

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents
July 8, 2015**

A meeting of the Board of Regents of the University of Minnesota was held on Wednesday, July 8, 2015 at 12:15 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Dean Johnson, presiding; Thomas Anderson, Richard Beeson, Laura Brod, Linda Cohen, Thomas Devine, Michael Hsu, Peggy Lucas, Abdul Omari, Darrin Rosha, and Patricia Simmons. David McMillan participated by phone.

Staff present: President Eric Kaler; Senior Vice President and Provost Karen Hanson; Vice Presidents Kathryn Brown, Brooks Jackson, and Pamela Wheelock; Executive Director Brian Steeves; and Associate Vice Presidents Bernard Gulachek and Michael Volna.

**RECOGNITION OF ACADEMIC PROFESSIONALS & ADMINISTRATORS
CONSULTATIVE COMMITTEE OUTGOING CHAIR**

Katherine Dowd, chief of staff in the Institute for Mathematics and its Applications, College of Science and Engineering, was recognized for her service as 2014-15 Academic Professionals & Administrators Consultative Committee chair.

INTRODUCTIONS

Incoming Chair of the Faculty Consultative Committee

President Kaler introduced Colin Campbell, associate professor in the Department of Pharmacology, Medical School, as the 2015-16 chair of the Faculty Consultative Committee.

**Incoming Chair of the Academic Professionals &
Administrators Consultative Committee**

President Kaler introduced Susanne Vandergon, business analyst in the Office of Information Technology, as the 2015-16 chair of the Academic Professionals & Administrators Consultative Committee.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes as presented in the docket materials. Regent Johnson recognized Regent Rosha, who moved to amend the June 12, 2015 Board of Regents meeting minutes as outlined in a document distributed to the Board. The motion was seconded and Regent Rosha explained his rationale for the changes. The Board of Regents voted unanimously to approve the amendment to the minutes.

The Board of Regents voted unanimously to approve the amended minutes of the Board of Regents meeting on June 12, 2015 and the following minutes as presented in the docket materials:

Presidential Performance Review Committee – May 8, 2015
Presidential Performance Review Committee – May 21, 2015
Presidential Performance Review Committee – June 10, 2015
Facilities & Operations Committee – June 11, 2015
Faculty & Staff Affairs Committee – June 11, 2015
Audit Committee – June 11, 2015
Litigation Review Committee – June 11, 2015
Academic & Student Affairs Committee – June 11, 2015
Finance Committee – June 11, 2015

REPORT OF THE PRESIDENT

President Kaler reflected on several accomplishments during the past year, noting progress on the Twin Cities strategic plan, the efforts of the University of Minnesota Foundation, the strength and innovation of the Academic Health Center and medical school, and the launch of the PeopleSoft Upgrade. Kaler also noted recognition from several media outlets, including praise from the Star Tribune and MinnPost, as well as recognition from CNBC on the state's business climate.

Kaler discussed goals for the coming year, highlighting a focus on quality and excellence. He emphasized the need to keep tuition affordable for students and minimize their debt, without jeopardizing the quality of their education. He addressed the need to focus on societal challenges such as the achievement gap, health care, and food safety. Kaler reflected on the fact that the incoming class of students will be the last class of the second decade of the 21st Century.

REPORT OF THE CHAIR

Chair Johnson recognized the hard work and dedication of former Chair Beeson and presented him with a commemorative gift. Johnson expressed gratitude to his colleagues for their confidence in his leadership. He stated his eagerness for the upcoming retreat and the opportunity to plan for the coming year.

RECEIVE AND FILE REPORTS

Chair Johnson noted the receipt and filing of the Board of Regents Policy Report and the Report of the Civil Service Consultative Committee.

CONSENT REPORT

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

- Summary of Gifts through May 31, 2015.
- Finance Committee Consent Report
 - General Contingency*
 - There are no items requiring approval this period.

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

- To Harlan Laboratories, Inc. for \$1,565,525 for corn cob animal bedding as needed for Research Animal Resources (RAR) for the period of July 1, 2015, through June 30, 2017, with contract extensions through June 30, 2020. The bedding is part of RAR annual budget and will be purchased with Departmental funds that are budgeted for their particular operation. Vendor was selected through a competitive process.
- To Lindemeyr Munroe, Anchor Paper Company, Wilcox Paper LLC, and Unisource Worldwide, Inc. for an estimated \$1,633,500 of printing paper stock as needed for Printing Services for the period of July 1, 2015, through June 30, 2016, with contract extensions through June 30, 2018. Payment for these purchases will come from the Printing Services operating budget. The Printing Services operating budget is approved annually through the operating budget process. Vendors were selected through a competitive process.
- Academic and Student Affairs Committee Consent Report
 - Request for Approval of Changed Academic Programs*
 - Law School (Twin Cities campus) – Create sub-plan in Civil Litigation within the J.D. degree

