

**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Mission Fulfillment Committee  
May 10, 2018**

A meeting of the Mission Fulfillment Committee of the Board of Regents was held on Thursday, May 10, 2018, at 7:45 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

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

Student Representatives present: Apoorva Malarvannan.

**STUDENT HEALTH AND WELLNESS PROGRAMS**

Regent Omari invited Provost Hanson; Gary Christenson, Chief Medical Officer, Boynton Health; and Sandra Olson-Loy, Vice Chancellor for Student Affairs, UMM, to discuss student health and wellness programs across the system, as detailed in the docket.

Hanson introduced the item, reporting that student mental health is an urgent concern in higher education across the country and a high priority at the University. She explained that each campus offers unique programming to fit student needs in addition to systemwide efforts to address health and wellness, including student mental health.

Olson-Loy provided an overview of health and wellness programs across the system and summarized the most recent data from the College Student Health Survey, which is administered on all five campuses. Christenson addressed trends and demands for mental health services and highlighted new initiatives and investments in student mental health.

Hanson introduced additional presenters to participate in the discussion:

- Lisa Erwin, Vice Chancellor for Student Life and Dean of Students, Duluth campus
- Barbara Keinath Vice Chancellor of Academic and Student Affairs, Crookston campus
- Julie Thornton, Director of Student Engagement Team, Rochester campus
- Maggie Towle, Interim Vice Provost for Student Affairs and Dean of Students, Twin Cities campus

Regent Hsu inquired about the frequency of the College Student Health Survey, noting that the most recent data cited is several years old. Christenson explained that the survey is administered every three years because year-over-year data does not indicate trends as well as data from every three years. Omari added that surveying every three years also prevents survey fatigue. Towle reported that the survey is currently being administered, with its data available in the fall.

In response to questions and comments from Regents Anderson and Powell, Christenson confirmed that not all stress is bad, but college students often find that they need to employ new stress management mechanisms to deal with new and different stressors. He added that preventative measures generally have the best return on investment in addressing stress.

Regent Cohen emphasized the importance of the conversation, noting that great progress has been made. She urged presenters to continue to look at ways to address the issue that will not require additional funding.

In response to questions from Regent Lucas, Olson-Loy stated that the University is continuing to look at national models for examples for student health and wellness programming.

Regent Sviggum asked how the University measures the quality of student health and wellness programs. Christenson reported that Boynton Health employs a patient satisfaction survey after each visit in order to measure the quality of their services.

### **ANNUAL PROMOTION AND TENURE RECOMMENDATIONS**

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

Hanson reviewed the basic principles of tenure and promotion and the review process. She also explained the differences between regular faculty and contract faculty. Ropers-Huilman noted that 132 regular faculty were recommended for tenure and/or promotion, and 48 contract faculty recommended for promotion. This year's cohort had a success rate of 57 percent.

In response to questions from Regents Powell and Anderson, Hanson explained that faculty hiring decisions are made at the college level either with the relevant dean on the Twin Cities campus and the chancellor at the system campuses. Faculty positions are posted as tenure-track or non-tenure-track.

Regent Hsu inquired how the long-term financial implications of faculty tenure are considered in the process. Hanson explained that costs are considered at the department level and discussed with the deans, the Provost's Office, and budget officers. She added that some requested faculty positions are declined because of budget shortfalls. President Kaler added that demand for faculty changes as demand for academic programs shifts, and that these demands often correlate with the economy.

Regent Beeson stressed the importance of hiring top talent, noting that faculty and all employee groups are critical to the University's success. Omari agreed and offered that faculty and staff ratios also affect the University's rankings.

In response to questions from Regent Sviggum, Hanson explained that the Law School continues to hire and retain faculty during the enrollment downturn. She explained that accreditation standards require a certain number of faculty.

In response to questions from Hsu, Hanson offered that there is due diligence in the faculty hiring process to ensure the University receives as much information about the candidate as possible. Kaler confirmed that all University employees are required to pass a background check before being hired.

In response to questions from Regent Cohen, Ropers-Huilman reiterated that the tenure success rate for the current cohort of faculty is 57 percent. She explained that the remainder were not denied tenure, but rather, that group includes faculty who left the University before achieving tenure status.

Powell inquired about the external review element of the tenure process. Ropers-Huilman noted that it is the most valuable content in the candidate's dossier. She added that external reviewers are commonly from prestigious universities in the United States and internationally. Hanson added that the dossier includes an explanation of why the reviewer was selected.

Omari mentioned that the University's institutional risk profile includes faculty retention and asked how the University is working to attract and retain faculty of color. Hanson explained that the current profile of faculty is typical, although they desire a more diverse pool. Kaler added that the University continues to struggle to attract and retain African American and Latinx faculty especially.

Regent Rosha remarked on this being a momentous occasion for the 132 faculty members. In response to a question from Rosha, Ropers-Huilman explained that the ratio of faculty to instructors varies by department and college. Hanson added that the College of Design relies more heavily on instructors than departments that engage in more research.

Motions were made and seconded, and the committee voted unanimously to recommend approval of the promotion and tenure recommendations of regular faculty, and the promotion recommendations of contract faculty.

