's commitment and capacity to adhere to the highest standards of ethical conduct in operating and managing its affairs and to avoid activities that undermine its credibility and reputation or the credibility and reputation of the University;

(c) the Associated Organization's ability to employ sound fiscal and business practices, including internal controls adequate to ensure its activities are duly authorized and accounted for;

(d) the Associated Organization's compliance with all applicable laws, regulations, University contracts, and University policies and procedures;

(e) the Associated Organization's acceptance of University representation on its governing body and/or executive committee; and

(f) the best interests of the University.

Subd. 2. Revocation of Recognition. Recognition of an Associated Organization may be suspended or revoked (a) if the Associated Organization fails to adhere to University policy; (b) if the Associated Organization fails to adhere to the criteria specified in subd. 1 of this section; or (c) if, in the judgment of the president or delegate, suspension or revocation is in the best interest of the University. The process for revoking or suspending recognition shall be that established in a written agreement between the University and the Associated Organization or, in the absence of a written agreement, the process specified in University administrative policy.

SECTION VI. DELEGATION OF AUTHORITY.

The president or delegate is authorized to:

(a) grant, suspend, or revoke recognition of an Associated Organization, provided that the president shall consult with the Board before a decision is made to suspend or revoke recognition of an Associated Organization whose activities substantially affect the University's interests;

(b) enter into written agreements with Associated Organizations as necessary;

(c) maintain appropriate administrative policies regarding recognition of and relationships with Associated Organizations; and

(d) determine whether it is necessary to have University representation on the governing body and/or executive committee of a recognized Associated Organization.

SECTION VII. ORGANIZATIONAL REPRESENTATION.

The University shall have representation on the governing boards of recognized Associated Organizations as appropriate. Board representation shall be governed by Board of Regents Policy: Appointments to Organizations and Boards and/or University administrative policy.

SECTION VIII. PRIVILEGES OF RECOGNITION.

Subd. 1. Types of Support. The University may provide support to Associated Organizations by, among other things:

(a) leasing space, technology, or equipment;

(b) directing designated University employees to provide agreed upon services;
(c) permitting the use of selected University-owned names, logos, wordmarks, or other trademarks solely in promoting University-related activities; or
(d) making available agency accounts to hold, manage, and disburse cash assets.

Subd. 2. Restrictions in Absence of Recognition. Except as provided in policy or a written agreement with the University, a recognized Associated Organization whose recognition has been suspended or revoked may not receive the types of support specified in this section.

SECTION IX. FUNDRAISING AND DEVELOPMENT ACTIVITIES BY ASSOCIATED ORGANIZATIONS.

Funds raised by an Associated Organization on behalf of or in the name of the University, or intended by a donor to be used to support the University, shall be recorded, receipted, deposited, safeguarded, and disbursed according to a written agreement and/or administrative policy that shall require, among other things, compliance with all applicable federal or state regulations regarding gifts to tax-exempt charitable organizations.

SECTION X. WRITTEN AGREEMENTS AND ADMINISTRATIVE POLICIES.

Written agreements and/or administrative policies shall define cooperative working relationships with recognized Associated Organizations, addressing audits, financial review, program review, the provision of University support, and other relevant topics.

SECTION XI. PERIODIC REVIEWS.

Upon the University's written request, each recognized Associated Organization shall:
(a) permit the University and its agents, including its independent auditors, to inspect its books and records; and
(b) cooperate with the University's periodic review of its recognition as an Associated Organization and its programs and activities.
ATTORNEYS AND RELATED SERVICES

Subd. 1. Delegation of Authority. The Board of Regents (Board) of the University of Minnesota (University) delegates to the president and to the general counsel authority to hire attorneys from outside the Office of the General Counsel (OGC) and to enter into related contracts for services in any legal matter involving the University.

Subd. 2. Hiring Factors. The following factors shall be considered in the decision to hire outside attorneys and to contract for related services:

(a) the existence of insurance coverage for the legal matter;
(b) special expertise or experience in the subject area;
(c) actual or perceived conflict of interest;
(d) the need for additional resources beyond those available in the OGC to handle a particular matter because of its scope or time demands;
(e) special need for independent counsel or a second opinion; and
(f) the need for legal services outside the State of Minnesota.

Subd. 3. Exemption from Competitive Bidding. When the University retains outside attorneys it may do so without competitive bidding.

Subd. 4. Report. The general counsel shall report annually to the Board on the activities of the OGC. The Board's Litigation Review Committee may require from the OGC additional reports regarding legal matters.
LEGAL CLAIMS AND SETTLEMENTS

Subd. 1. Scope. This policy applies to all legal claims asserted by the Regents of the University of Minnesota (University), legal claims asserted against the University, legal claims asserted against the Board of Regents (Board) as a corporate body or Board members in their official capacity, and legal claims asserted against Board members, employees of the University, and other individuals when the University has agreed to provide legal defense and indemnification to them, consistent with Board and administrative policy.

Subd. 2. Delegation of Authority. Except as provided in subds. 3 and 4, the president is authorized to initiate, appeal, or settle any claim after consultation with the general counsel. The president may delegate such authority, provided that any initiation, appeal, or settlement decision by a delegate of the president must be approved by the general counsel.

Subd. 3. Reservation of Authority. The Board reserves to itself authority to initiate, appeal, or settle a claim involving a specific decision of the Board or a claim against Board members in their individual capacity.

Subd. 4. Board of Regents Litigation Review Committee. Any settlement of a claim involving payment by the University in excess of $500,000 shall be presented to the Litigation Review Committee (LRC) for approval. The president shall determine, in consultation with the general counsel, those other claims that shall be presented to the LRC for review prior to a decision to initiate, appeal, or settle, taking into account whether the claim involves one or more of the following factors:

(a) a significant change in University-wide policy;
(b) a serious conflict with University-wide policy;
(c) an unusually significant financial impact;
(d) a matter of special public interest; or
(e) Board members as named defendants in their official capacity.

The LRC is authorized to determine which claims shall be referred to the Board for review or approval.