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

UNIVERSITY OF MINNESOTA ALUMNI ASSOCIATION ANNUAL REPORT

Chair Johnson invited Lisa Lewis, President and CEO; Jim du Bois, 2015 National Board Chair; and Allison Paige, 2016 National Board Chair, University of Minnesota Alumni Association (UMAA), to provide an update on the status of alumni relations at the University of Minnesota Twin Cities campus, as detailed in the docket materials. Du Bois identified the primary goals of UMAA: to enrich the lives of alumni; to support student success; and to advance the University through advocacy, philanthropy, and leadership.

Lewis discussed a new alumni-centric approach to engagement, in which UMAA reaches out to all 445,000 alumni, rather than only to its association members. She explained that this new approach has meant listening to the wants and needs of the University's alumni and modifying outreach efforts accordingly. In response to feedback, Lewis reported that UMAA is identifying many new areas of growth, including webinars, better electronic communications, more online resources, and a partnership with the Office of Admissions to participate in student recruitment. She added that UMAA has extended its outreach to include engagement with alumni living internationally.

Regent Simmons commented on the important role UMAA plays and praised the decision to engage all alumni.

Regent Devine asked about financial resources needed for the expanded scope of outreach. Lewis responded that UMAA was already undercapitalized before the additional outreach efforts, adding that UMAA is one of the lowest-funded alumni associations in the Big Ten. She explained that many of the initiatives are being implemented online, which helps control costs. Lewis emphasized the opportunity costs of not reaching out to and engaging a broader community of alumni.

Regent Beeson asked if alumni housing or retirement facilities have been considered, suggesting the possibility of partnerships with external developers. Lewis stated that UMAA has

considered the possibility of an alumni retirement community, which could be in demand given the number of alumni in the Twin Cities area and the fact that many are of retirement age.

Regent Anderson asked what percentage of UMAA's annual budget is generated internally through alumni fees and other sources. Lewis answered that 13 percent comes from the University and 87 percent is generated internally. She explained that membership fees account for much of the 87 percent, but that partnerships, events and investments also provide revenue. Anderson commented on the importance of engaging with all alumni, in part to support future fundraising efforts by the University of Minnesota Foundation (UMF).

Regent Cohen applauded UMAA's efforts and noted her belief that the University should strive to increase UMAA's funding to the mid-point in the Big Ten.

Regent Lucas asked for clarification about cooperation between UMAA and UMF. Lewis replied that the relationship between the two groups is critical and involves sharing strategy and partnering on fundraising and engagement efforts. She stated that sharing data and technology have helped to change the culture and foster a partnership between the two groups. Lewis emphasized that this partnership will help advance the causes of both organizations by creating a more unified presence when reaching out to the alumni community.

Regent Brod asked if UMAA partners closely with specific colleges or departments on their alumni engagement. Lewis reported that there are alumni officers in each college and school, with a 'collegiate council' of these officers to unify staff and volunteers and to share best practices. Lewis cited several other opportunities for alumni personnel to engage and collaborate with each other.

A copy of the University of Minnesota Alumni Association Annual Report is on file in the Board Office.

ANNUAL INTERCOLLEGIATE ATHLETICS REPORT

Regent Johnson invited Athletic Director Norwood Teague to present and asked President Kaler to introduce the annual report on intercollegiate athletics. Kaler emphasized the importance of student-athletes' academic performance as well as their athletic accomplishments. He noted that 13 Gopher programs were recognized nationally for their NCAA Academic Progress Rates (APR). Kaler added that the University is ranked fifth among football bowl series institutions based on APR, and first among public institutions.

Teague explained that the department's vision includes: investment in athletes, training, recruitment, and infrastructure; bold leadership; and an emphasis on winning, both on the field and in the classroom. He described the primary values of the department: integrity, teamwork, and commitment.

Teague reported that Athletics has 25 programs with more than 725 student-athletes, and a budget of \$107.3 million. He highlighted the past year's academic and athletic accomplishments, noting several national recognitions and awards. Teague described the department's financial status, detailing major expenses and sources of revenue and offering a projection of spending and revenue for the coming year. He described several facilities that were updated, provided an update on projects still in progress, and outlined goals for future projects.