Hanson introduced four newly tenured and/or promoted faculty members, who briefly shared highlights of their work:

- Daheia Barr-Anderson, Department of Kinesiology, College of Education and Human Development, UMTC
- Gordon Burtch, Division of Information and Decision Sciences, Carlson School of Management, UMTC
- Michael Gallope, Department of Cultural Studies and Comparative Literature, College of Liberal Arts, UMTC
- Changbin Chen, Department of Horticultural Science, College of Food, Agricultural and Natural Resource Sciences, UMTC

### **ANNUAL CONTINUOUS APPOINTMENT RECOMMENDATIONS**

Regent Omari invited Executive Vice President and Provost Hanson and Rebecca Ropers-Huilman, Vice Provost for Faculty & Academic Affairs, to present the annual continuous appointment recommendations, as detailed in the docket.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the annual continuous appointments.

### **21<sup>st</sup> CENTURY OUTREACH MISSION, PART III: A VISION FOR THE UNIVERSITY'S OUTREACH MISSION**

Regent Omari announced that the item will be postponed to a future meeting.

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

Regent Omari invited Tina Marisam, EOAA Director and Title IX Coordinator, to present for review proposed amendments to Board of Regents Policy: *Equity, Diversity, Equal Opportunity, and Affirmative Action*, as detailed in the docket.

Marisam provided an overview of the proposed changes, noting that the amended language is consistent with the Minnesota Human Rights Act (HRA) and will align the University with state statute.

Regent Hsu asked how many people might be affected by the change in policy. Marisam responded that EOAA has not received reports in the past on this specific type of discrimination.

In response to questions from Regent Sviggum, Marisam explained that the proposed amendment includes a more detailed description of the term “local commission” that clarifies the purpose of the addition. She added that the language matches the state’s definition of a local commission and is therefore in alignment with state statute.

Regent Beeson remarked that the scope of the amendment is narrow, noting that there are many other constituencies that could be included in the policy and are not. Marisam agreed and explained that the amended language is meant to better align with the HRA.

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

Regent Omari invited Meredith McQuaid, Associate Vice President and Dean of Global Programs and Strategy Alliance, to present for review proposed amendments to Board of Regents Policy: *International Education and Engagement*, as detailed in the docket.

McQuaid explained that the proposed amendments include the addition of research to the scope of the policy and updating language to reflect current terminology. She added that the policy was last updated in 2008, and noted that the amendments do not create new programs or change existing programs at the University.

In response to questions from Regent Hsu, Omari clarified that the proposed amendments are a result of the comprehensive review process. He added that the committee will take action on the proposed amendments at its June meeting.

In response to questions from Regent Powell, McQuaid explained that the comprehensive review of the policy allows the administration to align the language with consistent trends in the field and the University’s work in international education and engagement.

**CONSENT REPORT**

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

- **Request for Approval of New Academic Programs**
  - Medical School (Twin Cities campus)—Create fellowship in Gastrointestinal Pathology
  - Medical School (Twin Cities campus)—Create fellowship in Laboratory Genetics and Genomics

- Medical School (Twin Cities campus)—Create fellowship in Neuromodulation Medicine
  - College of Liberal Arts (Twin Cities campus)—Create undergraduate certificate in Career Readiness
  - College of Liberal Arts (Twin Cities campus)—Create graduate minor in American Indian and Indigenous Studies
  - College of Liberal Arts (Twin Cities campus)—Create undergraduate minor in Population Studies
  - College of Science and Engineering (Twin Cities campus)—Create graduate minor in Data Science
  - School of Public Health (Twin Cities campus)—Create graduate minor in Global Public Health and deliver online
  - Swenson College of Science and Engineering (Duluth campus)—Create Applied Materials Science M.S. degree
  - College of Education and Human Service Professions (Duluth campus)—Create a Bachelor of Individualized Studies degree
  - College of Education and Human Service Professions (Duluth campus)—Create a B.A.Sc. degree in Early Childhood Studies
  - College of Liberal Arts (Duluth campus)—Create B.A. degree and undergraduate minor in Environment, Sustainability, and Geography
  - Swenson College of Science and Engineering (Duluth campus)—Create undergraduate certificate in Resilient Precast Concrete
  - The Crookston Campus—Create undergraduate minor in Health Management and deliver online
  - The Crookston Campus—Create undergraduate minor in Writing and deliver online
- **Request for Approval of Changed Academic Programs**
    - School of Public Health (Twin Cities campus)—Deliver the Global Health Postbaccalaureate certificate online
    - College of Biological Sciences (Twin Cities campus)— Create a sub-plan in Biology and Biology Education within the Ph.D. degree in Molecular, Cellular, Developmental Biology and Genetics
    - College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)— Create sub-plans in Agroecology, Agronomy Production, Horticultural Production, Nursery & Floriculture, Plant Breeding, Sustainable Plant Health, and Turfgrass Science within the B.S. degree in Plant Science
    - College of Liberal Arts (Twin Cities campus)—Create sub-plans in Environmental Geography, and Geographic Information Science within the B.S. degree in Geography
    - College of Liberal Arts (Twin Cities campus)—Change the name of the B.A. degree in Physiology to Human Physiology
    - College of Education and Human Service Professions (Duluth campus)—Change the name of the B.A.Sc. and undergraduate minor in Public Health Education and Promotion to Public Health, and change the name of the Community Health sub-plan to Community Health Education/Promotion
    - College of Education and Human Development (Twin Cities campus)—Discontinue the Adult Basic Education sub-plan in the Adult Education M.Ed. degree.
    - College of Liberal Arts and Humphrey School of Public Affairs (Twin Cities campus)— Discontinue the Political Engagement sub-plan in the Political Science B.A. and Master of Public Policy degrees.
  - **Request for Approval of Discontinued Academic Programs**
    - School of Dentistry (Twin Cities campus)—Discontinue Dental Therapy M.D.T. degree

- College of Education and Human Development (Twin Cities campus)—Discontinue postbaccalaureate certificate in Specialist in Education and Special Education Administration
  - College of Biological Sciences (Twin Cities campus)—Discontinue graduate minor in Microbial Engineering
  - College of Education and Human Development (Twin Cities campus)—Discontinue graduate minor in Education Sciences
  - School of Pharmacy (Twin Cities campus)—Discontinue graduate minor in Medicinal Chemistry
  - College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)—Discontinue undergraduate minor in Integrated Pest Management in Cropping Systems
  - Swenson College of Science and Engineering (Duluth campus)—Discontinue Engineering Management M.S.E.M.
- **Request for Approval of Academic Unit Merger and Name Change**
    - College of Liberal Arts (Twin Cities campus)—merge the Department of German, Scandinavian, and Dutch with the Department of Slavic Languages of Literatures and rename the new unit the Department of German, Nordic, Slavic and Dutch

#### **INFORMATION ITEMS**

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

The meeting adjourned at 10:43 a.m.



**BRIAN R. STEEVES**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Audit & Compliance Committee  
May 10, 2018**

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

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

Staff present: Chancellor Michelle Behr; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice Presidents Kathryn Brown and Bernard Gulachek; Executive Director Brian Steeves; Chief Auditor Gail Klatt; and Associate Vice President Michael Volna.

Student Representative present: Mina Kian.

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

Regent Cohen invited Sue Paulson, Assistant Controller, to present the external auditor review and summary of external auditor relationships and services provided, as detailed in the docket.

Paulson reported that total Deloitte & Touche LLP (Deloitte) contracted audit and non-audit fees were \$597,800 for FY 2017 engagements, with actual fees of \$577,095. All FY 2017 engagements are completed and have been final billed.

Paulson reviewed the total fees for audit and non-audit services provided by other firms. For FY 2017, the University engaged three firms totaling \$672,176. She reminded the committee that all services were reviewed by the Controller's Office and reported to the committee.

In response to a question from Regent Powell, Klatt explained that Baker Tilly was engaged by the University to investigate an anonymous UReport. She added that the firm was selected based on its expertise in regulatory issues. A report is complete and will be distributed to the committee.

**EXTERNAL AUDIT PLAN**

Regent Cohen invited Sue Paulson, Assistant Controller, along with Katherine Knudtson and Judi Dockendorf from Deloitte & Touche LLP (Deloitte), to review the external audit plan for FY 2018, as detailed in the docket.

Paulson reminded the committee that the University is in the second year of its current contract with Deloitte to provide external audit services. Knudtson and Dockendorf reviewed highlights of the plan, noting that the scope of services, testing approach, and timelines for the FY 2018 audits are consistent with previous years.

Knudtson referred the committee to a number of resources that are available to the University, at no additional cost, that the committee may be interested in utilizing. In response to a question from Regent Omari, Knudtson called attention to two resources: Deloitte's Audit Committee Brief and Audit Committee Symposium. She noted that the Audit Committee Brief would be especially valuable because it addresses emerging issues at a governance level. Also in response, Klatt noted a new data analytics tool recently released by Deloitte. She agreed to send the committee additional information on those resources.

Regent McMillan reported that Deloitte had issued no comment on recent changes in the University's pension liability. Knudtson confirmed that no comment is a good response.

In response to questions from McMillan, Dockendorf explained that the NCAA agreed-upon procedures are largely prescribed by the NCAA and focus on revenue and expenses, sponsorships, and coach salaries. She reported that there were no findings in the NCAA agreed-upon procedures.

In response to a question from Regent Hsu, Knudtson confirmed that Deloitte does work in cybersecurity, but that the University has not engaged them for those services.

### **COMPLIANCE INITIATIVES**

Regent Cohen invited Boyd Kumher, Chief Compliance Officer, to present an update on compliance initiatives, as detailed in the docket.

Kumher referred the committee to the Chief Compliance Officer's required semi-annual report in the information items in the docket. He provided an overview of OIC's completed risk review summaries and the FY 2019 planned reviews. Kumher summarized the new enhanced procedures for UReport, the University's anonymous reporting service. He also reported the statistics of UReport investigations from the previous six month period.

Regent Omari inquired about the campus safety and Clery Act compliance risk review. Kumher provided an overview of the process and noted that the risk review summary report is included in the information items.

In response to a question from Regent McMillan, Kumher confirmed that 78 percent of UReports investigations from the last six-month period resulted in unsubstantiated findings.

### **INSTITUTIONAL RISK PROFILE, PART V: MITIGATION PLANS**

Regent Cohen invited Karen Hanson, Executive Vice President and Provost, and Brian Burnett, Senior Vice President, to discuss the mitigation plans associated with the institutional risk profile, as detailed in the docket.

Hanson reminded the committee of the process for developing the risk profile and referred committee members to the mitigation plans in the docket. She explained that each of the risks identified in the risk profile has a one-page mitigation plan that includes the risk category, responsible senior leader office, a brief explanation of the risk and mitigation strategies.

Hanson walked through the mitigation plans for shifting enrollment patterns and collaboration with externalities and joint ventures risks. Burnett summarized the plans for employee demographics/succession planning and facilities: maintenance, scope, and alignment risks. Burnett noted that the mitigation plans were shared with credit rating agencies Moody's and Standard & Poor's during recent discussions.



Cohen expressed her satisfaction with the process and results of the exercise. Regent McMillan agreed and added his thanks to the senior leadership team for leading the efforts.

Regents Powell and Lucas commented on the one-page format of the mitigation plans, remarking that the format is clear and easy to read.

Klatt reported that the full Board will discuss the institutional risk profile and mitigation plans at its June meeting, including oversight of the mitigation plans. Cohen remarked on the importance of the Board's continued oversight.

Regent Hsu commented that work remains to be done to address the risks, and questioned whether the institutional risk profile conversations should be included in the systemwide strategic planning process.

### **INFORMATION ITEMS**

Chief Auditor Klatt referred the committee to information items in the docket, which include:

- Semi-Annual Chief Compliance Officer's Report.
- Report of Engagements Less Than \$100,000 Requiring After-the-Fact Reporting.

The meeting adjourned at 12:26 p.m.



**BRIAN R. STEEVES**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Litigation Review Committee  
May 10, 2018**

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

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

Staff present: President Eric Kaler; General Counsel Douglas Peterson; and Executive Director Brian Steeves.

Others present: Carrie Ryan Gallia, Dan Herber, Tim Pramas, Brian Slovut and Jon Steadland.

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

The meeting convened in public session at 11:00 a.m. A motion was made and seconded that the following resolution be adopted:

WHEREAS, based on advice of the General Counsel, the Board of Regents Litigation Review Committee has balanced the purposes served by the Open Meeting Law and by the attorney-client privilege, and determined that there is a need for absolute confidentiality to discuss litigation strategy in particular matters involving the University of Minnesota.

NOW, THEREFORE, BE IT RESOLVED, that in accordance with Minn. Stat. § 13D.01, Subd. 3 and 13D.05 Subd. 3(b), a non-public meeting of Litigation Review Committee be held on Thursday, February 8, 2018 at 11:00 a.m. in the East Committee Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters including the following:

- I. *Shannon Miller, Jen Ranford and Annette Wiles v. The Board of Regents of the University of Minnesota*
- II. *Collegians for a Constructive Tomorrow v. University of Minnesota*
- III. *Yolanda Majors v. Regents of the University of Minnesota*
- IV. *Kushner v. Regents of the University of Minnesota*

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

The meeting adjourned at 12:24 p.m.

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

**BRIAN R. STEEVES**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Finance & Operations Committee  
May 10, 2018**

A meeting of the Finance & Operations Committee of the Board of Regents was held on Thursday, May 10, 2018 at 1:30 p.m. in the Boardroom, 600 McNamara Alumni Center.

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

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

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

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

Anderson detailed how the public can provide input on the operating budget, including two public input sessions and the online feedback form.

Kaler summarized his budget priorities. He offered that the budget continues to include significant reallocations to continue the Operational Excellence program (OpEx). He noted that 61 percent of the investments in the operating budget are primarily for compensation and are coming from cuts or reallocations within units.

Burnett outlined the focus of the operating budget. Tonneson provided an overview of University budget planning and development and the all-funds budget structure, noting expected revenues of \$4.0 billion for FY 2019.

Anderson called the meeting back to order following a disruption.

Tonneson described the 2018-19 tuition plan for all academic programs, including the non-resident, non-reciprocity (NRNR) tuition rate previously approved by the Board. She reviewed the resident and NRNR tuition rate history since 2012-13 and highlighted the three categories of student fees and proposed changes. Tonneson reported the available unit level resources, stating \$28.3 million is available to invest in the operating budget. She commented on how those funds will be invested.

Tonneson identified how the operating budget will achieve the final year of the \$90 million reduction in administrative costs. She projected that after FY19, the total will be \$91.4 million. She presented the incremental costs and investments planned in the budget, offering that compensation is 68.4 percent of the investments. She cited the funds being used to maintain the core, including funds to address structural imbalances, address technology and facility

needs, and enhance services and support for students. Tonneson noted that the operating budget's projected spending trend is below the rate of inflation.

Regent Hsu sought a breakdown of the \$31.7 million for compensation and benefits. Burnett explained the previous refund for unit fringe rates based on a legal settlement received by the University, noting that fringe rates will increase regardless of any compensation increase as that refund ends. Of the \$31.7 million, roughly \$18 million is for salary, \$5.5 million for fringe rate increases based on the higher salaries, and \$8 million to increase the fringe rates based on the end of the refund.

Regent Powell encouraged the administration to provide additional information on how the endowment is managed for stability and reliability in increasing income, along with its assumptions around what income can be provided. Tonneson responded that when budgeting using endowed funds, most units do so conservatively based on projections. Burnett added that the endowment also seeks to smooth out earnings to ensure reasonable payments over time. Kaler cautioned budgeting against potential gifts coming in and agreed that the goal of smoothing payments over time provides a high level of predictability for planning.

In response to a question from Regent Lucas, Tonneson explained that some units are budgeting conservatively for a slight decrease in the number of NRNR students paying the higher tuition rate. Burnett agreed that the operating budget is constructed conservatively, noting that the FY18 operating budget brought in an additional \$4 million that is used in the proposed FY19 operating budget.

In response to a question from Anderson, Burnett confirmed that colleges are in contact with the central budget office and adjustments are made based on enrollment figures, creating a high level of transparency.

Regent Sviggum complimented what he views as a very good budget. He sought a breakdown of the projected tuition revenue by resident versus NRNR. Tonneson stated that NRNR accounts for \$8.1 million out of the projected \$18.1 million in revenue.

Sviggum shared his hope that the Minnesota Legislature and Governor Dayton will fund the University's supplemental request. He observed an increase in total employee headcount by 470 people over the last year, of which only one-third are due to jobs created by MnDRIVE initiatives or student mental health counselors, which he views as essential. While Sviggum noted that he prefers a more precise approach to reduce employee headcount, he offered that a hiring freeze could be a possibility to find additional revenue. Burnett responded that any freeze will need to at least have an exemption for public safety officers or additional faculty given projected increases in enrollment.

Burnett added that of the increase in headcount cited by Sviggum, most of positions are in the Medical School. He suggested that one possible way to view the creation of new positions is how they are funded – either by grants or O&M funding. He conveyed that even that is difficult to calculate since some positions are funded by other sources of revenue.

Sviggum responded that he believes there is an opportunity to create additional efficiencies to yield necessary operating budget revenue without relying on an increase in resident tuition. Burnett expressed his willingness to look at the makeup and size of the workforce, but shared that in his view, a smaller workforce will not be able to create the \$18 million in budget savings in the operating budget.

Anderson offered that he largely shares Sviggum's viewpoint on employee headcount, but cautioned that he has heard from deans that is becoming more difficult to find positions to cut. He asserted that units are trying to be more efficient, noting that 23 units plan to eliminate

administrative positions to meet their reallocation targets, 21 units plan to reallocate funds by reducing staff, and 27 units plan to reallocate funds for their general operations.

Regent Beeson noted that he will vote to increase investment, emphasizing that the University should be making bold investments to expand its position within the market. He warned the committee not to squander the opportunity to expand the University's excellence when other institutions are pulling back.

Regent Rosha asked for clarification of differences across student fees. Tonneson responded that student fees are set by each campus using a student-driven process. She added that depending on the history of a specific campus, the types of items funded by student fees differ. Rosha responded that while it is positive to have students involved in the development of the fee, he is sensitive to students imposing items on other students and increasing the total amount of fees. He noted that student fee increases have a significant impact on those students who fall in the gap between those who qualify for institutional financial support and those who have families that can provide significant financial support.

Rosha referenced Beeson's comments and responded that he does not view the University as being passive in the market. He encouraged the University to be a national leader not only in research and learning, but also in retaining the trust of the public and controlling the cost of higher education. He stated that while deans may be working to cut positions in the manner described by Anderson, he has yet to understand how many positions have actually been cut. He emphasized that cuts are different from reallocations, and observed that while the administration is dealing with reallocations, students are having to also find additional funds to cover tuition increases. He stated that the University should explore ways to be efficient while delivering excellence and preserving resources.

Rosha offered that Kaler had stated that a hallmark of his administration has been keeping the average resident tuition increase low. He asserted that to be a hallmark, the administration should view this year as an opportunity to demonstrate that the University is fully committed with or without any additional support from the state.

Lucas asked what percentage of the eliminated jobs are student jobs. Burnett promised to obtain that information. He added that a better measure is to look at the overall trend in the number of student jobs versus a specific increase or decrease in a year.

Regent Cohen offered her agreement with Beeson's comments. She encouraged the committee to guard and encourage excellence within the University, especially the Medical School. She contended that the low average resident tuition increase is commendable and of service to the students of Minnesota.

Anderson invited Provost Hanson and Garry Jenkins, Dean, Law School, to provide additional information on the Law School's budget situation, as detailed in the docket.

Hanson described the process used to assess and address the Law School's financial difficulties. Jenkins provided information on the decline in law students and the market response, noting a slight uptick in applicants projected for 2018. He reviewed assumptions for the Law School's financial forecast and outlined the proposed strategies reviewed by a joint financial oversight committee. Jenkins conveyed the consequences of a significant drop in the Law School's rankings, and detailed the president's recommendation to solve the school's budget imbalance over the next three years.

Rosha expressed his concern about relying on rankings to determine strategy, observing that other public institutions have chosen to forgo keeping their ranking high and instead increased class size. He asked about outcomes for those institutions. Jenkins characterized as unsuccessful those institutions that allowed their rankings to fall. He added that students

coming from other Midwestern states with law schools that rank lower than the University's are choosing the Law School because of its higher rank, even though tuition is also higher in comparison.

Rosha explained that notable faculty might not be as significant a draw for potential students and that keeping class size small limits the potential for additional revenue. He argued that this creates disincentives for the Law School to adjust and the need for additional subsidy by undergraduates.

Regent McMillan expressed his concern that the cost to subsidize the Law School is becoming too painful for the other units within the University. He expressed his fondness for the Law School and his sympathy regarding its financial issues. He expressed his support for the operating budget recommendation, but stressed the need for specific goals and requirements each year to ensure that progress is being made. Jenkins responded that the recommendation seeks to create a permanent solution.

Hsu noted that by his calculations, the University has invested close to \$40 million in the Law School. In response to a question from Hsu, Jenkins confirmed that year-end transfers will end after FY19.

Beeson commented that the Board has a priority to increase the Medical School's ranking and that it will be unfair to discount rankings completely for the Law School. He noted that as the Law School shifted from a low-cost model to a high-cost model, the University provided only tuition revenue as the main source of funding. Beeson acknowledged that with the change in market, the Law School was left with fixed costs that now needs additional funding to support. He stressed the need for the Law School to operate within the proposed recommendation.

Jenkins commented that seeking a high ranking helps drive admissions and job placement. He noted that 41 percent of students consider rank as an important factor in selection, and 71 percent of employers consider rank when hiring.

Powell offered his agreement that the Law School's budget gap is unsustainable. He stressed the need for a clear set of metrics and assumptions built within the plan that the Board can review and monitor. He added that the current plan does not provide enough metrics. Rosha stated his agreement with the need for a clear set of metrics to assess performance.

### **PRESIDENT'S RECOMMENDED FY 2019 ANNUAL CAPITAL IMPROVEMENT BUDGET**

Regent Anderson invited President Kaler, Senior Vice President Burnett, and Brian Swanson, Assistant Vice President, University Services, to present for review the president's recommended FY 2019 annual capital improvement budget (capital budget), as detailed in the docket.

Kaler outlined the capital budget's goals and objectives. Burnett reminded the committee that Board policy requires a capital budget with two parts – the six-year capital plan and the capital budget. He described the types of projects included in the budget.

Burnett explained that the capital budget includes the University's full legislative request and will be updated in June to reflect the outcome of the 2018 legislative session. He reviewed its major components, highlighting the projects in the 2018 state capital request.

Swanson described the target range to maintain and reinvest in facilities. He summarized the criteria needed for a project to qualify for Higher Education Asset Preservation and

Replacement (HEAPR) funding, giving examples of projects included in the 2018 state capital request. He noted the repair and replacement pools included in the capital budget.

Burnett highlighted potential additions to the capital budget. He reported on how it would be funded, commenting that the HEAPR portion would be fully funded by the state. He broke down the \$38 million in University debt that would be issued.

Anderson recessed the meeting at 3:46 p.m.

### **BOARD OF REGENTS POLICY: *ENDOWMENT FUND***

Regent Anderson reconvened the meeting at 3:57 p.m. and invited Associate Vice President Mason to present for action proposed amendments to Board of Regents Policy: *Endowment Fund*, as detailed in the docket.

Mason reminded the committee of the proposed changes, noting that no changes to the proposed amendments have been made since the committee reviewed them in February.

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

### **REAL ESTATE TRANSACTIONS**

#### **A. Sale of 2642 University Avenue, St. Paul, Minnesota**

Associate Vice President Volna and Leslie Krueger, Assistant Vice President for Planning, Space, and Real Estate, summarized the building location and outlined terms of the sale of 2642 University Avenue, as detailed in the docket. Volna explained that the building has been vacant and will require about \$6.4 million to renovate. Given the building's price and location, he recommended the sale.

Regent Omari sought information on the accounts that receive revenue from the sale of real estate. Volna responded that unless there is a specific provision, revenue from real estate sales goes into a real estate account for the campus. He explained that the money is used for real estate purchases. Senior Vice President Burnett added that the revenue from this sale will cover the expense of maintaining the building during the vacancy and will net a profit of about \$1 million.

Regent Hsu stated his hesitation to sell any land close to the Twin Cities campus.

Regent Beeson commented that he had looked at the building as a part of his job responsibilities with Sunrise Banks and found the parcel overpriced and lacking sufficient parking. He indicated he supported the sale given the price the University was able to secure, the cost of renovation, and the length of time the property has been on the market.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the sale of 2642 University Avenue, St. Paul, Minnesota.

#### **B. Sale of 0.19 acres of isolated property located in the northwest corner of the University of Minnesota Morris**

Volna summarized the property location and outlined terms of the sale of 0.19 acres of isolated property located in the northwest corner of the University of Minnesota Morris, as detailed in



the docket. Volna described the location of the land as being cut off from the rest of campus by a road, limiting any future use and creating issues for land care and snow removal.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the sale of 0.19 acres of property located in the northwest corner of the University of Minnesota Morris.

**C. Lease of 9,383 rentable square feet of collaborative classroom and laboratory space located within the Destination Medical Center, Rochester, Minnesota**

Volna summarized the property location and outlined terms of the lease of 9,383 rentable square feet of collaborative classroom and laboratory space located within the Destination Medical Center, Rochester, Minnesota, as detailed in the docket. Volna acknowledged how expensive the lease is, but offered that the University worked hard to bring the cost down. He added that UMR feels the lease is affordable and the cost will be paid through the Rochester sales tax recovery fund and other funds.

Regent McMillan observed that this space is far from the University Square space and asked how the two spaces fit together. President Kaler suggested that the distance between the two sites is closer than some of the distances between buildings on the Twin Cities campus. He noted that the two buildings will be connected by skyway and while the location might not be ideal, it provides access to needed lab space.

In response to a question from McMillan, Chancellor Carrell reported that UMR faculty were part of the planning process and did not express concern with the location. She highlighted the co-location of Mayo Clinic lab space and noted it allows continued expansion of that relationship.

Beeson wondered how this space will align with property the University has purchased for a future UMR campus. Carrell indicated that plans for the land are still in development, and emphasized that they will come to the Board for discussion and approval at some point in the future. She noted that the purchased land and Destination Medical Center will be connected by a pedestrian walkway that will be completed before any development of the land.

In response to questions from Regent Powell, Burnett stressed that the University worked hard to negotiate a more affordable deal. He emphasized the opportunity to co-locate with Mayo Clinic. Volna noted that the price of real estate in Rochester is increasing along with development, and that the cost to build out lab space also contributes to the higher price of the lease. He clarified that the lease includes options to discontinue it. Carrell emphasized that the lease will create a long-term solution for lab space.

Regent Rosha inquired about potential comparable locations in Rochester and whether the cost to build out and equip the lab space is included in the cost. Volna explained that the lab space will be built to the University's specifications. He explained that the necessary infrastructure to support the lab is included in the lease price, but equipment will be paid for separately by UMR. He indicated that no other space like this exists in Rochester. Burnett observed that a lease is the better option because it will cost significantly more for the University to build a space like this.

Hsu explained his struggle to review this lease given the lack of a master plan for UMR but acknowledged that the lease appears to be a good solution for now. Carrell responded that UMR is not ready to adopt a master plan and that this lease is a long-term solution that meets current needs and provides additional capacity for the future.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the lease of 9,383 rentable square feet of collaborative classroom and laboratory space located within the Destination Medical Center, Rochester, Minnesota.

### **REAL ESTATE TRANSACTIONS**

Regent Anderson invited Associate Vice President Volna and Leslie Krueger, Assistant Vice President for Planning, Space, and Real Estate, to review the following real estate transactions as detailed in the docket:

- A. Amendment to University Square Lease, 111 South Broadway, Rochester, MN (Rochester Campus)**
- B. Relocation of Sand Plain Research Farm and New 30 Year Lease, Becker, MN**
- C. Sale of 435.546 acres at UMore Park for residential, commercial, and mixed-use development, Dakota County, MN**

Volna outlined the terms and locations of each of the real estate transactions. He stated that the Sand Plain Research Farm is not yet finalized, but will be when it returns for action.

Regent Johnson asked how the College of Food, Agricultural and Natural Resource Sciences (CFANS) turkey research facility will be affected by the sale of UMore Park land. Volna explained that the turkey research facility is located just southwest of the land for sale. He reported that the terms of the agreement require the University to move the facility within five years of the sale. Brian Buhr, Dean, CFANS, noted that relocation planning has been happening for two years. He compared this facility to the facility in Willmar, observing that this one is focused on live turkeys for production research.

Regent Sviggum inquired about additional offers for UMore Park land. Volna responded that the University received a significant amount of interest but only one other formal offer. He commented that there are few developers with enough capital to undertake a project of this size.

In response to a question from Regent Hsu, Volna stated that Xcel Energy is not willing to sell the University the proposed sand plain research farm land.

### **COLLECTIVE BARGAINING AGREEMENT: DISTRICT COUNCIL NO. 1 OF THE GRAPHIC COMMUNICATIONS CONFERENCE OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 1-B**

Regent Anderson invited Vice President Brown and Patti Dion, Senior Director for Employee and Labor Relations, to present for review and action a collective bargaining agreement (CBA) with the District Council No. 1 of the Graphic Communications Conference of the International Brotherhood of Teamsters, Local 1-B, as detailed in the docket.

Dion outlined the terms and conditions of the CBA and described the type of work done by the employees it covers.

Regent Rosha asked whether the Board should consider reviewing CBAs at one meeting and taking action at a subsequent meeting. Dion responded that CBAs have historically come as review/action items. Brown added that often employees are waiting on wage increases covered by the CBA, many of which are retroactive.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the resolution related to the Proposed Labor Agreement with District Council No. 1 of the Graphic Communications Conference of the International Brotherhood of Teamsters, Local 1-B.

## **CONSENT REPORT**

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

### **General Contingency:**

- There were no items requiring approval this period.

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

- To Charles River Laboratories, Inc., Taconic Biosciences, Inc., Envigo RMS, Inc., and The Jackson Laboratory for an estimated \$16,000,000 for bulk research animal orders for Research Animal Resources for the period of July 1, 2018 through June 30, 2023. The bulk animal orders will be purchased with centralized departmental funds currently available for these purchases. Suppliers were selected through a competitive process.
- To Lemer Pax for an estimated \$1,919,720 for fabrication of the low-background shield for the SuperCDMS experiment for the School of Physics and Astronomy. Funding for the SuperCDMS project is provided by the subcontract from SLAC National Lab. See documentation in the docket for basis of supplier selection.
- To Walman Optical for \$1,000,000 for optical lenses, contact lenses and eyeglass frames for Boynton Health Eye Clinic for the period of June 1, 2018 through May 31, 2023. The items included in the contract will be ordered through Boynton but the cost of the items will be the responsibility of the patient. Supplier was selected through a competitive process.

### **Contract for Commercial Paper Dealer**

- To Bank of America Merrill Lynch and J.P. Morgan Securities to serve as commercial paper (CP) dealers for the sale and remarketing of CP Notes under the University's revolving \$400 million CP Facility for fiscal 2018 through fiscal 2024. The vendors were chosen through a competitive bidding process.

### **Amendments to Civil Service Rules**

#### **Employment Agreements**

- Amendment to employment agreement – Head Men's Basketball Coach, Twin Cities Campus
- Employment Agreement – Head Men's Hockey Coach, Twin Cities Campus
- Employment Agreement – Head Women's Basketball Coach, Twin Cities Campus
- Amendment to employment agreement – Head Women's Basketball Coach, Twin Cities Campus

#### **Schematic Designs:**

- Field House Exterior Envelope and Flooring (Twin Cities Campus)

- Plant Growth Research Facility (Twin Cities Campus)

General Counsel Peterson explained the amendment to the employment agreement for the Head Women's Basketball Coach, Twin Cities, campus that was added to the consent report.

In response to a question from Regent Johnson, Mark Coyle, Director of Intercollegiate Athletics, Twin Cities campus, explained that the proposed employment agreement for Lindsay Whalen placed her in the bottom quarter of the Big Ten for head women's basketball coaches.

Regent Omari asked if the amendment to Richard Pitino's contract was comparable to the recently approved PJ Fleck amendment. Coyle indicated that they were similar and added the ability to use fundraised resources for private jet travel.

In response to a question from Regent Hsu, Coyle noted that travel hours vary and Pitino may come close or possibly exceed the 40 hours of private jet flight time.

Anderson expressed his support for the Whalen employment agreement, reporting that he has heard very positive feedback on her hire.

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

#### **INFORMATION ITEMS**

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

- Annual Investment Performance: Peer Comparisons
- Investment Advisory Committee Update
- Overview of St. Paul Strategic Facilities Plan
- Quarterly Asset Management Report
- Semi-Annual Management Report - Unaudited

Regent Rosha asked that the St. Paul strategic facilities plan not advance without input from the Board and the systemwide strategic plan. Burnett assured Rosha that the planning process is only beginning and that additional Board input will be sought. Regent McMillan expressed that he shares Rosha's concern and that there will be an opportunity in the future for the Board to engage on this topic. President Kaler added his assurance that starting the process now allows the planning to be informed by the systemwide strategic plan and to move forward quickly after that plan is completed.

The meeting adjourned at 4:52 p.m.



**BRIAN R. STEEVES**  
**Executive Director and**  
**Corporate Secretary**

**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Board of Regents  
May 11, 2018**

A meeting of the Board of Regents of the University of Minnesota was held on Friday, May 11, 2018 at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

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

Regent McMillan introduced Regent Simonson and welcomed him to the Board.

**RECOGNITIONS**

**DISTINGUISHED MCKNIGHT UNIVERSITY PROFESSORS**

The Distinguished McKnight University Professorship award honors and rewards the highest-achieving faculty at the University who recently attained full professor status. The 2018 recipients are:

- David A. Chang, History, College of Liberal Arts, Twin Cities
- Martin Greven, Physics & Astronomy, College of Science & Engineering, Twin Cities
- Satish Kumar, Chemical Engineering and Materials Science, College of Science & Engineering, Twin Cities
- Glenn I. Roisman, Child Development, College of Education & Human Development, Twin Cities
- Michael Travisano, Ecology, Evolution & Behavior, College of Biological Sciences, Twin Cities
- Natalia Tretyakova, Medicinal Chemistry, College of Pharmacy, Twin Cities

**MCKNIGHT LAND-GRANT PROFESSORS**

The McKnight-Land Grant Professorship honors assistant professors in the beginning stage of their professional careers who have the potential to make significant contributions to their departments and to their scholarly fields. The 2018-20 recipients are:

- Mehmet Akçakaya, Electrical & Computer Engineering, College of Science & Engineering, Twin Cities
- Elaine Auyoung, English, College of Liberal Arts, Twin Cities

- Ran Blekhman, Genetics, Cell Biology & Development, College of Biological Sciences, Twin Cities
- Filippo Coletti, Aerospace Engineering & Mechanics, College of Science & Engineering, Twin Cities
- Katherine Gerbner, History, College of Liberal Arts, Twin Cities
- G.-H. Crystal Ng, Earth Sciences, College of Science & Engineering, Twin Cities
- Byron A. Steinman, Earth & Environmental Sciences, Swenson College of Science & Engineering, Duluth
- Ian A. Tonks, Chemistry, College of Science & Engineering, Twin Cities

### **MCKNIGHT PRESIDENTIAL FELLOWS**

The McKnight Presidential Fellows Program is a three-year award given to exceptional faculty who have recently been considered for tenure and promotion to associate professor, to recognize their accomplishments and support their ongoing research and scholarship. The 2018 recipients are:

- Daheia J. Barr-Anderson, Kinesiology, College of Education & Human Development, Twin Cities
- Gordon Burtch, Information & Decision Sciences, Carlson School of Management, Twin Cities
- David J. Flannigan, Chemical Engineering & Materials Science, College of Science & Engineering, Twin Cities
- Michael Gallope, Cultural Studies & Comparative Literature, College of Liberal Arts, Twin
- William C. Pomerantz, Chemistry, College of Science & Engineering, Twin Cities

### **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.

#### **American Academy of Arts and Sciences**

- Ruth Shaw, Professor, Ecology, Evolution and Behavior, College of Biological Sciences, Twin Cities

#### **Andrew Carnegie Fellowship**

- Erika Lee, Professor, History, College of Liberal Arts, and Director of the Immigration History Research Center, Twin Cities

#### **Guggenheim Foundation Fellowship**

- Carl Elliott, Professor, Center for Bioethics and Pediatrics, Medical School, Twin Cities
- Christy Haynes, Professor, Chemistry, College of Science and Engineering and Associate Director of the Center for Sustainable Nanotechnology, Twin Cities
- Chris Larson, Associate Professor, Art, College of Liberal Arts, Twin Cities

#### **National Academy of Science**

- Peter Reich, Regents Professor, Distinguished McKnight University Professor, F.B. Hubachek Sr. Chair in Forest Ecology and Tree Physiology Resident Fellow, Institute on

the Environment, Forest Resources, College of Food, Agricultural, and Natural Resource Sciences, Twin Cities

- Mikhail Shifman, Professor, Physics and Astronomy, College of Science & Engineering, Twin Cities

### **ACADEMY OF DISTINGUISHED TEACHERS**

#### **Horace T. Morse-University of Minnesota Alumni Association Award 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.

- Geoffrey G. Bell, Management Studies, Labovitz School of Business and Economics, Duluth
- Sheryl Breen, Political Science, Division of the Social Sciences, Morris
- Mitra Emad, Anthropology, Sociology and Criminology, College of Liberal Arts, Duluth
- David Fox, Earth Sciences, College of Science & Engineering, Twin Cities
- Jonathan Gewirtz, Psychology, College of Liberal Arts, Twin Cities
- David Matthes, Biology Teaching and Learning, College of Biological Sciences, Twin Cities
- Keith A. Mayes, African American & African Studies, College of Liberal Arts, Twin Cities
- Tracy Otten, Studio Art, Division of the Humanities, Morris

#### **Award for Outstanding Contributions to Graduate and Professional Education**

- Victor H. