

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents Meeting
May 12, 2016**

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, May 12, 2016 at 8:00 a.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, David McMillian, Abdul Omari, Darrin Rosha, and Patricia Simmons.

Staff present: President Eric Kaler; Chancellor Fred Wood; Vice Presidents Katrice Albert, Brian Herman, Brooks Jackson, and Richard Pfutzenreuter; Interim Vice President Bernard Gulachek; General Counsel William Donohue; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt and Michael Volna.

UNIVERSITY OF MINNESOTA HEALTH AGREEMENT

Chair Johnson introduced the following presenters to provide an update on the University of Minnesota Health (M Health) agreement: Brooks Jackson, Vice President for Health Sciences and Dean of the Medical School; Bobbi Daniels, CEO, UM Physicians and Vice Dean for Clinical Affairs, Medical School; Richard Pfutzenreuter, CFO and Treasurer; and Keith Dunder, Academic Health Center Counsel.

Jackson provided an overview of the academic health system and shared goals of the University and Fairview Health Services (Fairview). He explained the planned M Health governance structure, describing board makeup, reserved powers, and approval requirements. Daniels discussed physician leadership, explaining reporting relationships and the operational dynamic among the joined entities. Pfutzenreuter described financial components of the deal, including fixed and variable academic support, clinical innovation funds, and capital planning. The presenters also discussed education and research goals, branding rights, the CEO search, financial and legal due diligence, and next steps in the integration.

In response to several questions from Regent Hsu, Jackson reported a tentative timeline to finalize key points within several weeks, return the agreement to the Board for approval in June, and close the deal by August 1. He stressed that the integration process is delicate and requires careful attention. Jackson explained the process by which fixed and variable academic funds would become available, emphasizing that net operating income considers all aspects of combined financial, academic, and clinical operations. He explained that unforeseen operating costs would not come out of the fixed funds designated for academic support. Pfutzenreuter also remarked on several challenge areas, such as IT and technology infrastructure, and noted that efforts will be made to improve those systems. Jackson stressed that compliance and infrastructure are crucial factors to the success of the integration.

Regent Beeson remarked that he does not anticipate high dividends in the first few years of integration, and emphasized the importance of establishing realistic expectations. He suggested that the integration is an opportunity to create greater efficiency and accountability among leadership, namely the new CEO. He added that building a strong culture should be a key priority of the integration. Jackson agreed, adding that he is confident the CEO finalists are up to the challenges.

Regent Anderson asked about guarantees that the University will not be subject to past actions of the other parties, such as those that could be identified in an audit. Dunder replied that efforts are underway to protect the University's liabilities and keep them separate from the new entity.

Regent Devine asked about the structural components of the integration, future investments in healthcare facilities, and potential timing of expansion. Jackson noted that the agreement includes a five-year plan to improve and modernize clinical facilities such as patient rooms but emphasized that it does not guarantee a new hospital. He noted the need for more modern facilities, given factors like a rapidly growing elderly population. He added that one advantage of the integrated system is the additional acreage and property that will be accessible to the University. Pfutzenreuter added that the investment in updated rooms and facilities could be substantial – possibly in excess of \$100 million.

In response to a question from Regent Devine about long-term facilities planning, Jackson explained that it is hard to be specific given the pace of advances in the medical field. He reiterated that larger projects would require a sizeable investment, and remarked that M Health will want a new patient-care facility at some point, but likely not for several years. Pfutzenreuter commented that deficiencies in the Fairview IT systems and network upgrade issues are also a concern. Daniels added that upgrades are necessary to bring systems up to current standards. She emphasized that these issues will be a priority during the integration.

In response to a question from Regent Rosha, Jackson responded that most research activities occur on the Twin Cities campus and that little is conducted at other locations. He noted that the integration will help expand those research activities.

Rosha asked about avoiding confusion between M Health and the University, so people do not wrongly associate unaffiliated facilities with the University. Daniels replied that the licensing agreement has strict rules related to the M Health brand and stressed that significant standards will be implemented to monitor brand usage. Rosha clarified that his concern is related to potential confusion over the governance of M Health given the use of "University of Minnesota" in its title, noting that the Board of Regents will not oversee M Health activities or directly influence its decisions. Dunder replied that the integration and naming model is quite common across the country, so confusion about governance is unlikely. Jackson added that though the Board will not have direct influence over governance of the new entity, it will appoint 50 percent of the new board. In response to a question from Rosha about selection of M Health board members, Chair Johnson clarified that the process will be similar to that of other Board appointments.

Regent Simmons explained that several internal work groups, along with an outside consulting firm, have identified prospective M Health board members and are establishing a process for making recommendations. She reminded the Board that the main objective of the integration process is advancing the reputation of the University's medical school, but it is not the only goal. Simmons stressed that quality faculty are a key factor in the success of the medical school as well, and noted that all aspects of the integration agreement are focused on creating a culture in which the faculty can succeed. She commented that the Board has some reserved powers that will protect the University's interests, even if the Board will not directly oversee M Health operations.

In response to a question from Chair Johnson, Daniels commented on local and national interest in the integration, as evidenced by the breadth of CEO candidates. Jackson added that the University's size is a slight disadvantage, since many companies in the industry seek larger institutions for partnerships and collaboration. He added that one of the goals of the integration and the expanded clinical network is to promote and support the local medical industry.

Regent Cohen commented that selection of new board members is critical and expressed her hope that the process will be as smooth as it has been for other Board appointments. She suggested that the full Board discuss the appointments, rather than a committee discussion only. She added that establishing a strong culture will be crucial to the success of the integration.

The meeting adjourned at 9:12 a.m.

A handwritten signature in black ink that reads "Brian R. Steeves". The signature is written in a cursive, flowing style.

BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Facilities, Planning & Operations Committee
May 12, 2016**

A meeting of the Facilities, Planning & Operations Committee of the Board of Regents was held on Thursday, May 12, 2016 at 9:45 a.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Lendley Black, Jacqueline Johnson, and Fred Wood; Vice Presidents Richard Pfutzenreuter and Pamela Wheelock; Interim Vice President Bernard Gulachek; Executive Director Brian Steeves; and Associate Vice Presidents Michael Berthelsen and Frances Lawrenz.

Student Representatives present: Samantha Jensen and Chase Taylor.

CAPITAL PROJECT DELIVERY AT THE UNIVERSITY

Regent McMillan invited Suzanne Smith, Assistant Vice President for Capital Planning & Project Management, to present an overview of capital project delivery at the University, as detailed in the docket.

Smith outlined Board of Regents involvement in the capital planning and project management process, noting the points in the process that require Board approval. She identified the state requirements for project delivery, the project delivery process for large projects, and contractor selection method for projects over \$250,000. Smith explained that all capital projects are delivered using the best value process regardless of delivery method. The best value process evaluates suppliers based on a combination of price and performance. She emphasized that the lower price does not always win the bid under this structure.

Smith defined the three major project delivery methods used by the University: design-bid-build; design-build; and construction manager at risk. She identified the key characteristics of each method, described their benefits and challenges, and noted how many projects were active in each category.

Smith described the similarities and differences between University construction projects and those completed by the private sector. She noted some of the federal and state requirements that restrict the University to use materials made in the United States, along with the many stakeholders that have to be consulted.

Regent Devine expressed his appreciation for the better context around the project delivery process. He agreed with the importance of using American-made steel, but noted the higher cost in doing so. He highlighted two elements that for him significantly differentiate the University from private construction: University buildings are required to be designed and constructed to last far longer than private construction, and providing swing space for units adds limitations and cost. Devine stressed the importance of sharing this information with legislators.

Regent Anderson commented that delays throughout the process cost money and it is important for the committee to understand how any delay caused by Regents could impact the final cost. Vice President Wheelock offered that the emergency approval process in Board policy allows projects to move forward when the committee is not meeting. McMillan agreed that the committee should seek to balance avoiding delays with ensuring proper oversight.

UNIVERSITY HOUSING: THE ROLE OF MASTER LEASING IN MEETING ENROLLMENT GOALS

Regent McMillan invited Vice President Wheelock and Laurie McLaughlin, Director of Housing and Residential Life, to present the role of master leasing in meeting enrollment goals for housing on the Twin Cities campus, as detailed in the docket.

Wheelock summarized recent housing discussions and reports presented to the committee. She explained the University's housing goals, outlined the recently adopted enrollment plan, and described the goals for providing housing to first-year, second-year, and transfer undergraduate students. She noted the University's current housing capacity and reviewed a projected demand for fall of 2021, pointing out that over 900 additional beds are needed.

Wheelock described the two types of housing stock the University provides, residence halls and apartments. Residence halls are solely provided by the University, while apartments are readily available from the private sector. Wheelock explained that the University is prioritizing an increase in residence hall beds for first-year students, but also considering adding additional apartment-style housing like Yudof and Wilkins Halls. She stated that both halls are filled to capacity each year, but that it is unclear if that is due to style or location.

McLaughlin defined master leasing and provided the University Village apartment complex as an example. The University started renting the facility in 1999, and has the option to renew the lease for two additional years. She explained that the University manages the 417 beds as it does with any other University-owned apartment facility. McLaughlin defined the intended goals of master leasing and outlined the current request for proposals (RFP). Wheelock presented the anticipated demand forecast for housing and a draft long-term facility use graph.

In response to a question from McMillan, Wheelock reported that responses for the master lease RFP had been received and are being reviewed. She noted that the RFP was for new contracts only and that she anticipates bringing a proposal to the committee in June.

Regent Lucas wondered if a building fully leased by the University is covered by the University's property tax exemption. Susan Carlson Weinberg, director of Real Estate, replied that the University's exemption does not transfer; given that, it is more desirable to own.

Devine commented that using master leases would help to avoid expanded housing, providing the opportunity to invest in lounges. Noting a low number of transfer students being housed, he added that residence hall housing has been shown to help improve retention of transfer students and students of color. Wheelock responded that increasing student retention is a conversation that impacts more than one committee. She noted that her office is working with the provost to create a plan to create living and learning communities. Wheelock stated that teaching and learning facilities to accommodate increased enrollment would also be needed.

In response to a question from McMillan, Wheelock responded that University housing captures 90 percent of first-year students, but given a student's ability to choose to live off campus it will never be able to capture 100 percent. McLaughlin added that housing transfer students has been a challenge over the last 10 years, with the vast majority who seek housing preferring to live in a residence hall. She explained that a living and learning community had been implemented for transfers and could be expanded.

In response to a question from Student Representative Taylor, McLaughlin noted an effort to create a second-year experience in 17th Avenue and Middlebrook Halls. She added that many second-year students request Comstock Hall, and reminded the committee that with the exception of Centennial Hall, the rest of the superblock is restricted to first-year students. Wheelock commented that the determining factor for many students between residence halls and apartments is if the student is willing to cook.

McMillan asked if the RFP specified a master lease for all or part of a facility. Wheelock explained that the RFP gave responders options to indicate part or all of a facility. She suggested that when Housing and Residential Life tours the facilities, they will look at security and management. McLaughlin reported that a partial building could present issues with management and security. She noted that the design of University Village allows the University to have full control of the leased section.

In response to a question from McMillan, Wheelock responded that student housing owned and operated by the University of Minnesota Foundation are seen as separate from the capacity numbers presented to the committee but could be added.

PROJECT COMPONENTS OF THE PRESIDENT'S RECOMMENDED FY 2017 ANNUAL CAPITAL IMPROVEMENT BUDGET

Vice President Wheelock provided an overview of the project components of the President's Recommended FY 2016 Capital Improvement Budget (Capital Budget), as detailed in the docket.

McMillan commented that before any significant investment was made, the committee should endorse a vision for housing over the next 10-20 years. He stated that the committee, in conjunction with the rest of the Board, should consider endorsing housing along the Mississippi River as part of a long-range plan for Twin Cities housing. McMillan noted the necessity for a clear understanding of the financial impact of significant investment in housing for students and the University. He emphasized the need to review a complete analysis of the master lease approach, a full range of housing options, and what a minimum investment alternative might be to give the University time to implement a comprehensive housing strategy. McMillan added that while the Board does not have a clear picture of what the M Health integration means for academic health facilities over the long term, the committee and Board should determine whether to endorse the presented plan of additional facilities on the East Bank as a framework.

Wheelock explained that the Capital Budget authorizes projects totaling \$374,614,000 to begin design or construction during the next fiscal year. She highlighted several key projects, including those projects included in the state capital request. Of the \$374.6 million included in the capital budget, \$65.8 million is supported by local funds, grants and gifts, or institutional funds; \$72.7 million by University debt; and the remaining \$236.3 million by state debt. Wheelock noted that the Capital Budget would be updated to reflect the outcome of the legislative session before returning to the Board for action.

In responses to questions from Regent Johnson, President Kaler reported that some of the University's request – primarily higher education asset preservation and replacement (HEAPR) and the Chemistry and Advanced Materials Science Building on the Duluth campus – were being strongly considered by Governor Dayton and the legislature. He noted that the Senate had failed to pass the bonding bill and it was looking unlikely that either body would pass a bonding bill through the normal process. He predicated that the governor and legislative leadership might pass a bonding package at the end of session as a part of a negotiated deal. He noted that neither the governor nor the Senate included Pillsbury Hall, but a network of alumni was lobbying for it. Kaler reminded the committee that the Board had adopted the capital request with a priority order.

McMillan asked what happens to the list of HEAPR projects if the full amount was not funded by the legislature. Wheelock responded that units would reevaluate project priority based on available funds.

Wheelock reported that the facilities management item includes funding for remediation in the Armory, along with lighting replacement. She noted that the Armory would be included in the six-year capital plan next fall. Johnson asked if the Armory was categorized like other National Guard armories. Wheelock responded that it does not meet the federal definition of an armory and is not eligible for federal or state armory funding. Regent Rosha expressed his support for Armory renovation, citing numerous safety issues and need for lead abatement. He noted that when he was on the Board previously, the Armory was viewed as a federal building and the University was unable to renovate it. He expressed his disappointment that the building was in worse shape today. He connected the building with the land grant mission of ensuring a military controlled by the citizens. Rosha expressed his belief that the project would be attractive to the legislature and donors.

Devine stated his concern with the multiple pool components included in the Capital Budget. He stressed the need for a big-picture housing strategy related to the enrollment strategy. He conveyed his apprehension with allocating funding to residence halls that eventually would be decommissioned. Devine referred the committee to the Twin Cities Student Housing Strategy report committee charge and stated his belief that not all of the items had been addressed. He requested that the committee be presented with a full range of options for housing, including new construction. Wheelock responded that in her opinion, the Twin Cities Student Housing Strategy report was completed. McMillan expressed his belief that the big-picture, long-term land use needs must be determined before significant investment can be made.

GREEN LINE OPERATIONS AND MAINTENANCE ADDENDUM: YEAR TWO VIBRATION AND EMI PERFORMANCE STANDARDS REVIEW

Regent McMillan invited Leslie Krueger, chief of staff, University Services, and Associate Vice President Frances Lawrenz to present for review and action a resolution related to an amendment to the Green Line Operations and Maintenance Addendum, as detailed in the docket.

Krueger outlined the history of the Green Line operations agreement. She gave an overview of the resolution, defined the problem that caused the performance issues, and noted the recent performance of the implemented solution. Krueger explained that the resolution delegates to the president or designee further alterations to the agreement.

A motion was made and seconded, and the committee voted unanimously to recommend adoption of the resolution related to operating and maintenance addendum to the agreement for the central corridor light rail transit project through the University of Minnesota, Twin Cities campus.

INFORMATION ITEMS

Vice President Wheelock referred committee members to the following information items:

- Real Estate Lease: Agreement for Use of University Facilities and Services by NHL Enterprises, LP for 2016 Coors Light NHL Stadium Series, February 9-29, 2016 (Twin Cities Campus)
- Final Project Review: Veterinary Isolation Facility (Twin Cities Campus)

The meeting adjourned at 11:41 a.m.

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

BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Faculty & Staff Affairs Committee
May 12, 2016**

A meeting of the Faculty & Staff Affairs Committee of the Board of Regents was held on Thursday, May 12, 2016 at 9:45 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Michael Hsu, presiding; Richard Beeson, Laura Brod, Linda Cohen, and Abdul Omari.

Staff present: President Eric Kaler; Chancellors Lendley Black, Jacqueline Johnson, and Stephen Lehmkuhle; Executive Vice President and Provost Karen Hanson; Vice President Kathryn Brown; General Counsel William Donohue; and Executive Director Brian Steeves.

Student Representatives present: Love Odetola and Cory Schroeder.

**COLLECTIVE BARGAINING AGREEMENTS WITH
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 292
and
THE GRAPHIC COMMUNICATIONS CONFERENCE OF THE
INTERNATIONAL BROTHERHOOD OF TEAMSTERS, PRINTERS LOCAL 1-M**

Regent Hsu invited Vice President Brown and Patty Dion, Director, Employee Relations, to present for review and action collective bargaining agreements between the Regents of the University of Minnesota and the International Brotherhood of Electrical Workers, Local 292, and between the Regents of the University of Minnesota and the Graphic Communications Conference of the International Brotherhood of Teamsters, Printers Local 1-M, as detailed in the docket.

Dion outlined the terms and conditions of employment in each agreement.

A motion was made and seconded and the committee voted unanimously to recommend approval of the collective bargaining agreements.

REVISED CONSENT REPORT

Vice President Brown invited President Kaler and Provost Hanson to join her in presenting for review and action the Revised Consent Report, which included the following appointments:

- Mark Coyle as Director of Intercollegiate Athletics at the University of Minnesota Twin Cities.
- Scott Lanyon as Vice Provost and Dean of Graduate Education at the University of Minnesota Twin Cities.
- Linda Cutler to the Minnesota Landscape Arboretum Foundation Board.

Hanson presented for approval Scott Lanyon as vice provost and dean of graduate education. Kaler presented for approval Mark Coyle as athletics director on the Twin Cities campus. Brown presented for approval the appointment of Linda Cutler to the Minnesota Landscape Arboretum Foundation Board.

In response to a question from Regent Beeson, Hanson noted the reorganization of graduate education and resulting priorities of the new dean of graduate education: securing more research funding; advancing the standing of the institution's postbaccalaureate research programs; and working on issues related to postdoctoral education.

Regent Omari commented on the dynamic nature of higher education and his belief that the slate of appointees before the committee reflects the institution's appropriate response.

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

ANNUAL PROMOTION/TENURE RECOMMENDATIONS CONTINUOUS APPOINTMENTS: ANNUAL RECOMMENDATIONS

Vice President Brown invited Executive Vice President and Provost Hanson and Rebecca Ropers-Huilman, Vice Provost for Faculty and Academic Affairs, to present the annual promotion and tenure recommendations and the annual recommendations for continuous appointments, as detailed in the docket.

Hanson and Ropers-Huilman defined regular faculty and contract faculty, outlining the differences between the two, and walked through the basic principles of tenure and promotion and the review process. They noted that 140 regular faculty were recommended for tenure and/or promotion, and 51 contract faculty recommended for promotion. This year's cohort had a success rate of 76 percent.

Regent Omari commented on the vast demands on faculty and the importance of their student advising efforts. Hanson agreed on the worth of advising work and noted that the institution takes such work very seriously.

In response to a question from Regent Cohen, Hanson described the annual evaluation process of tenure-track faculty. This process includes a written record of areas for improvement, advice given, and whether adequate progress is being made toward an affirmative tenure decision. Ropers-Huilman noted the seriousness of the process and its documentation, including the tracking of the junior faculty member's response to feedback. Hanson added that the process is designed to be not just evaluative but developmental.

Regent Beeson asked about additional tenure criteria of interest to faculty. Ropers-Huilman responded that both interdisciplinary work and public engagement across the three parts of the mission are frequently discussed. She noted that while a variety of ideas are raised regarding what should be included in tenure decisions, different conceptualizations of those ideas across disciplines can make it difficult to implement as a University standard. Hanson added that the question may be more about what form an activity takes in various disciplines, or how a unit might weigh that activity in its tenure deliberations.

Regarding intellectual diversity, Regent Brod asked about objective guidelines in place to ensure fairness in the tenure review process. Hanson noted the content neutrality of certain measures, such as performance venues or journal reputation, but added that ultimately, tenure review is a social conversation in which the institution must continue to try its best.

Beeson requested that the topic of balance and tolerance in the University's hiring process come to the committee at a future meeting. Brod agreed. Omari noted the importance of a robust unconscious bias training program.

Omari asked about institutional flexibility around adjusting to demands of the grants market, and how the tenure process accommodates temporary leadership positions. Hanson responded

that some faculty may elect to make a personal sacrifice regarding their promotion trajectory for the good of the institution, as there is no “pause” button resulting from the choice to take on such responsibilities as department chair. Regarding external factors like the grants market, she noted that several colleges were engaging in discussions around such things as a longer probationary period for fields with a very low research grant yield rate.

In response to a question from Beeson, Brown noted that the continuous appointment designation is a unique carve-out for the small number of employees – mainly librarians – who closely support the academic mission but are not faculty. In response to a follow-up question from Beeson, Brown added that the continuous appointment structure is a historical artifact related to librarians’ desire to be “faculty like.” Brown agreed with a clarification from Brod that such employee definitions are protected in policy, and that the University could choose to change those policies.

In response to a question from Student Representative Odetola, Hanson noted a variety of support mechanisms available to faculty. Ropers-Huilman listed several examples, including faculty development programs through departments and the Office for Equity and Diversity; changes in policies and practices resulting from the engagement survey; and wellness programs that support overall health.

Motions were made and seconded, and the committee voted unanimously to recommend approval of the annual promotion and tenure recommendations of regular faculty; the annual promotion and tenure recommendations of contract faculty; and the continuous appointment annual recommendations, as presented in the docket materials.

Hanson introduced four newly tenured and/or promoted faculty members and their areas of focus. Each professor briefly addressed the committee regarding their work to advance the three-part mission of the University:

1. Associate Professor Tasoulla Hadjiyanni; Design, Housing and Apparel; College of Design, UMTC
2. Assistant Professor Molly Dingel; Center for Learning Innovation, UMR
3. Assistant Professor Stefano Gonella; Civil, Environmental and Geo-Engineering; College of Science and Engineering, UMTC
4. Assistant Professor Adriana Zabala, School of Music, College of Liberal Arts

A lively discussion ensued around the reasons each professor chose the University; the most important indicators affecting their success; and their inspiration to become academicians.

INFORMATION ITEMS

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

The meeting adjourned at 11:33 a.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Audit & Compliance Committee
May 12, 2016**

A meeting of the Audit & Compliance Committee of the Board of Regents was held on Thursday, May 12, 2016, at 1:15 p.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellor Stephen Lehmkuhle; Executive Vice President and Provost Karen Hanson; Vice Presidents Brian Herman and Brooks Jackson; Interim Vice President Bernard Gulachek; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt and Michael Volna.

Student Representatives present: Dalton Javner and Max Hall.

**REVIEW OF EXTERNAL AUDITOR RELATIONSHIPS
AND SERVICES PROVIDED**

Regent Brod invited Associate Vice President Volna to present the external auditor review and summary of external auditor relationships and services provided, as detailed in the docket.

Volna reported that total Deloitte & Touche (Deloitte) contracted audit and non-audit fees were \$3,320,507 for FY 2015 engagements, with actual fees of \$3,123,591 paid. All FY 2015 engagements have been completed and final billed. He noted that University management is pleased with Deloitte's fee management; work plan; team continuity; and responsiveness regarding suggested IT improvements. He added that the most significant non-audit engagement with Deloitte this year was for M Health financial due diligence.

Volna reviewed the total fees for audit and non-audit services provided by other public accounting firms. The University engaged four public accounting firms for a variety of audit and non-audit services totaling \$3,143,816 for FY 2015. He reminded the committee that all services were reviewed by the Controller's Office and approved or reported to the committee.

The FY 2016 annual audit is the seventh and final year under the contract for audit services with Deloitte. The University will begin a Request for Proposal process in fall 2016 for audit services.

EXTERNAL AUDIT PLAN

Regent Brod invited Associate Vice President Volna as well as Katie Knudtson and Judith Dockendorf from Deloitte and Touche (Deloitte) to review the external audit plan for FY 2016, as detailed in the docket.

Knudtson and Dockendorf walked through highlights of the overall plan, noting that the scope of services is consistent with previous years.

Regent Brod asked for clarification of the internal versus external auditing functions. Volna explained that the external auditors examine whether the University's financial statements are fairly stated or materially misstated. Klatt noted that internal audits focus on processes and the controls around those processes.

In response to a question from Regent Beeson, Volna explained that the financial system experienced few process or control changes in the latest upgrade. He added that the payroll system experienced a number of changes, which could come before the Finance Committee for discussion.

UPDATE ON REMEDIATION OF INFORMATION TECHNOLOGY AUDIT FINDINGS

Regent Brod invited Interim Vice President and CIO Bernard Gulachek to present an update on remediation of information technology (IT) audit findings, as detailed in the docket.

Gulachek shared progress through four approaches:

1. An IT compliance function, in place for about eight months. This function serves as a liaison between University technologists – both inside and outside central IT – and Internal Audit.
2. “Centers of Excellence” focused on leveraging areas of IT expertise through formal delegation of service authority and accountability.
3. Continue to leverage the institution's standardized, enterprise-class, common-good IT services and infrastructure in support of locally specialized technology needs. He noted that common-good services allow local units to shift their risk to central IT, with one example being the extension of encrypted storage to all units requiring Health Insurance Portability and Accountability Act (HIPAA) compliance.
4. Reducing future audit findings through standardization incentives and continuing development and communication of existing IT policy.

Gulachek noted that each approach is designed to reduce future audit findings.

Brod invited Klatt to comment. Klatt noted that her office shares the committee's concerns and frustration regarding IT findings. She added that Gulachek and his staff have been cooperative and forthcoming with a number of creative solutions. She thanked the Provost for her office's cooperation on remediation activities related to Boynton Health Service.

Regent Hsu asked about the tracking of costs related to remediation activities, and the source of funding for those activities. Gulachek responded that the costs and who pays them varies by the type of audit finding and remediation strategy. Hsu asked whether there is a way to know the total cost of remediating audit findings. Brod suggested that Gulachek bring cost information back to the committee in the fall as part of his update on outcomes. Klatt pointed out that remediation frequently involves bringing units and individual staff into compliance with existing University policy. To that end, she noted, the issue is the cost to comply with policy as written, not the cost to remediate. Units that comply with policy have already invested the cost.

In response to a question from Regent Beeson, Gulachek offered that the institution has been centralizing IT services for more than 20 years, but central IT cannot do everything. Distributed IT allows support to be as close to the work as possibly, while being far enough away to be efficient.

UPDATE ON IMPLEMENTATION OF HUMAN PARTICIPANT RESEARCH PROTECTION PLAN

Regent Brod invited Vice President for Research Brian Herman and Vice President for Health Sciences and Dean of the Medical School Brooks Jackson to provide an update on progress made since February 2016 on the Human Participant Research Protection plan, as detailed in the docket.

Herman recognized his chief of staff, Lisa Warren, and Emily Lawrence, chief of staff to Vice President Jackson, for their work to coordinate significant progress on the plan. He thoroughly reviewed a variety of progress updates related to the Internal Review Board (IRB), oversight structures, culture, and training and education.

Jackson reviewed progress in the Department of Psychiatry, including appointment of a new department head; adoption of Good Clinical Practice standards for all studies; and endorsement of and transition to Clinical and Translational Science Institute management of all clinical trials.

Regent Brod noted that a work plan item marked “100% complete” is not the same as the work being done. Herman agreed, saying work continues after goals are met.

In response to several questions from Regent Beeson, Herman noted that the University would engage Dr. David Strauss as long as it felt the need for independent expertise. He offered September as a possible date for the rescheduling of Alliance for Human Research Protection (AHRP) reaccreditation, noting that the University is currently in an “accreditation pending” status with the organization. Herman also addressed the thinking behind the Research Compliance Office, pointing out that the University wanted to enhance compliance in all areas of research – not just human research – and to provide an independent entity to perform for-cause investigations. He noted as well the University’s testimony before the legislature regarding no need for a legislatively mandated ombudsman to oversee drug research trials in Psychiatry.

INSTITUTIONAL COMPLIANCE OFFICER SEMI-ANNUAL REPORT

Regent Brod invited Lynn Zentner, Director, Office of Institutional Compliance (OIC), to present the institutional compliance officer semi-annual report, as detailed in the docket.

Zentner provided an overview of OIC’s activities in the following areas:

- Continuing the focus on the University’s values and commitment to ethical conduct.
- Particular compliance-related matters, including the independent review of active IRB studies; revisions to the administrative Conflict of Interest Policy; external review of matters related to the Athletics Department; a new Clery compliance coordinator; and various monitoring initiatives.
- Report of the institutional compliance function review.
- UReport statistics for May 2015 through April 2016.

Noting Zentner’s pending retirement, Brod thanked her for her service to the University through driving and monitoring compliance.

INFORMATION ITEMS

Regent Brod invited Associate Vice President Klatt to present the information items, as detailed in the docket.

Klatt explained a contract extension related to M Health financial due diligence. She noted that the extension did not require committee approval.

GOPHER MEN'S AND WOMEN'S BASKETBALL AUDIT

Regent Brod acknowledged the recent release of the basketball audit and subsequent media attention. She noted that while the audit findings would be included in the June internal audit report, Regents could ask their initial questions now.

Regent Hsu asked if private jet mileage overages were approved, and if so, by whom. Klatt responded that she was told they were approved by the previous athletic director, but no documentation was provided. Hsu asked why the men's basketball coach's contract was not amended to increase the jet mileage allowance. Klatt said she could not speak to that.

Regent Beeson asked about the process for contract compliance institution-wide, and suggested the committee look further into the matter. Brod responded that it was likely a future committee meeting would include an update from athletics staff on remediation of findings.

Klatt reminded the committee that the athletics audit work delivered in December 2015 was an acceleration of the financial controls portion of already-scheduled athletics audit work. She noted that the rest of that audit will likely come to the committee in June, along with a follow-up on the December recommendations. Klatt asked the committee to keep in mind that the basketball audit overall included two very positive aspects: zero academic findings, and very minor compliance findings.

Brod offered that the need for additional controls is clear.

The meeting adjourned at 2:51 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Governance & Policy Committee
May 12, 2016**

A meeting of the Governance & Policy Committee of the Board of Regents was held on Thursday, May 12, 2016 at 1:15 p.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Lendley Black and Fred Wood; Vice Presidents Katrice Albert and Richard Pfutzenreuter; General Counsel William Donohue; and Executive Director Brian Steeves.

Student Representatives present: Love Odetola

BOARD OF REGENTS POLICY: AWARDS, HONORS, AND RECOGNITION

Regent Cohen invited Jason Langworthy, Board Associate, Policy & Committees, Office of the Board of Regents, to present for action proposed amendments to Board of Regents Policy: *Awards, Honors, and Recognition*, as detailed in the docket.

Langworthy reviewed the proposed amendments and indicated that no substantive changes had been made since the committee reviewed them in December. He noted that administrative titles had been updated to reflect recent Board action.

A motion was made and seconded, and the committee voted unanimously to recommend adoption of the proposed amendments to Board of Regents Policy: *Awards, Honors, and Recognition*.

BOARD OVERSIGHT OF INTERCOLLEGIATE ATHLETICS

Regent Cohen invited Executive Director Steeves to present an overview of the Board's oversight of intercollegiate athletics (athletics), as detailed in the docket.

Steeves outlined the framework for Board's oversight of athletics and how it has evolved. He explained that following major NCAA rules violations in 1988 and 1991, the Board adopted Board of Regents Policy: *Intercollegiate Athletics – Twin Cities Campus* to establish guiding principles to govern athletics. He noted that additional major infractions in 2000 and 2002 led to changes in reporting lines and a new model of shared faculty governance.

Steeves explained that the Association of Governing Boards of Universities and Colleges (AGB) issued a report in 2012 that offered recommendations on board oversight of athletics. In response to the AGB report, then-Board Chair Cohen requested that the Office of the Board of Regents and the Office of the President draft a white paper offering recommendations for the Board to implement. Steeves outlined the four recommendations made in the resulting white paper and offered examples of how they have been implemented. He also explained the four main areas of the Board's current oversight framework.

Regent Johnson wondered how the Board's oversight compares to peers across the Big Ten. Noting that athletics oversight varies widely across the conference, Steeves suggested that each institution's varied history drives the differences, citing NCAA violations as a major driver of oversight structure. He added that athletics oversight is regularly discussed by boards across the Big Ten.

Johnson suggested that the oversight conversation had changed with the positive reaction to Mark Coyle being hired as the new athletics director. He explained that he is not opposed to making changes to the oversight structure or reviewing contracts of highly compensated employees that are equal to or above the president's salary.

President Kaler expressed support for distributing oversight of athletics across the Board's committees versus the establishment of a single athletics committee. He offered that it allows all Regents to more directly exercise athletics oversight. He noted that the unfavorable audit findings were being addressed, adding that it would take time to complete reforms. Kaler pointed out that he has conversations now with Regents when hiring highly compensated employees like coaches, and expressed support for creating a formal process for consideration of those appointments. He cautioned that negotiations require the ability to act quickly and any policy revision should consider the effect on negotiations.

In response to a question from Regent Devine, Steeves responded that the University Progress Card was approved by the Board and is now included as a component of the annual *University Plan, Performance, and Accountability Report*. Kaler added that if one of the measures was below the approved goal, the Board would be aware of it and the administration would monitor it over the following year, but no automatic action would result.

Devine reflected on the recent issues faced by athletics and other major media stories about the University, and expressed his desire for the Board to react quickly to issues as they arise. Steeves responded that it is not the primary function of a governing board to coordinate and make an immediate media response; that is the responsibility of the administration. He offered that a governing board ensures that the necessary oversight infrastructure is in place at the appropriate level. Steeves suggested that if a governing board determines a crisis happened because of a lack of oversight or policy, then it is that board's duty to take corrective action.

Devine wondered how the Board could be proactive in ensuring that proper oversight is in place. Kaler commented that Norwood Teague worked for him and his actions are ultimately Kaler's responsibility. He asserted that the activities highlighted by the recent audit should not have happened and that it is his duty to ensure that they do not happen again. He explained that he expects the new athletic director to complete related reforms and ensure they are not repeated. Kaler suggested that he did not know how the Board could assert itself into that process outside of removing him as president. He asserted that it is not healthy for a governing board to oversee each individual budget unit.

Regent Rosha responded that weighing all issues against removal of the president is unfair. He stressed that the oversight structure does not need to be the same for every unit. He expressed his sense that the 2014 white paper described the ways in which athletics is already treated differently from other units, yet advocated no special treatment by the Board. He maintained that the conversation should not change simply because the new athletic director has been well received, emphasizing that the discussion was healthy regardless of the new hire. He offered that athletics has a large impact to the University's brand and reputation, noting that an unsuccessful program or one lacking proper controls affects how stakeholders view the University.

Rosha emphasized that the Board should establish clear expectations, but suggested that it has not done a very good job of defining budget expectations. He labeled the current policy aspirational but redundant. He suggested that athletics be treated as an asset, not a liability that needs to be subsidized. Rosha agreed that athletics oversight could work within the current committee structure, but all Regents must have the ability to see how their piece of that oversight fits within the larger landscape. He recommended that the Board engage in conversations that define the expectations for athletics, focusing on what the Board expects, the types of programs that should be offered, and effective communication to the public. He concluded that with the new athletic director, the Board has the chance to set that direction.

Kaler indicated his support for a full Board conversation or a work group to discuss a long-term vision for athletics that would include discussions of financial sustainability, mix of sports, and student experience. Noting that this would move athletics in the direction the Board desires, he suggested a full Board work session to discuss these matters and determine the long-term direction over the course of a year. Kaler stressed that he viewed the work session approach as a helpful process, and very different from establishing a standing committee. He maintained that making changes to an item like the mix of sports is difficult to implement without the strong support of the Board. Rosha expressed his appreciation for Kaler's support and offered his full endorsement for moving in that direction.

Regent Anderson noted that the Board is ultimately accountable for athletics. He stated his support for the Board defining aspirational goals, and expressed his desire to have a strong athletics program that helps fund the academic mission.

Regent McMillan commented that the Board could start the conversation but should also give the new athletic director time to get onboard. He noted that the Audit & Compliance Committee should ensure that the Office of Internal Audit has the resources necessary to review and confirm ongoing progress.

Cohen summarized the consensus of the committee; reporting that the full Board should discuss the expectations, principals, direction, and aspirations for athletics and from those conversations, implement potential policy changes.

SPECIFICATION OF BOARD APPOINTMENT AUTHORITY

Regent Cohen invited Executive Director Steeves and Jason Langworthy, Board Associate, Policy & Committees, Office of the Board of Regents, to present for review and discussion a Resolution Related to Specification of Appointment Authority, as detailed in the docket.

Langworthy outlined how appointment authority has evolved over time, showing that positions have been added and removed from the Board's appointment authority. Steeves summarized the resolution and offered three options for the committee to consider:

1. Adopt the resolution as presented;
2. Amend Board of Regents Policy: *Reservation and Delegation of Authority*; or
3. Adopt a policy like that of the University of Maryland system requiring contracts and amendments for highly compensated employees, or those with total compensation above the institution's president or system chancellor, excluding faculty, to be reported to the Board for information.

Langworthy reviewed potential thresholds, the total number of positions captured by each threshold, and the total additional positions not already approved by the Board.

Regent Johnson observed that discussion of appointment authority occurs within the context of public perception. He expressed his belief that the president should carry out the operations of the University and that the athletic director should carry out the operations of athletics. He offered that it might be helpful to the president to have the Board ratify the contracts of highly compensated employees whose pay is equal to or above the president's.

Regent Rosha expressed his appreciation that the appointment authority conversation was separate from the athletics oversight discussion. He agreed that the president should manage the University but noted areas where the Board has reserved authority to approve or ratify the president's actions, offering that those areas of oversight do not show distrust in the president. He noted that when head coach contracts were removed from policy, the Board was told that significant contracts like head coaches would still come for approval but that did not become practice. He suggested Board approval has not hampered hiring and offered the process to hire the new athletic director as an example of Board approval working well. Rosha expressed his support for using the president's base salary as a threshold and noted the importance of Board approval for highly compensated positions above it. He suggested adding a reporting structure for other highly compensated employees between a specific threshold and the president's compensation, explaining that such a requirement would ensure the Board could answer questions about highly compensated employees and make clear to the University that these positions would be reported to the Board. He agreed that the final structure should be placed in policy.

President Kaler offered his support for a process whereby salaries above a certain threshold up to his base compensation would be reported to the Board and any position above his compensation would follow the established appointment process. He agreed to provide a recommendation to the committee at the next meeting.

Regent Anderson commented that transparency is good, noting that many institutions in the Big Ten already have a process for highly compensated employees. He expressed his desire to ensure that the threshold was high enough to prevent too many positions from being drawn into the approval process.

BOARD MEETING PROCEDURES

Regent Cohen invited Regent Johnson and Regent McMillan to discuss potential changes to the Board's meeting procedures, as detailed in the docket.

Johnson outlined a process to adopt the agenda at the beginning of each regular full Board meeting. He stated that this change would produce a more orderly process, giving the Board the opportunity to add an item or refer it directly to committee, while still allowing a Regent to offer new business items. He noted that if an item is not on the agenda, neither the Board nor public are prepared for it. McMillan added that by considering items without prior notification, the Board is not at its best and that a lack of notification disadvantages stakeholders. He emphasized that the change would increase transparency and would ensure more thoughtful discussion of the topics brought forward.

The committee discussed the proposal, with members noting that the Board already has the ability to vote a matter up or down or refer it to committee; that several issues have been brought up in new business that have benefited from further discussion; that a mechanism is needed that allows items to come forward; and that establishing a firm precedent might be counterproductive. The discussion included the option of creating a standing rule to refer all new business items immediately to committee unless deemed an emergency.

Johnson outlined the current process for recording votes in the minutes. He offered the proposal that a voice vote be recorded only as approved or not approved, a division be recorded

with the number of votes in favor and opposed, and a roll call be recorded as a list showing each Regent and his or her vote.

In response to a question from Regent Devine, Steeves stated that it has been a longstanding practice to attempt to record the specific results of all votes taken by the Board and note how members voted in the minutes. He noted that it is difficult to record individual votes when more than one or two vote against an item on a voice vote. He offered that minutes could record the result of a voice vote, the number for and against with a hand vote, and list votes by Regent for a roll call vote.

Johnson asked members of the committee to discuss these options with other Regents and provide him with feedback.

The meeting adjourned at 2:47 p.m.

A handwritten signature in black ink that reads "Brian R. Steeves". The signature is written in a cursive style with a light yellow highlight behind it.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Academic & Student Affairs Committee
May 12, 2016**

A meeting of the Academic & Student Affairs Committee of the Board of Regents was held on Thursday, May 12, 2016 at 3:00 p.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Executive Vice President and Provost Karen Hanson; Vice President Katrice Albert; General Counsel William Donohue; and Executive Director Brian Steeves.

Student Representatives present: Samantha Jensen and Love Odetola

TWIN CITIES STRATEGIC PLAN: CURRICULAR IMPLICATIONS

Provost Hanson invited Robert McMaster, Vice Provost and Dean of Undergraduate Education, to present information on the curricular implications of the Twin Cities strategic plan, as detailed in the docket.

McMaster provided background and an update on the Grand Challenges Curriculum (GCC) courses called for in the strategic plan. He referred to budgetary issues related to tuition apportionment as a potential challenge, noting that the Provost's Office has established a protocol for GCC courses whereby regardless of how many students are in a GCC class, tuition dollars flow equally to all involved colleges. The University also offers colleges \$15,000 as a development incentive.

McMaster pointed to low enrollment as the one disappointment of the GCC. GCC goals include increased marketing; offering 10 courses each semester, with each course accommodating up to 100 students; and expanding offerings to include all undergraduate colleges and some graduate and professional programs as well.

He noted particular embrace of GCC by the College of Food, Agricultural, and Natural Resource Sciences (CFANS), and introduced CFANS Professor Jay Bell and undergraduate student Maxyne Friesen to discuss their shared experience with a GCC course.

Bell explained that the course focused on meeting future demands on urban water systems. It was co-taught by a soil scientist, a geohydrologist, and two historians. He noted that the course was somewhat more difficult to plan given the very different styles and areas of scholarship of the four instructors. Bell added that the course was less about teaching content and more about teaching how to approach problems and examine them from multiple perspectives. He suggested formation of a faculty learning community to facilitate sharing of what faculty learn through their participation in GCC courses.

Friesen noted the diversity of students in the class, as well as its small size. She expressed appreciation for being able to watch the class being built almost in real time. Friesen offered that students were challenged to examine the sources of the content and knowledge they used to address the problems tackled by the class.

Regent Simmons asked about barriers to full embrace of the Grand Challenges courses. McMaster responded that GCC is a relatively new concept with low recognition among students. He noted that many majors are very tight on credits, which means students may not have flexibility to take a GCC course without sacrificing a strict graduation path. He added that the goal is to get GCC courses accepted toward majors, which would remove that barrier.

Student Representative Love suggested greater marketing of the GCC courses.

Regent Lucas offered her impression of the GCC courses as rich and enticing, and noted that coordinating GCC courses with study abroad seemed like a natural fit.

Student Representative Jensen applauded the administration, offering her opinion that these kinds of courses teach students skills for life. She expressed the desire to see similar courses offered on all University campuses. In response, McMaster shared the idea of a “Business of Water” course on the Duluth campus.

Regent Anderson asked the student representatives whether students see GCC courses as something that differentiates the University from other institutions. Student Representative Jensen answered in the affirmative, reiterating her belief that such courses prepare students for the real world.

In response to a question from Regent Johnson, Bell clarified that the GCC class he taught had a syllabus. He noted, however, that the very different disciplinary perspectives of the multiple faculty meant that once teaching began, the class developed organically and required more of a “build as you go” approach.

GRADUATE AND PROFESSIONAL EDUCATION UPDATE

Regent Cohen invited Provost Hanson to introduce the graduate and professional education update, as detailed in the docket.

Hanson reminded the committee of the graduate school redesign executed over the last year. She introduced Sidharth GS, aerospace engineering and mechanics representative, and Lauren Mitchell, outgoing speaker, Council of Graduate Students (COGS); and Kyle Kroll, president, and Katie Saphner, vice president, Professional Student Government (PSG), to present perspectives on the graduate and professional student experience.

The student government representatives shared the differences between graduate and professional students, as well as students’ similar concerns about tuition costs and debt; employment prospects; isolation and campus engagement; and work/life balance.

In response to a question from Regent Simmons, Kroll identified student fees as the source of money PSG gives as grants.

In response to a question from Regent Anderson, Saphner noted that the University provides financial literacy counseling but that it is too basic and a waste of time for professional students. Regent Johnson commented on the number of students who take on too much credit card debt. Kroll responded that PSG research suggests some professional students turn to credit cards as a source of funding for such things as child care, and that the University could respond by offering more resources.

Student Representative Jensen questioned comments made by the presenters regarding isolation, noting that her experience of having a single-building “home base” has led not to isolation but integration and support. She asked for their specific recommendations to reduce isolation, and how the Board of Regents might respond. Mitchell referenced the Grand

Challenges Curriculum's ability to bring together students across programs. She also noted that on the Twin Cities campus, graduate students need something akin to their own Coffman Union. Kroll clarified that having a single building like the Law School building for law students is not the problem, but that students tend to stay only in that building with each other and need a catalyst to broaden their interactions. He suggested the University focus on programs that move beyond just undergraduates.

Regent Cohen asked each presenter to say why they chose graduate or professional study at the University. GS noted the reputation of his program of study; Mitchell identified wanting to work with a particular faculty advisor; Kroll offered proximity to post-graduation employment opportunities; and Saphner mentioned cost.

BOARD OF REGENTS POLICY: *STUDENT CONDUCT CODE*

Provost Hanson invited Danita Brown Young, Vice Provost for Student Affairs and Dean of Students, UMTC, and Lisa Ann Erwin, Vice Chancellor for Student Life and Dean of Students, UMD, to join her in presenting revisions to Board of Regents Policy: *Student Conduct Code*, as detailed in the docket.

Hanson reminded the committee of the Board's request for three main changes to the policy: a definition of sexual misconduct, articulation of due process protections, and medical amnesty language. She noted extensive consultation of the proposed revisions with multiple groups and offices across the system.

Brown Young walked through the specific groups included in the consultation process, which she noted generated largely positive feedback. She explained that the policy offers a framework for a developmental approach to working with students, rather than a punitive one.

Erwin discussed medical amnesty revisions, and the desire of some to extend amnesty to groups. She stressed that certain policy language around amnesty allows for response flexibility by staff on a case by case basis. She noted that follow-up varies depending on the circumstances, and walked through student survey results and negative outcomes regarding overconsumption of alcohol. Erwin pointed out disagreement among various student groups on extending amnesty to groups, and the institution's desire to mirror state statute.

Brown Young addressed the work to articulate due process protections during the review process, noting that best practices suggest an administrative process that seeks fairness and balance. She noted that the revised policy establishes a standard set of steps that each campus' procedures must include.

Hanson referenced a change related certain definitions and provided background on a resolution agreement entered into with the U.S. Department of Education's Office of Civil Rights and the institution's obligation to develop a policy on Title IX compliance. She outlined a variety of steps and options to ensure all policies and their definitions align with the Title IX policy.

A vigorous discussion ensued regarding the number of students – two – covered under medical amnesty. In response to a question from Regent Simmons, Erwin noted that the number of students was set for consistency with state statute.

Regent Rosha expressed concern about the number of students being only two, asked how it worked practically, and wondered whether the University's interest was maximizing sanctions or student protection. Hanson offered that consulted groups advised that the proposed language was a useful construct for outlining responsibilities. Rosha suggested that the University's position is inconsistent and not compelling, and given the high risks he requested that the protections be as broad as possible.

Student Representative Odetola asked about the disadvantages of making the protections broader. Brown Young responded that she was unsure, given that the broader protections were not consulted with student groups.

Regent Anderson offered that he saw no reason to stay with only two students protected by amnesty.

Regent Cohen clarified that two was recommended simply because of state statute; Erwin confirmed.

Rosha noted that an expanded University provision of medical amnesty does not increase student liability under the state statute; that liability exists already, independent of the student conduct code.

Simmons expressed that the Board cares more about student safety, and noted her desire for the policy to reflect that.

Rosha noted that he was impressed by the breadth of groups consulted, adding that he had very few substantive concerns. In a number of comments that followed, he suggested language clarifications; raised issues about process and questions of evidence; questioned the definition of hazing; and discussed categories of infractions. In the interest of time, Cohen suggested that Rosha share his written feedback and suggestions with members of the committee and the administration after the meeting. Rosha agreed.

CONSENT REPORT

A motion was made and seconded, and the committee unanimously recommended approval of the following program changes, as described in the Consent Report:

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

- Medical School (Twin Cities campus)—Create fellowship in Child Abuse Pediatrics
- Medical School (Twin Cities campus)—Create fellowship in Interventional Pulmonology
- School of Public Health (Twin Cities campus)—Create a graduate minor in Health Equity
- Labovitz School of Business and Economics (Duluth campus)—Create undergraduate minor in International Business

- **Request for Changes to Academic Programs**

- School of Public Health and the College of Liberal Arts (Twin Cities campus)—Create joint Bachelor/Master of Science degree in Biostatistical Practice
- College of Education and Human Development (Twin Cities campus)—Create a sub-plan in Second Language Education for Working Professionals within the Teaching M.Ed. degree
- College of Education and Human Development (Twin Cities campus)—Create sub-plans in Language Immersion Education and Second Language Pedagogy within the Curriculum and Instruction M.Ed. degree and deliver the degree partially online.
- College of Liberal Arts (Twin Cities campus)—Deliver the Scientific and Technical Communication graduate minor partially online.
- College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)—Change the name of the undergraduate minor in Bio-Based Products Engineering to Bioproducts Engineering
- Graduate School—Change the name of the M.S., Ph.D., and graduate minor in Biomedical Informatics and Computational Biology to Bioinformatics and Computational Biology.

- College of Continuing Education (Twin Cities campus)—Discontinue the sub-plan in Addiction Studies within the B.A.Sc degree in Health Services Management
 - College of Continuing Education (Twin Cities campus)—Discontinue the sub-plan in Career and Technical Education within the B.S. degree in Inter-College Program
 - School of Public Health (Twin Cities campus)—Discontinue the sub-plan in Global Health in M.P.H. degrees
 - College of Liberal Arts (Duluth campus)—Discontinue the sub-plans in Journalism and Professional Writing within the B.A. degree in Writing Studies
 - Swenson College of Science and Engineering (Duluth campus)—Change the name of the Biochemistry and Molecular Biology B.S. degree to Biochemistry
- **Request for Approval of Discontinued Academic Programs**
 - College of Education and Human Development (Twin Cities campus)—Discontinue the M.Ed. degree in Applied Kinesiology
 - College of Continuing Education (Twin Cities campus)—Discontinue the post-baccalaureate certificate in Addiction Studies
 - College of Continuing Education (Twin Cities campus)—Discontinue the undergraduate certificate in Addiction Studies

INFORMATION ITEM

Provost Hanson referred committee members to the following information item:

- Strategies for collaboration on undergraduate admissions across the five system campuses.

The meeting adjourned at 5:01 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Finance Committee
May 12, 2016**

A meeting of the Finance Committee of the Board of Regents was held on Thursday, May 12, 2016 at 3:00 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Laura Brod, Thomas Devine, Michael Hsu, David McMillan, and Abdul Omari.

Staff present: President Eric Kaler; Chancellors Jacqueline Johnson, Stephen Lehmkuhle, and Fred Wood; Vice Presidents Richard Pfutzenreuter and Pamela Wheelock; Interim Vice President Bernard Gulachek; Executive Director Brian Steeves; and Associate Vice Presidents Stuart Mason, Julie Tonneson, and Michael Volna.

Student Representatives present: Max Hall and Dalton Javner.

PRESIDENT’S RECOMMENDED FY 2017 ANNUAL OPERATING BUDGET

Regent Beeson invited Vice President Pfutzenreuter and Associate Vice President Tonneson to present for discussion the President’s recommended FY 2017 annual operating budget (Operating Budget), as detailed in the docket.

Tonneson provided an overview of University budget planning and development, revenue sources, and budget structure. She noted the all-funds budget for FY 2017, detailing the breakdown between sponsored and non-sponsored funds. Tonneson outlined the centrally distributed and attributed funds, noting an ending balance of \$19,403,483.

Tonneson reminded the committee that the University received a zero percent increase in state appropriations for the biennium. She provided an overview, as follows:

University of Minnesota
2016-2017 Biennial Appropriations (\$ in Thousands)

	<u>FY 2016</u>	<u>FY 2017</u>	<u>Biennium</u>
Beginning Biennial Base Level Appropriation	\$598,949	\$598,949	\$1,197,898
Current Law State Funding Level	<u>\$625,549</u>	<u>\$625,549</u>	<u>\$1,251,098</u>
Change from Beginning Biennial Base Level	\$26,600	\$26,600	\$53,200
Change from Prior Year	\$26,600	\$0	
% Increase from Prior Year	4.4%	0%	
% Increase from Biennial Base Level Funding			4.4%

Incorporating the FY 2017 appropriations, Tonneson detailed the incremental changes in the Operating Budget framework, as follows:

University of Minnesota
FY 2017 Budget Framework – Incremental Changes

Incremental Resources:	
Increased State Appropriations	\$0
Tuition Revenue Increase	\$17,500,000
Unit Resources	<u>\$26,750,000</u>
Total Incremental Resources	<u>\$44,250,000</u>
Incremental Expenditures:	
Compensation	\$13,600,000
Institutionally Managed Student Financial Aid	\$2,000,000
Core Operations and Services	\$12,200,000
Enhanced Student Services, Instructional & Financial Support	\$3,300,000
Program Enhancement and Compliance	\$4,700,000
Facilities and Technology Infrastructure	<u>\$8,400,000</u>
Total Incremental Expenditures	<u>\$44,200,000</u>
Balance	\$50,000

Tonneson reported on program-specific state appropriations, operations and maintenance fund, unit and institutional resources, current progress toward the \$90 million reallocation of administrative costs, state performance measures, tuition rates and related fees, and academic and operational costs and investments. She also outlined two scenarios that would respectively lower tuition by \$205 and \$100 per resident undergraduate student annually.

Regent Devine commented that he was pleased to see a hold in resident tuition rates on the system campuses. He noted the need to be mindful of the fee structure for students and the total cost of attendance. He expressed approval of the additional funding for mental health and wondered how the Affordable Care Act might impact reimbursement rates for mental health care. Devine emphasized his concern regarding increased room and board rates.

Regent Brod observed significant progress toward cutting administrative costs by \$90 million and wondered about the plan to reduce costs the rest of the way. Tonneson responded that \$14.7 million was planned for this budget year, leaving \$17.5 million to implement in the final two years. She explained that cutting those additional funds would not be easy.

Beeson commented that the administrative cost reductions do not end once the \$90 million goal is reached. He encouraged the administration to start thinking about what the next goal will be.

In response to related questions from Brod, Tonneson reported that current non-resident, non-reciprocity (NRNR) students would see a maximum 5.5 percent increase in tuition. She noted that new NRNR students would see the proposed 9.9 percent increase in Year One and any additional increase would be capped to a maximum of 5.5 percent. Tonneson emphasized that the NRNR increase might be lower or higher, but would be capped at 5.5 for continuing students. She noted that the cap would not be paid for through waivers or grants, but by simply forgoing the additional revenue.

Regent Hsu asked about the cost to freeze tuition for resident undergraduate students on the Twin Cities campus. Tonneson responded that it would cost \$5 million. Pfutzenreuter added a tuition freeze would mean the institution could choose to lower the amount being allocated for the Promise Scholarship, which would reduce the total amount needed to freeze tuition. Tonneson offered that \$2 million is allocated to the Promise Scholarship, which includes the threshold increase to family income of \$125,000. Hsu asserted that the cost of a freeze is reasonable and that the Board and administration should consider implementing it.

In response to a question from Hsu, Tonneson explained that \$10.5 million was being allocated to support specific units like the Law School. She identified the sources of funding as reallocation and tuition. She reported that \$3.9 million would be allocated to the Law School as a non-recurring source of funding to remedy the expected year-end deficit. Tonneson indicated that this amount is higher than what Dean David Wippman had reported to the committee. Since his presentation, three faculty members accepted buyouts totaling \$1.4 million, increasing the year-end non-recurring total.

Beeson wondered if it was time to institute additional surcharges, like that at the Carlson School of Management, for other Twin Cities colleges with high demand. President Kaler noted that when the Board discussed the Carlson surcharge, it was agreed that additional surcharges would need to clear a high bar for approval. He added that it had been four years since the surcharge was approved and indicated his openness to explore additional surcharges. Pfutzenreuter commented that the Board could choose to leave the additional money with the unit or reduce state O&M and reallocate it elsewhere.

In response to a question from Regent McMillan, Tonneson reported that the Law School was on track to balance its budget in the time period reported by Wippman. She added that given the reduction in faculty salary expenses through the buyout, a balanced budget might be reached faster than anticipated. McMillan expressed his hesitancy to deeply examine underperforming units before seeing how the plan implemented by the administration actually functioned, offering the Duluth campus and Law School as examples.

Student Representative Hall expressed his support for the additional mental health funding. He wondered why there was such a large increase for non-resident students in the School of Dentistry. Jeff Ogden, chief administrative officer of the School of Dentistry, responded that Dentistry serves a large population of underserved citizens, limiting its ability to increase revenue from clinical care. He indicated that the University's tuition was competitive within the market, placing the school in the middle of the Big Ten. He added that graduates are also able to pay off their debt faster.

Regent Omari commented that he would like to see a decrease in the proposed increase to NRNR undergraduate tuition to 7.5 percent. Hsu offered that tuition rates could be limited by granting more waivers, but advocated for a higher sticker price.

FINANCIAL COMPONENTS OF THE PRESIDENT'S RECOMMENDED FY 2017 ANNUAL CAPITAL IMPROVEMENT BUDGET

Regent Beeson invited Vice President Pfutzenreuter to present for discussion the President's recommended FY 2017 annual capital improvement budget (Capital Budget), as detailed in the docket.

Pfutzenreuter explained that the Capital Budget authorizes projects totaling \$374,614,000 to begin design or construction during the next fiscal year. No state support is yet designated for the Capital Budget, but Pfutzenreuter reminded the committee that the current legislative session could yield a bonding bill that includes funding for some of the proposed projects. He noted that the Capital Budget would be updated in June based on the outcome of the session.

In response to a question from Beeson, Pfutzenreuter indicated that the total amount of debt being considered is within the University's debt capacity range. He noted that the debt capacity would be updated next fall to reflect the final amount approved.

CONSENT REPORT

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

General Contingency:

- There are no items requiring approval this period.

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

- To Huron Consulting Group for an additional \$1,636,000 for the Click Institutional Research Board (IRB) Solution and the Human Research Protection Program Toolkit for the Office of the Vice President for Research for the period October 15, 2015, through October 14, 2020. Funding for this initiative has been allocated through the Office of the Vice President for Research.
- To Whelan Event Services for \$12,500,000 for crowd management, guest services, and 24/7 security services for athletic facilities and events (including TCF Bank Stadium, Williams Arena, Mariucci Arena, etc.) for the Department of Intercollegiate Athletics for the period of June 2016 and ending July 31, 2019, with contract extensions through July 31, 2021. The annual cost for this service is projected to be \$2,500,000 per year. Approximately \$1,000,000 worth of crowd management, guest services, and 24/7 security services will be funded by department budgeted funds; \$1,500,000 is approximated to be reimbursable through invoices to external partners via contracted special events. Vendor was selected through a competitive process.
- To Learfield Communications, Inc. for an extension of its multi-media rights for the Department of Intercollegiate Athletics for a period of July 1, 2016 through June 30, 2026 in exchange for an additional \$27,566,555 in guaranteed revenue. Documentation for basis of vendor selection is included in the purchasing summaries.

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

INFORMATION ITEMS

Vice President Pfutzenreuter referred the committee to the Information Items in the docket:

- Quarterly Purchasing Report
- Quarterly Asset Management Report
- Six-Month Management Report
- Quarterly Investment Advisory Committee Update
- Debt Management Advisory Committee Update

The meeting adjourned at 4:45 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Board of Regents
May 13, 2016**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, May 13, 2016 at 8:45 a.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, David McMillian, Abdul Omari, Darrin Rosha, and Patricia Simmons.

Staff present: President Eric Kaler; Chancellors Lendley Black, Jacqueline Johnson, Stephen Lehmkuhle, and Fred Wood; Executive Vice President and Provost Karen Hanson; Vice Presidents Katrice Albert, Brian Herman, Brooks Jackson, and Richard Pfitzenreuter; Interim Vice President Bernard Gulachek; General Counsel William Donohue; Executive Director Brian Steeves; and Associate Vice Presidents Michael Berthelsen and Michael Volna.

RECOGNITIONS

DISTINGUISHED MCKNIGHT UNIVERSITY PROFESSORS

Recognition was given to the 2016 Distinguished McKnight University Professorship award recipients. This award honors and rewards the highest-achieving faculty at the University of Minnesota who recently attained full professor status. The recipients are:

- William A. Arnold, Professor, Civil Engineering
- Kristin E. Hickman, Professor, Law
- Sarah E. Hobbie, Professor, Ecology, Evolution, and Behavior
- George Karypis, Professor, Computer Science and Engineering
- Michael Lackey, Professor, English
- Erika Lee, Professor, History
- Kathleen Vohs, Professor, Marketing

NATIONAL ACADEMY MEMBERS & OTHER MAJOR FACULTY AWARDS

The University actively promotes distinguished faculty for induction into national academies, typically the highest honor granted to faculty in their respective disciplines. The national academies recognized by the Board of Regents are the American Academy of Arts and Sciences, the Institute of Medicine, the National Academy of Engineering, the National Academy of Sciences, and the American Philosophical Society.

National Academy of Engineering

- David Pui, Distinguished McKnight University Professor, LM Fingerson/TSI Chair in Mechanical Engineering, and Director of the Particle Technology Laboratory
- Emmanuel Detournay, Professor, Civil, Environmental and Geo-Engineering

American Academy of Arts and Sciences

- Tim Lodge, Regents Professor, Chemical Engineering and Materials Science

Thurber Prize for American Humor

- Julie Schumacher, Professor, English Language and Literature

ACADEMY OF DISTINGUISHED TEACHERS

Horace T. Morse-University of Minnesota Alumni Association Awards for Outstanding Contributions to Undergraduate Education

This award recognizes faculty members and instructional academic professionals for excellence in contributing directly and indirectly to student learning through teaching, research, and creative activities; advising; academic program development; and educational leadership.

- Douglas Ernie, Associate Professor, Electrical and Computer Engineering, College of Science and Engineering
- Mary Franklin Brown, Associate Professor, French and Italian, College of Liberal Arts
- Tabitha Grier-Reed, Associate Professor, Postsecondary Teaching and Learning, College of Education and Human Development
- Russell J.D. Holmes, Associate Professor, Chemical Engineering and Materials Science, College of Science and Engineering
- Brian McInnes, Assistant Professor, Education, College of Education and Human Service Professions
- Heather Peters, Associate Professor, Department of Psychology, Division of Social Science, University of Minnesota Morris
- J.B. Shank, Associate Professor, History, College of Liberal Arts
- Michael Silverman, Associate Professor, School of Music

Awards for Outstanding Contributions to Postbaccalaureate, Graduate & Professional Education

This award recognizes faculty members for excellence in instruction; instructional program development; intellectual distinction; advising and mentoring; and involvement of students in research, scholarship, and professional development.

- Bryce Binstadt, Associate Professor, Pediatrics, Medical School
- Ann Burkhart, Professor, Law School
- Mary Chesney, Clinical Associate Professor, School of Nursing
- Maria Gini, Professor, Computer Science and Engineering, College of Science and Engineering
- Kristine Krafts, Clinical Assistant Professor, Diagnostic and Biological Sciences, School of Dentistry
- Deniz Ones, Professor, Psychology, College of Liberal Arts
- Joe Soss, Professor, Hubert H. Humphrey School of Public Affairs
- Randall Victora, Professor, Electrical and Computer Engineering, College of Science and Engineering

JOHN TATE AWARD FOR EXCELLENCE IN UNDERGRADUATE ADVISING

Recognition was given to the 2016 recipients of the John Tate Award for Excellence in Undergraduate Advising. The Tate Award serves to recognize and reward high-quality academic

advising. It calls attention to the contribution academic advising provides in helping students formulate and achieve intellectual, career, and personal goals. The recipients are:

- Sarah Georgeson, Senior Academic Advisor, College of Education and Human Development
- Eric Watkins, Assistant Professor, Horticultural Science, College of Food, Agricultural and Natural Resource Sciences
- Stefanie Wiesneski, Student Services Manager, College of Biological Sciences
- Maryanne Williams, Associate Academic Advisor, Spanish and Portuguese Studies, College of Liberal Arts

OUTSTANDING COMMUNITY SERVICE AWARD

Recognition was given to four individuals from the University community for their significant contributions to improving the quality of life and the well-being of society. The 2016 recipients of the Outstanding Community Service Award are:

- Tanya Bailey, Animal-Assisted Program Interaction Specialist, Center for Spirituality and Healing
- Marilyn Bruin, Professor, Curriculum Director, Housing Studies Program, College of Design
- Wokie Freeman, Assistant Executive Director/Director of Operations and Programs, Urban Research and Outreach-Engagement Center
- Tim Hoogland, Director, Education Outreach, Minnesota Historical Society

PRESIDENT'S COMMUNITY-ENGAGED SCHOLAR AWARD

The University of Minnesota President's Community-Engaged Scholar Award recognizes one faculty member or professional and administrative employee annually for exemplary engaged scholarship in his/her field of inquiry. Lauren Martin, Director of Research at the Urban Research and Outreach Engagement Center, was recognized as the 2016 recipient for a longstanding academic career that embodies the University's definition of public engagement.

NATIONAL SCHOLARSHIP RECIPIENTS

Recognition was given to the following recipients of national scholarships:

Churchill Scholarship

The Winston Churchill Foundation of the United States was founded in 1959 to offer American students of exceptional ability and achievement in the sciences, engineering, and mathematics the opportunity to pursue graduate studies at Cambridge. Fourteen seniors from the top colleges and research universities in the U.S. are selected as Churchill Scholars each year.

- Sammy Shaker, undergraduate in chemistry and mathematics, College of Liberal Arts

Goldwater Scholarship

Congress established the Barry M. Goldwater Scholarship and Excellence in Education Program in 1986. The prestigious scholarship is awarded to students who intend to pursue research-oriented careers in mathematics, the natural sciences, and engineering.

- Stephanie Hart, undergraduate in chemistry and chemical engineering, College of Science & Engineering
- Anthony Tabet, undergraduate in chemical engineering, College of Science & Engineering

PRESIDENT'S AWARD FOR OUTSTANDING SERVICE

The President's Award for Outstanding Service was established in 1997 to recognize faculty and staff who have provided exceptional service to the University. The award is presented each year in the spring and honors active or retired faculty or staff who have gone well beyond their regular duties and have demonstrated an extraordinary commitment to the University community. The 2016 recipients are:

- David Blank, Professor, Chemistry, College of Science and Engineering
- Colin Campbell, Associate Professor, Department of Pharmacology, Medical School
- Priscilla Day, Professor, Social Work, College of Education and Human Service Professions, UMD
- Lisa Fitzpatrick, Director, Viz Lab and Motion + Media Across Disciplines Lab, School of Fine Arts, UMD
- Elaine Hansen, Director, University of Minnesota Duluth Center for Economic Development, and Regional Director, NE and NW Small Business Development Centers
- David Hollister, Professor, School of Social Work, College of Education and Human Development
- James MacDonald, Director of Information Technology, College of Science and Engineering
- James Mullin, Senior Engineer 1995-2016, St. Anthony Falls Laboratory, College of Science and Engineering
- Lee Munnich, Senior Fellow, Humphrey School of Public Affairs
- Windy Roberts, Teaching Specialist, Division of Humanities, UMM
- William Robiner, Professor, Departments of Medicine and Pediatrics, Medical School
- Susan Warfield, Program Director, Student Parent HELP Center, Office for Student Affairs

NCAA CHAMPIONS

Recognition was given to the following student-athletes and teams for capturing a 2016 NCAA championship:

- Women's Hockey, University of Minnesota-Twin Cities – Brad Frost, Head Coach

APPROVAL OF MINUTES

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

Board of Regents Closed Meeting – March 30, 2016
 Board of Regents Work Session – March 30, 2016
 Board of Regents – March 31, 2016

REPORT OF THE PRESIDENT

President Kaler reported on a busy commencement season and expressed pride in the graduating classes of 2016. He discussed recent activities at the state legislature, highlighting the importance of the bonding bill and other issues such as fetal tissue research. Kaler reported on outreach events that have taken place throughout the University and state-wide. He reported his recommendation of a new athletic director would come to the Board for approval later in the meeting.

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

REPORT OF THE CHAIR

Regent Johnson reported on Regent participation in 29 commencement ceremonies this spring. He discussed the presidential performance review process and the public budget forum, which would take place later in the day.

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

CONSENT REPORT

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

- Summary of Gifts through March 31, 2016.
- Election of Interim Treasurer

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

PRIMER ON MINNESOTA GOVERNMENT DATA PRACTICES ACT AND RELATED UNIVERSITY PROCEDURES

Chair Johnson asked General Counsel William Donohue, Senior Associate General Counsel Brent Benrud, and Director of Records and Information Management Susan McKinney to report on the Minnesota Government Data Practices Act (DPA), as detailed in the docket.

Benrud reviewed DPA, discussed decisions that have resulted from the law, and provided examples of government data. He defined several classifications of government data, highlighting those most relevant to the University and the requests it receives, and detailed which data is subject to the law. Benrud discussed the most common requests made to the University, which include athletics contracts, email and correspondence, and personnel data. He emphasized the importance of compliance with the law and explained penalties associated with non-compliance.

McKinney discussed the University's process for responding to data requests, and explained the administrative policy regarding access to University information. She described implementation of a new request portal, intended to streamline the request process and help staff manage responses. She explained the cooperation between the Office of the General Counsel (OGC), News Service, and Intercollegiate Athletics in managing data requests. McKinney outlined the challenges of data requests, including an increase in the number of requests and the size and complexity of each request.

Regent Rosha asked if jurisdictional differences in the disclosure of settlement terms can affect the litigation process. Benrud replied that opposing parties often are unaware of DPA requirements and are taken aback when they are unable to make certain provisions confidential. He noted that OGC has developed strategies to maintain compliance while allowing management of the release of information. He noted that negotiations can sometimes be more difficult because of DPA requirements, especially in the employment area.

Regent Devine asked what might be done to create better response times to data requests and if the portal is helping with that problem. Benrud replied that the majority of requests are processed quickly, especially those that are not as complex or involved. He clarified that most delays relate to larger, more complex requests, or when it is unclear if the data are public or private. He added that an additional staff person being hired to assist with this work should help and emphasized that staff are aware of complications associated with delayed response.

In response to a follow-up question from Regent Devine, Donohue clarified that requests from the Board for information or data are not considered DPA requests. These are simply requests for information to help the Board or individual Regents better execute their governance role. He clarified that Regents are subject to official DPA requests.

Regent Beeson suggested that the University consider charging a fee for data requests, given costs associated with responding. Chair Johnson speculated such action would likely require a change to state law, and not just to University administrative policy. Donohue confirmed that charging a fee for data would require a change to the law.

In response to several questions from Regent Hsu, McKinney explained that information provided on the portal is viewable only by the requesting party. Hsu suggested that it might be more efficient to make public any data that has been requested, noting that this might lower the volume of requests. He asked if there was any way to simplify the process of searching email for related information. McKinney replied that the University has worked to develop tools and procedures, but added that there is still much manual work involved in determining the relevance of any given communication to a specific request. She explained communications are most often redacted digitally, but that sometimes manual redaction is necessary for items such as receipts and expense reports.

Brod asked about the total cost of compliance and the process by which responsibility for a request is delegated. Benrud replied that many requests are related to athletics, such as a request for a coach's contract, and it is easier for that department to process these requests rather than routing them through OGC. He clarified that even when another department assists with responding to a request, McKinney still has a role in the process. Donohue explained that the best way to determine the approximate cost of request processing would be to calculate McKinney's salary plus that of her support staff. He noted that the information could be obtained and provided to the Board. Brod emphasized the importance of transparency so the public understands how much work is required for each request.

In response to several questions from Regent Simmons, Benrud clarified that while the Regents are subject to the DPA and must comply with records management, they do not have to maintain their emails, texts, or other correspondence in perpetuity. He explained that the University has a list of guidelines and protocols that can help Regents determine what information must be preserved and for how long.

PRESIDENT'S RECOMMENDED FY 2017 ANNUAL OPERATING BUDGET

Regent Johnson invited President Kaler to present for review his Recommended FY 2017 Annual Operating Budget (Operating Budget) as detailed in the docket materials. Kaler invited Vice President Richard Pfitzenreuter and Associate Vice President Julie Tonneson to join the discussion.

Kaler reported that the Operating Budget is a reflection of the University's values and priorities and focuses on several institutional goals: a commitment to accessibility, affordability, and academic excellence; creating a culture of operational excellence and accountability; and appreciation for the faculty and staff.

Kaler detailed sources of revenue and reported that the total FY 2017 budget will be \$3.8 billion. He explained that the incremental changes in the budget are due to unit level reallocations and resources, as well as tuition dollars. Kaler noted a reallocation of administrative costs, which leaves only about 20 percent remaining to achieve the six-year goal of reallocating administrative costs by \$90 million.

Kaler described his proposal for tuition and fees, stating his goal of limiting the impact of a tuition increase for most Minnesota undergraduates. The budget proposes a tuition increase of 2.5 percent for resident undergraduate students on the Twin Cities campus – with increases in the Promise Scholarship program – and zero increase for resident undergraduates on system campuses. For non-resident, non-reciprocity (NRNR) undergraduates, the budget proposes a tuition increase of 9.9 percent on the Twin Cities campus, 2.5 percent on the Duluth campus, and reinstatement of a separate NRNR rate for the Morris campus. The Crookston and Rochester campuses would charge resident and NRNR students the same rates. Tuition for most graduate programs increase by approximately 2.5 percent.

Kaler outlined total cost of attendance under the proposed budget, including modest increases to room and board for undergraduate students. He discussed changes to student aid options, including the federal Pell Grant, the Minnesota State Grant Program, and the U Promise Scholarship.

Regent Devine expressed concern about the total cost of attendance and requested a comparison of student fee structures across campuses, noting that fees can dramatically impact the total cost. He stressed the importance of mental health services and expressed a desire for the University to be a leader in quality mental health care. He suggested that allocating capital funds toward new housing construction, rather than only maintenance and repair and renovation, is a better long-term investment and could help with other goals such as enrollment.

Regent Beeson applauded the administration for a one percent average annual increase in resident tuition over the past five years. He observed that on a net average, costs are down. He requested investigation of price elasticity among different colleges, since each one has different needs, challenges, and demand. He would like to see which colleges could support higher tuition rates.

Regent Hsu expressed frustration that the Board was not receiving the more detailed presentation that was brought to the Finance Committee the day before. He noted that the longer presentation provided more options and allowed for deeper discussion of the budget. He agreed that there should be a greater focus on new housing construction since housing accessibility is related to enrollment.

In response to a question from Regent McMillan about budget priorities, Tonneson clarified that the 30 percent allotment for compensation factors in a 2.5 percent merit increase, offset by fringe savings. She noted that additional funds are also allocated toward personnel costs, such as human resources initiatives, new hires, and new positions.

Regent Rosha agreed that a more detailed budget presentation should come to the full Board. He voiced concern about increasing resident tuition at a rate higher than inflation, noting that not all students qualify to benefit from discounting. He agreed that more funds should be invested in quality student housing, adding that poor housing facilities, even when low-cost, do not create value for students. Rosha added that the 2.5 percent compensation pool across all employee groups is higher than inflation, which he considers imprudent when trying to control costs. He observed that a 2.5 percent increase for a low-compensation employee results in a very different amount than for a top-paid employee, and requested data to support the rationale for the increases by employee group.

Regent Simmons agreed that a detailed budget presentation should come to the full Board. She remarked that the budget is based on sound principles and focuses on solid investments that benefit students, staff, faculty, and people of the state. She called for a focus on the effects of higher NRNR tuition on enrollment and requested data to demonstrate those effects. She cautioned against differential tuition options, suggesting that such a model puts certain students at a disadvantage based on their college or major.

Regent Brod remarked that the budget is reasonable and reflects the high value provided by the University. She thanked the administration for helping differentiate between budget and tuition principles. She commented on the balance between NRNR and resident tuition, noting that she is pleased that current students will be sheltered from dramatic increases. Brod emphasized that the proposed budget involves a modest increase in spending, which can be overlooked in discussions of revenue and tuition.

Regent Cohen commented that the budget embraces the key values of the institution: access, affordability, and excellence. She agreed that the timeliness of budget discussions has been invaluable and that future discussions should involve the full Board, rather than just one committee. She added her appreciation that the NRNR tuition increase is lower than initially proposed and that current students will be protected from large increases.

Chair Johnson stated that the request to include the full Board in future budget discussions would be considered by Board leadership.

PRESIDENT'S RECOMMENDED FY 2017 ANNUAL CAPITAL IMPROVEMENT BUDGET

Chair Johnson introduced Vice Presidents Pfutzenreuter and Wheelock to present for review the President's Recommended FY 2017 Annual Capital Improvement Budget (Capital Budget), as presented in the docket.

Wheelock reminded the Board that policy directs the administration to develop a Capital Budget with a six-year time horizon, updated annually. She explained that approval of the budget allows individual projects with completed predesigns and financing plans to proceed with design and construction. Wheelock reviewed the major components of the Capital Budget.

Pfutzenreuter explained that approximately 63 percent of the budget is state-supported debt from the University's 2016 capital request; the remaining 37 percent supports the University's share of the state bonding projects. He reported that the Capital Budget includes the University's full legislative request and will be updated in June to reflect the outcome of the 2016 legislative session.

Regent Hsu asked about the status of projects if state appropriations did not come through. Pfutzenreuter noted that the Board may always advance a project, regardless of state funding. He emphasized the need to carefully consider the importance of a project and the politics of self-funding capital improvements. Wheelock replied that the administration would not recommend using reserve funds to move projects forward.

In response to a question from Regent Brod about the armory, Wheelock explained that a portion of the repair and renovation budget would be used to address lead abatement and remediation, as well as lighting upgrades. Wheelock noted that these minor upgrades would help make the building more useable in the short term. She added that any long-term considerations for the building would be more appropriately addressed through the six-year capital plan.

Regent Beeson called for a greater focus on first-year housing. He expressed his hope that Pioneer Hall would be included in the budget, offering that the facility is outdated and no longer provides value to students. He suggested the superblock and riverfront areas as the most logical for housing development, noting that the Academic Health Center would have plenty of room for its development.

Regent Devine reiterated the need for additional housing projects and asked for a clearer timeline for the decommissioning of old buildings. He commented on the uncertainty of the M Health master plan, noting that facilities decisions would not be made for several years. He cautioned against waiting to advance new housing projects until M Health plans are finalized.

Regent Rosha agreed that there should be a greater focus on housing, since it is critical to all aspects of campus success. He suggested that a system-wide strategic plan is necessary to better understand the annual capital budget and its projects.

Regent Lucas noted the importance of sustainability in historic preservation, adding that she would not want a historical building like Pioneer Hall destroyed. She noted that the Board has a policy that outlines principles for historic preservation.

SYSTEM-WIDE STRATEGIC PLANNING: UMD

Chair Johnson invited Chancellor Lendley Black to report on the University of Minnesota Duluth (UMD) strategic planning process. Black provided an overview of the original strategic plan as well as recent updates, discussed actions taken on the goals of the plan, and highlighted synergies between the Twin Cities and Duluth plans.

Regent Simmons commented that she would like to have additional information about the long-term future of graduate programs at UMD. She clarified that this was not something that could be provided now but that she would like to see it in the future.

Regent Beeson requested more information about the recruitment strategies for Duluth and the other system campuses.

REPORT OF THE FACILITIES, PLANNING & OPERATIONS COMMITTEE

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

1. Approval of a Resolution related to Operating And Maintenance Addendum to the Agreement For The Central Corridor Light Rail Transit Project Through the University Of Minnesota – Twin Cities Campus, as follows:

WHEREAS, on August 31, 2010, the University of Minnesota and the Metropolitan Council ("Met Council") successfully concluded negotiations on an Agreement for the Central Corridor Light Rail Transit Project Through the University of Minnesota, Twin Cities Minneapolis Campus ("Agreement") that addressed the University's concerns about the construction and operation of the Central Corridor Light Rail Transit

("CCLRT") Project line grade along Washington Avenue, and settled the University's lawsuit against the Met Council; and

WHEREAS, in the Agreement, the Met Council unambiguously committed to construct and operate the CCLRT line in compliance with vitally important, rigorous performance standards for vibration and electromagnetic interference ("EMI"). The Agreement was incorporated into the Met Council's Final Environmental Impact Statement ("FEIS") and the Federal Transit Administration's Record of Decision ("ROD"); and

WHEREAS, the Board of Regents approved the Agreement in its meeting on September 8, 2010, and the Agreement was duly fully executed by all parties on September 30, 2010; and

WHEREAS, the Met Council, City of Minneapolis, Hennepin County, and University staff negotiated in 2014 an Operating and Maintenance Addendum ("Addendum") to the Agreement to resolve the parties' rights and obligations with respect to the on-going maintenance and operation of the CCLRT after it commences revenue operation; and

WHEREAS, the operation of the CCLRT during the vibration and EMI certification testing required by the Agreement exceeded the vibration and EMI performance standards set out in the Agreement under certain circumstances, thus requiring the Met Council to take corridor- and operational-based solutions to mitigate the EMI and vibration in those circumstances before it commenced revenue operation; and

WHEREAS, the University was willing to allow a one-time amendment to a limited number of the vibration and EMI performance standards in order to permit the Met Council to begin revenue operation on June 14, 2014, and in the Board of Regents meeting on May 9, 2014, resolved to permit that amendment on the condition that no future incremental amendments would be contemplated and that the term of this one time amendment to the vibration and EMI performance standards would be one (1) year from the date revenue service commenced in order to ensure no adverse impacts to University research as a result of making such amendments permanent; and

WHEREAS, first year quarterly EMI compliance testing in fall 2014 and winter 2015 showed additional exceedances of the EMI Performance Standards that required Met Council action and prevented the University from considering making the amendments contemplated in the Addendum permanent; and

WHEREAS, the Met Council identified the cause of such exceedances and successfully developed and implemented a permanent corridor-based engineering solution to address these exceedances to the University's satisfaction in fall 2015; and

WHEREAS, the Met Council has successfully completely subsequent vibration and EMI testing in compliance with the temporary EMI and Vibration Performance Standards.

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the President or his designee to enter into the express written agreement to permanently modify the specific Vibration and EMI Performance Standards contemplated in the Addendum.

BE IT FURTHER RESOLVED, that the Board delegates to the President or his designee the ability to negotiate from time to time other changes as necessary to the Agreement or Addendum in a manner consistent with this Resolution and University Policy.

The Board of Regents voted unanimously to approve the recommendation of the Facilities, Planning & Operations Committee.

McMillan reported that the committee also reviewed capital project delivery methods and processes; discussed University housing and the role of master leasing; discussed project components of the president's recommended FY 2017 annual capital improvement budget; and reviewed information items as outlined in the docket materials.

REPORT OF THE FACULTY & STAFF AFFAIRS COMMITTEE

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

1. Approval of a resolution related to the Proposed Labor Agreement with the International Brotherhood Of Electrical Workers, Local 292, as follows:

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

WHEREAS, the International Brotherhood of Electrical Workers, Local 292, has ratified acceptance of this agreement; and

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

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for May 12, 2016.

2. Approval of a resolution related to the Proposed Labor Agreement with the Graphic Communications Conference of the International Brotherhood Of Teamsters, Printers Local 1-M, as follows:

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

WHEREAS, the Graphic Communications Conference of the International Brotherhood of Teamsters, Printers Local 1-M has ratified acceptance of this agreement; and

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

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for May 12, 2016.

3. Approval of annual promotion/tenure recommendations of regular faculty as presented in the docket materials.
4. Approval of annual promotion/tenure recommendations of contract faculty as presented in the docket materials.

5. Approval of continuous appointment status and promotion for staff in the academic professional series as presented in the docket materials.
6. Approval of the Revised Consent Report for the Faculty & Staff Affairs Committee as presented to the committee and described in the May 12, 2016 minutes.

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

Hsu reported that the committee also reviewed information items as outlined in the docket materials.

REPORT OF THE AUDIT & COMPLIANCE COMMITTEE

Regent Brod, Chair of the committee, reported that the committee reviewed external auditor relationships and services; received an update on implementation of the human participant research protection plan; received an update on remediation of information technology audit findings; discussed the institutional compliance officer semi-annual report; and reviewed information items as outlined in the docket materials. She commented on the attention paid to the recent basketball audit.

REPORT OF THE GOVERNANCE & POLICY COMMITTEE

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

1. Adoption of proposed revisions to Board of Regents Policy: *Awards, Honors, and Recognition*, as follows:

SECTION I. SCOPE.

This policy describes the granting of awards, honors, and recognition by the University of Minnesota (University).

SECTION II. GUIDING PRINCIPLES.

Subd. 1. Recognition of Excellence. The University recognizes excellence and achievement by conferring awards and honors on prominent local, state, national, and international persons who have achieved distinction in public service, enterprise, education, science, literature, and the arts.

Subd. 2. Employee Recruitment and Retention. Awards granted to employees contribute to the quality of the University in extremely significant ways, enabling the University to attract and retain a talented workforce and the very best scholars and researchers in particular fields.

Subd. 3. Alignment. The awards, honors, and recognitions described in this policy shall be bestowed in accordance with the provisions of Board of Regents Policy: Equity, Diversity, Equal Opportunity, and Affirmative Action and Board of Regents Policy: Reservation and Delegation of Authority.

SECTION III. CONFLICT OF INTEREST RELATING TO A REGENT.

When a Regent or former Regent is under consideration for an award (other than Regent Emeritus), a special committee, chaired and appointed by the chair of the University

Senate All-University Honors Committee (Honors Committee), shall be convened to review and approve the award. The special committee shall include the chair of the Board of Regents (Board), or the vice chair if the recommended award recipient is the chair; the executive vice president and provost; and the president of the University of Minnesota Foundation (Foundation). It shall have final approval.

SECTION IV. RESTRICTIONS ON THE USE OF TITLE.

The use of the titles University, distinguished, or Regents Professor are authorized only by the Board.

SECTION V. DELEGATION OF AUTHORITY.

Subd. 1. Other Awards, Honors, and Recognitions. The president or delegate shall ensure that appropriate administrative policies are maintained to support the creation and granting of other awards, honors, and recognitions for the University. The president shall recommend to the Board any use of the titles University or distinguished.

SECTION VI. HONORARY DEGREES.

The awarding of honorary degrees by a university is an extension of its role as the unique institution in society devoted to the discovery, transmission, and preservation of knowledge. The honorary degree is the highest award granted by the University and constitutes recognition of distinctive achievement that has added materially to knowledge and to the betterment of society.

Subd. 1. Approval. The Board approves this award.

Subd. 2. Management. The Honors Committee manages this award process and submits recommendations to the president. The president recommends awards to the Board.

Subd. 3. Provisions.

- (a) Selection Criteria and Degree Titles. An honorary degree may be awarded to an individual who has achieved acknowledged eminence in cultural affairs (Doctor of Humane Letters), public service (Doctor of Laws), or a field of knowledge and scholarship (Doctor of Science). The University honors qualified persons within the academic community and other arenas, such as public service or enterprise. Persons receiving honorary degrees need not have received their education at, or have been otherwise associated with, the University. Honorary degrees shall not be awarded solely to encourage or reward contributions to the University.
- (b) Public Recognition. The awarding of honorary degrees is an event at which achievement is celebrated and given public recognition. It is customary to award several honorary degrees each year.

SECTION VII. REGENTS PROFESSOR.

The special title of Regents Professor is the highest recognition the University gives to a member of its faculty.

Subd. 1. Approval. The Board awards the title Regents Professor to selected members of the faculty, upon recommendation of the president.

Subd. 2. Management. The Office of the President manages this award process. The president appoints a Selection Advisory Committee (SAC) to review Regents professor

nominations, consult with persons from other universities, and make recommendations to the president. Members of the SAC serve at the president's pleasure, but consideration shall be given for some continuity of membership.

(a) Nomination. Any person or group may nominate a faculty member to receive the title of Regents Professor. Nominations are made to the president.

(b) Selection Criteria. Nominations shall be judged according to:

- the criteria used by the University to evaluate eligibility for the rank of full professor;
- the scope and quality of scholarly and/or artistic contributions;
- the quality of teaching; and
- contributions to the public good.

Only nominees whose academic distinction is clearly outstanding and whose distinction is clearly recognized by the academic community are recommended to the president.

(c) Review and Recommendations. The SAC shall review nominees and make recommendations to the president. It is the responsibility of the president to recommend awards to the Board.

(d) Restriction on Number of Recipients. The best guarantee of the significance of this award is careful restriction of the total number of recipients. Generally, not more than three persons shall be designated Regents Professor in any given year.

Subd. 3. Provisions.

(a) Title of Regents Professor. The title Regents Professor, once awarded, shall be held as long as the recipient retains a full-time, tenured appointment as a faculty member of the University. To be considered "full-time," the recipient must hold at least a 66 percent time appointment or be on a sabbatical or other approved leave, including phased retirement. Upon retirement or reduction of the appointment to less than 66 percent time, the faculty member becomes Regents Professor Emeritus. The academic field of accomplishment shall continue to be a part of the title, as, for example, "Regents Professor of _____ (academic department or field)."

(b) Duties and Responsibilities. Designation as a Regents professor does not necessarily imply any changes in duties and responsibilities.

(c) Recognition. A person named as a Regents professor shall be suitably recognized in a public ceremony and shall receive from the University a medallion suitable for desk use and for use with academic costume.

(d) Annual Stipend. Regents professors shall receive annual stipends from a recognized University foundation during their tenure as faculty members. The stipend shall cease upon retirement or a reduction of appointment to less than 66 percent time, excluding phased retirement.

(e) Private Financial Support. The University welcomes private donor support of stipends for Regents professors. However, no endowment shall be accepted to underwrite creation of a Regents professorship in a given department or college.

- (f) Salary. Appointment as a Regents professor shall not imply any particular salary level for the faculty member receiving such an honor. The salaries of Regents professors shall be determined independently and without reference to their receipt of an annual stipend from the Foundation.
- (g) Budgetary Oversight. The president maintains oversight of budget items for Regents professors, but budget items shall be transferred to the college in which the recipient holds appointment.

SECTION VIII. REGENTS AWARD.

The Regents Award is the highest honor granted by the Board to individuals who have performed exceptionally valuable and meritorious service to the University or contributed to the building and development of the University through significant benefactions. Candidacy is not limited to graduates or former students of the University.

Subd. 1. Approval. The Board approves this award.

Subd. 2. Management. The Board Office manages this award process. A Regents Award Nominating Committee shall review nominations and submit recommendations to the Board. The committee shall include the executive director/corporate secretary, the president, the executive vice president and provost, the chair of the Honors Committee, and the chair of the Senate Consultative Committee, or their designees. The president of the Foundation shall serve as an ex officio member.

Subd. 3. Restriction on Number of Recipients. The best guarantee of the significance of this award is careful restriction of the total number of recipients. Generally, not more than three Regents Awards shall be awarded in any given year.

SECTION IX. OUTSTANDING ACHIEVEMENT AWARDS.

Outstanding Achievement Awards may be granted to former students of the University who have attained unusual distinction in their chosen fields, professions, or public service, and who have demonstrated outstanding achievement and leadership on a community, state, national, or international level. Education at the University should represent a significant portion of a candidate's total education.

Subd. 1. Approval. The Board approves this award.

Subd. 2. Management. The Honors Committee manages this award process and submits recommendations to the president. The president recommends awards to the Board.

SECTION X. AWARDS OF DISTINCTION.

The Award of Distinction may be granted to individuals who are not or who have not been a student or employee of the University in recognition of distinction in their field, profession, and/or public or volunteer service.

Subd. 1. Approval. The Board approves this award.

Subd. 2. Management. The Honors Committee manages this award process and submits recommendations to the president. The president recommends awards to the Board.

SECTION XI. ALUMNI SERVICE AWARDS.

The Alumni Service Award may be granted to a graduate or a former student in recognition of volunteer service to the University; its schools, colleges, departments, or faculty; or to the University of Minnesota Twin Cities Alumni Association (Alumni Association) or any of its constituent groups.

Subd. 1. Approval. The Board approves this award.

Subd. 2. Management. The Alumni Association manages this award process. Nominations are submitted to the executive director of the Alumni Association. After review by the Alumni Association's Alumni Honors Committee, a recommendation is forwarded to the Honors Committee, which then forwards a recommendation to the president. The president recommends awards to the Board.

SECTION XII. AWARD OF OUTSTANDING MERIT.

The Award of Outstanding Merit is given to an individual or group of individuals that has demonstrated long and meritorious service to the University.

Subd. 1. Approval. The Board approves this award.

Subd. 2. Management. The Board Office manages this award process.

SECTION XIII. CERTIFICATE OF RECOGNITION.

The Certificate of Recognition recognizes significant achievement by members of the University community who have attained unusual distinction.

Subd. 1. Approval. The chair of the Board approves this award.

Subd. 2. Management. The Board Office manages this award process.

SECTION XIV. REGENT EMERITUS AND PRESIDENT EMERITUS TITLES.

Subd. 1. Regent Emeritus. Regents are awarded the title of Regent Emeritus upon their retirement from the Board.

Subd. 2. President Emeritus. The title of President Emeritus may be bestowed upon a president who has completed service as president of the University. The chair of the Board approves the awarding of the title of President Emeritus.

Subd. 3. Management. The Board Office manages the process for both titles.

The Board of Regents voted unanimously to approve the recommendation of the Governance & Policy Committee.

Cohen reported that the committee also discussed Board oversight of intercollegiate athletics; and reviewed specification of appointment authority.

In response to a question from Regent Simmons about appointment authority, Cohen clarified that the suggested positions are in addition to the appointments that come to the Board now.

REPORT OF THE ACADEMIC & STUDENT AFFAIRS COMMITTEE

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

1. Approval of the Consent Report for the Academic & Student Affairs Committee as presented to the committee and described in the May 12, 2016 minutes.

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

Cohen reported that the committee also received an update on graduate and professional education; discussed curricular implications of the Twin Cities campus strategic plan; reviewed the Board of Regents Policy: *Student Conduct Code*; and reviewed information items as outlined in the docket materials.

REPORT OF THE FINANCE COMMITTEE

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

1. Approval of the Consent Report for the Finance Committee as presented to the committee and described in the May 12, 2016 minutes.

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

Beeson reported that the committee also discussed the president's recommended FY 2017 annual operating budget and financial components of the president's recommended FY 2017 annual capital improvement budget; and reviewed information items as outlined in the docket materials.

REPORT OF THE LITIGATION COMMITTEE

Regent Devine, Chair of the committee, reported that the committee did not meet this month.

The meeting adjourned at 12:13 p.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Public Forum on the
President's Recommended FY 2017 Annual Operating Budget
May 13, 2016**

A public forum was held by the Board of Regents of the University of Minnesota on Friday, May 13, 2016 at 12:45 p.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Lendley Black, Stephen Lehmkuhle, and Fred Wood; Executive Vice President and Provost Karen Hanson; Vice Presidents Katrice Albert, Kathryn Brown, and Pam Wheelock; General Counsel William Donohue; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt and Michael Volna.

Chair Johnson welcomed those in attendance and reviewed the procedures for the forum. He explained that the President's Recommended FY 2017 Annual Operating Budget would be presented to the Board for action at the Board's regular meeting on Friday, June 10, 2016.

The following individuals addressed the Board:

Becky Yust – Interim Dean of the College of Design

Yust commented that the budget appropriately reflects the core priorities of the University. She thanked the Board for approving a new major within the College. She stressed the importance of the University's commitment to students, to the community, and to the people of the state.

Leon Assael – Dean, School of Dentistry; Incoming Chair, Twin Cities Deans Council

Assael reported that the Dean's Council fully supports the recommended budget. He applauded the administration for proposing a budget that is in line with the grand challenges goals, as well as with the strategic plans of the University. He remarked on the importance of recruitment efforts, research goals, and outreach to the state.

Dan Feeney – Faculty, College of Veterinary Medicine

Feeney spoke on behalf of the University Senate Committee on Finance and Planning, voicing concerns about the sustainability of the University's mission. He remarked that the overall budget is acceptable, but that colleges and units are financially challenged due to state revenue reductions and reliance on tuition.

Zerbine – Student

Zerbine remarked on the frustrations of students from marginalized communities. She suggested that actions taken by the University demonstrate a lack of commitment to those communities: the closing of General College, defunding of cultural clubs, and tuition increases. She suggested that there is too great a focus on national rankings and not enough focus on student needs.

Robert Kolstad – Member of Teamsters Local 320

Kolstad discussed concerns of Teamsters, including pay freezes, furloughs, and insurance premium increases. He noted that recent contract negotiations were a positive step in the right direction. He commented that the external management company that oversees the University's food services does not treat employees with a reasonable level of respect.

Nicholas Goldsmith – Twin Cities graduate student

Goldsmith commented on proposed investments in the Academic Health Center, noting that investments in mental health care and services are paramount.

Erin Jewett – Twin Cities graduate student

Jewett discussed the importance of strong mental health services in achieving the University's goals, such as grand challenges research and curriculum.

Jonathan Borowsky – Twin Cities graduate student

Borowsky explained that he seeks additional treatment for mental illness outside of the University because not enough services are offered through Boynton. He urged a greater focus on student mental health services.

Lauren Mitchell – Student

Mitchell discussed the need for better training of University of Minnesota Police Department officers in dealing with mental health issues and advocated for stronger preventative mental health services on campus.

Max Frantz – Student

Frantz remarked that he does not feel the Board or the administration care about the student body. He expressed frustration at dramatic tuition increases and commented that these increases lead to high levels of stress and anxiety for many students.

Martin Branyon – Student

Branyon suggested that tuition increases and high levels of student debt are making education inaccessible. He commented that the timing of the forum is poorly chosen since many students are participating in finals and unable to attend.

Rahsaan Mahadeo – Twin Cities graduate student

Mahadeo discussed challenges faced by marginalized student groups and their struggle to achieve educational goals. He commented on current issues regarding freedom of speech on campus. He expressed hope that future forums would include opportunity for dialogue, rather than merely allowing one-way statements.

Cherrene Horazuk – President, AFSCME Local 3800

Horazuk discussed challenges faced by bargaining unit workers. She explained that recent contract negotiations indicate a step in the right direction and thanked the Board for its action. She expressed frustration at overspending in the athletics department while labor represented employees are struggling to receive basic services.

Katie Hannestad – Undergraduate student

Hannestad commented on her distress about a missing University student and suggested a lack of mental health services on campus. She expressed frustration that increases in compensation and other costs seemingly take priority over student mental health.

Abeer Syedah – Vice President, Minnesota Student Association

Syedah commented on the need to address the achievement gap for students of color and to focus on marginalized student groups. She suggested tuition on all system campuses should be waived for Minnesota Native American students.

Joelle Stangler – President, Minnesota Student Association

Stangler discussed her own struggles with mental health and expressed thanks for Boynton’s mental health services. She provided statistics about student mental health on campus. She expressed hope that prior commitments by the Board to support mental health would lead to action and inclusion in the budget.

Nora Last – AFSCME Local 3800 member

Last read comments from a fellow AFSCME member from the Morris campus, which described maternity benefits disparities between labor represented and P&A employees. Last suggested that benefits language related to maternity leave should be changed to be more inclusive and reflective of the changing LGBT community.

Skyler Dorr – University alumnus

Dorr expressed frustration over tuition increases and his own struggles to pay off student debt. He suggested that the University should be free to all Minnesota residents.

William Dammann – Member, Minnesota Student Association

Damman expressed frustration that student mental health is not receiving adequate attention. He explained how other institutions in the Big Ten have taken increased measures to address the issues of mental health and expressed his hope that the University will follow suit.

Connor Klemenhausen – Undergraduate student

Klemenhausen suggested that resident students should not be the only priority of the University. He urged transparency in discounting options for students, especially non-resident non-reciprocity students, and explained that students pay attention to sticker price. He cautioned that only focusing on resident students would diminish the value of the University community.

The meeting adjourned at 1:38 p.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Presidential Performance Review Committee
May 13, 2016**

A meeting of the Presidential Performance Review Committee of the Board of Regents was held on Friday, May 13, 2016 immediately following the Board of Regents Meeting, in 600 McNamara Alumni Center.

Regents present: Dean Johnson, presiding; David McMillan, and Laura Brod.

Staff present: Executive Director Brian Steeves.

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

A motion was made and seconded that the following resolution be adopted:

RESOLVED, that as provided by Minnesota Statute 13D.05, Subd. 3(a), a non-public meeting of the Presidential Performance Review Committee of the Board of Regents will be held on Friday, May 13, 2016 immediately following the Board of Regents Meeting, in the Office of the Board of Regents, 600 McNamara Alumni Center, 200 Oak Street, SE, Minneapolis, Minnesota, for the purpose of evaluating the performance of the President of the University of Minnesota.

The committee voted unanimously to adopt the resolution. The public portion of the meeting ended at 12:23 p.m.

The committee discussed the performance review process and timeline. The meeting recessed at 12:44 p.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Presidential Performance Review Committee

May 27, 2016

A meeting of the Presidential Performance Review Committee of the Board of Regents reconvened in public session on Friday, May 27, 2016 at 8:33 a.m., in 600 McNamara Alumni Center.

Regents present: Dean Johnson, presiding; Thomas Anderson, Laura Brod, Linda Cohen, Thomas Devine, Michael Hsu, David McMillan, Abdul Omari, Darrin Rosha, and Patricia Simmons.

Staff present: Executive Director Brian Steeves.

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

A motion was made and seconded that the following resolution be approved:

RESOLVED, that as provided by Minnesota Statute 13D.05, Subd. 3(a), a non-public meeting of the Presidential Performance Review Committee of the Board of Regents will reconvene on Friday, May 27, 2016 at 8:30 a.m., in the Office of the Board of Regents, 600 McNamara Alumni Center, 200 Oak Street, SE, Minneapolis, Minnesota, for the purpose of evaluating the performance of the President of the University of Minnesota.

The committee voted unanimously to approve the resolution. The public portion of the meeting ended at 8:35 a.m.

The committee conducted interviews with Regents to gather feedback on the president's performance. The meeting recessed at 3:48 p.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Presidential Performance Review Committee

May 31, 2016

A meeting of the Presidential Performance Review Committee of the Board of Regents reconvened in public session on Tuesday, May 31, 2016 at 3:35 p.m., in 600 McNamara Alumni Center.

Regents present: Dean Johnson, presiding; Laura Brod, Peggy Lucas, and David McMillan.

Staff present: Executive Director Brian Steeves.

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

A motion was made and seconded that the following resolution be approved:

RESOLVED, that as provided by Minnesota Statute 13D.05, Subd. 3(a), a non-public meeting of the Presidential Performance Review Committee of the Board of Regents will reconvene on Tuesday, May 31, 2016 at 3:30 p.m., in the Office of the Board of Regents, 600 McNamara Alumni Center, 200 Oak Street, SE, Minneapolis, Minnesota, for the purpose of evaluating the performance of the President of the University of Minnesota.

The committee voted unanimously to adopt the resolution. The public portion of the meeting ended at 3:37 p.m.

The committee conducted an interview with a Regent to gather feedback on the president's performance. The meeting recessed at 4:17 p.m.



BRIAN R. STEEVES
Executive Director
and Corporate Secretary