Chair Johnson asked how many student-athletes are on full or partial scholarships. Teague responded that about 275 are on full scholarships and many others on partial scholarships. He noted that some student-athletes do not receive any type of funding aid. Johnson asked about coaches' salaries compared to Big Ten peers, not including football, men's hockey, or men's

basketball. Teague stated that the University ranks in the middle to lower third of the Big Ten, and that the department is doing what it can to raise that ranking.

Regent Lucas asked for clarification about the increase in grant-in-aid spending over the previous year. Teague stated that an increase of nearly \$1 million is for cost of attendance due to NCAA-mandated increases. He added that another \$1 million is for scholarships provided by the University to student-athletes; that amount is increasing due to tuition increases. Teague explained other factors such as room and board also affect the total increase.

Regent Hsu asked about the graduation rates of student-athletes. Teague replied that the six-year graduation rate is approximately 85 percent, which has been fairly steady for the past three or four years.

Regent Rosha commented on the steadily rising cost of season tickets for men's football and expressed concern about affordability. He asked for detail about the balance between raising money and maintaining a base of long-term season ticketholders. Teague emphasized that the decision to increase ticket prices was not taken lightly. He explained that prior to the latest increase in ticket prices, the department hired a national consultant to help evaluate the increase and its impact. He stated that even with the increased price, the University still isn't in the top third of Big Ten peers with respect to the cost of season tickets. Teague added that the overall response to the three-year incremental increase has been positive. Rosha discussed the rural fan base, and asked about the balance between the economics of media partnerships and the benefit to people in rural areas of the state. Teague explained that the University has broadened its affiliate list, and will continue to expand it to provide better coverage to Gopher fans statewide.

Regent Brod asked what the University's corporate partners are saying about their reasons for continued investment and support. Teague responded that the partners are aware of the goals of the University and understand what needs to be done to achieve them. He reported that partners are aware of how important athletic strength is to the overall reputation of the University.

Regent Beeson commented that he feels the department and the administration are doing a good job of partnering with the broader business community and expressed his enthusiasm for the increase in such corporate partnerships. President Kaler stated that the University is becoming widely know as a great partner for the Minnesota business community for many reasons, not only for athletics.

TITLE IX PRIMER – TWIN CITIES INTERCOLLEGIATE ATHLETICS

Johnson invited Tracy Smith, Deputy General Counsel; Kimberly Hewitt, Director of Equal Opportunity and Affirmative Action; and Beth Goetz, Deputy Athletics Director to join Director Teague, and asked President Kaler to provide an introduction to the presentation. Kaler provided background on recent Title IX activities at the University. He reported on an external review commissioned by the University as well as a federal investigation regarding the University's Title IX compliance, noting that his administration is developing a single equity plan to address their recommendations. Kaler reemphasized the University's commitment to Title IX.

Smith presented a comprehensive overview of the Title IX law and its enforcement. She described three key elements to the law as it applies to athletics: participation, financial aid, and various benefits and treatment. She explained that the method the University uses to measure equity in participation is substantial proportionality, which requires intercollegiate-level opportunities be provided for male and female students in numbers proportionate to their respective enrollment. Smith reported that the University measures equity in financial aid with

a similar method, requiring the total amount spent on male and female athletes to be substantially proportionate to their participation rates. She pointed out key differences in the way these two variables are measured, indicating that participation is rated against the entire student body, where financial aid is measured against only student-athletes. Smith noted that Title IX compliance for benefits and treatment is measured by total program comparison, which compares men's and women's programs as a whole, not on a sport by sport basis.

Teague discussed the operational impacts of Title IX at the University. He reported that Title IX compliance is a part of every decision made by the department of athletics. Goetz and Teague discussed data that demonstrates the University's compliance this past year in the areas of participation, financial aid, and benefits and treatment.

Hewitt outlined the ways the University monitors compliance with Title IX, including plans and programs developed in response to a 2007 self study. She explained the role of the Title IX coordinator and the Academic Committee on Athletics (ACA). Hewitt described the committee's recent activities and future goals.

Regent Simmons commented that the language of the Title IX law is subjective, making compliance officers a vital part of the process. She asked about the dynamics involved in interpreting the law and its compliance. Smith agreed that the law is open to interpretation, noting that although the law itself is short, regulations, federal policy guidance, and court decisions are all helpful in determining compliance or non-compliance.

Regent Lucas asked about the size and make-up of the gender and equity subcommittee within the ACA and how frequently it meets. Hewitt responded that the subcommittee has three faculty members, two students, one member from athletic compliance, the athletic coordinator, and a representative from the Office of the General Counsel (OGC). It meets monthly. Lucas asked if the subcommittee was briefed on the findings of the external review into the University's Title IX compliance. Hewitt responded that she herself was briefed, along with the subcommittee and a group of administrators.

Regent McMillan asked if the process for compliance applies to all campuses, or just the Twin Cities campus. Smith responded that the law applies to all parts of the University, but that the process for the system campuses is less elaborate. OGC offers guidance and advice to the system campuses. McMillan observed the importance of a clear process for all campuses.

Regent Hsu asked how many complaints are received each year, and what the presenters perceive to be the University's greatest weakness regarding compliance. Hewitt noted very few complaints about athletic disparities, explaining that there are more complaints about broader Title IX compliance. She reported that a system-wide annual review covers the entire University system. Smith stated that she feels the biggest area for improvement is equity in athletic facilities, noting as an example the absence of a competition facility for track.

Regent Brod asked how the University guarantees equity in all layers of the organization when there can be stark differences between revenue-generating sports and their non-revenue counterparts. Goetz responded that much consideration is placed on market factors, noting coach salaries as an example. She explained that spending does not have to be equal across genders, but it must reflect equivalent opportunity. Goetz added that the same consideration is placed on all areas of compliance, such as the facilities available to each program.

Regent Rosha asked if the Title IX compliance process extends to the spectator experience, wondering if the athletics department tries to provide similar amenities for fans of women's sports as they do for fans of men's sports. Smith stated that the fan experience is considered indirectly. Rosha asked if parking is considered in the compliance process. Smith replied that parking can be a consideration as it relates to scheduling and other factors, but is not a direct measure of compliance.

**TWIN CITIES CAMPUS PLANNING:
HOUSING STRATEGY AND AHC FACILITIES**

Chair Johnson invited Vice Presidents Pam Wheelock and Brooks Jackson, and Lori McLaughlin, Director of Housing and Residential Life, to present on Twin Cities campus planning, as detailed in the docket.

Wheelock provided an overview of current residential and health sciences facilities, as framed by the 2009 Campus Master Plan. She reviewed the distribution and development of health sciences and housing facilities, and outlined the condition of facilities on campus. She highlighted several health facilities that are in poor or critical condition and explained the strategic facilities plan, which is being implemented in several phases.

McLaughlin discussed the importance of providing a positive residential experience for students, describing the core principles that guide decisions about housing. She emphasized the importance of residential facilities in attracting highly qualified prospective students and explained that the residence hall experience is key to the success of a student's first-year. McLaughlin identified the efforts made by the University's Big Ten peers to improve and update residence facilities. She provided data on the University's graduation rates, highlighting a correlation between four-year graduation rates and first- and second-year on-campus resident experiences.

Jackson provided an overview of the academic health sciences mission, emphasizing the goals of education, research, and outreach. Jackson reported many changes in teaching methods in the health sciences and emphasized the need for state-of-the-art facilities to advance education goals. He noted the importance of clinical care and described several projects underway to advance clinical facilities. He added that certain areas in clinical care still require improvement, such as veterinary medicine and dentistry. Jackson described the need for updates to some of the University's research facilities and highlighted the importance of taking advantage of state and federal funding to promote interdisciplinary research.

Wheelock stressed the importance of clarity and agreement in planning for University facilities and emphasized the need to maintain strong stewardship of resources. She discussed the challenges and uncertainties involved in decisions about housing and academic health sciences and identified specific goals for short- and long-term planning for these facilities.

Regent Simmons suggested that the Board better define its priorities and principles to help guide facilities decisions. She cautioned that without such priorities, the Board runs the risk of making poorly balanced decisions.

Regent Lucas expressed her appreciation for the clarity of the presentation and in plans for future development. She emphasized the importance of having a housing district, such as the super block, adding that it creates a wonderful experience for students.

Regent Beeson stated that the presentation is the first time in his tenure that he has seen a holistic perspective on proposed facilities decisions. He expressed his appreciation for the honesty and realism in the ideas presented. He suggested the idea of hiring in an outside firm to help consider overall, long-term design plans.

Regent McMillan noted his agreement with the request for the Board to better define its priorities and principles regarding facilities.

Regent Hsu asked about the proposal for a new hospital and requested more information about the plans for such a facility. Wheelock responded that University partners have raised concerns

about the competitiveness of the current hospital facilities. She articulated that potential sites for a new hospital facility have been identified on both the East and West Banks of the Twin Cities campus. Jackson added that given the growing elderly population and the rate at which University facilities are becoming out of date, there is a high demand for more and better facilities.

Regent Hsu asked for clarification about the proximity of proposed sites for a new hospital and the current location of housing facilities and sought information on who owns the current hospital facilities. Wheelock explained that while specific sites had not yet been recommended, many could serve as the location for a new hospital. She stated that areas on the edge of campus are more appealing than in the center of campus. Jackson indicated that Fairview owns all of the hospitals on campus, including the newest hospital facility on the West Bank, now named the Masonic Children's Hospital.

Regent Devine commented on the significant investment required to support current plans and agreed with the suggestion to better articulate the Board's long-term priorities. He stated his agreement to hire an outside firm or consultant to steer the design.

REPORT OF THE COMMITTEES

Chair Johnson reported that the Academic and Student Affairs; Audit and Compliance; Faculty and Staff Affairs; Facilities, Planning and Operations; Finance; and Litigation Review committees did not meet this month.

NEW BUSINESS

Chair Johnson recognized new UMPD Chief of Police, Matthew Clark, and welcomed him to the University.

Regent Hsu expressed concern about the affirmative consent policy currently under review and moved that implementation of the revised policy be delayed until the Board can review it and obtain a legal review of the language.

Chair Johnson observed that the policy is an administrative policy, and asked President Kaler for confirmation. Kaler concurred and stated that the Board has delegated authority for administrative policy to the administration.

Regent Simmons stated her belief that the Board can override administrative policy, but expressed a preference that consideration of policy language occur with advance notice through a formal item on the agenda.

Chair Johnson asked Regent Hsu if he would agree to allow the policy to be reviewed by an appropriate committee and defer action to a later date. Hsu agreed as long as the policy not be approved or implemented before that review.

Regent Omari observed that the proposed policy is currently in a 30-day public comment period that is scheduled to end in time to allow implementation before the September Board meeting.

Executive Director Steeves stated that it is within the administration's discretion to determine when an administrative policy becomes effective. He articulated that once the review period is over, the administration could either implement the policy immediately or postpone implementation.

Chair Johnson observed that a motion was made but not seconded. Regent Rosha seconded the motion.

Steeves re-stated the motion, which was to delay implementation of changes to Administrative Policy: *Sexual Assault, Stalking, and Relationship Violence* until the Board can review the policy and obtain the legal opinion from the Office of the General Counsel.

Regent Simmons stated that she did not support the motion, but asked the Chair to request a delay of implementation to allow the Board time to determine if the administrative policy is in alignment with Board policy.

Chair Johnson asked Regent Hsu if he would withdraw his motion upon a request to the President that the policy changes be delayed. Regent Rosha indicated that if the Chair requested deferment, he would withdraw his second of the motion.

President Kaler stated that he would delay implementation of the administrative policy changes until the Board has time to review and provide its input. He indicated that he would have appreciated an opportunity to discuss objections to the language prior to the motion.

Regent Omari noted that faculty, staff, and students had already considered the policy and supported the changes. He urged the Board to carefully consider the potential risks and consequences of making changes to the proposed policy.

Regent Simmons expressed concern about the Board delaying progress, but offered support for postponing implementation until Regents could better understand and collectively discuss the changes.

Regent Cohen stated her opposition to the request for a delay in implementing the policy, noting that she feels the Board has moved beyond its governance role into management matters.

Regent Brod stated her belief that the Board reached a reasonable compromise in the request to delay implementation. She suggested that some matters need to be considered related to risk, compliance and law, and stated her support for further assessment of the policy.

Regent Devine stated his support for the suggestion to defer implementation. He explained that more information should be considered, and expressed his belief that delaying implementation by a few months would not have a significant impact. He added that he feels it is important to fully understand the legal implications of the proposed changes.

Regent Simmons indicated her agreement with Regent Cohen's comments about the Board moving beyond its governance role.

Regent Beeson stated that an opportunity to discuss the matter seems reasonable but emphasized his agreement with Regent Cohen about the role of the Board. He expressed displeasure in the way the Board is overriding an administrative matter, and explained that he sees no reason to delay.

Regent Brod reminded the Board that student safety was one of its top risk management priorities, noting that the safety implications are enough to bring this to a Board level.

Regent Hsu commented that he believes safety is paramount and the policy should be implemented in the best possible way. He stated his belief that a bit more time for consideration will be worthwhile.

Regent Simmons expressed her desire to draw the discussion to a close. She offered appreciation to the administration for addressing such a serious matter.

The meeting adjourned at 2:49 p.m.

BRIAN R. STEEVES

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

**Executive Director
and Corporate Secretary**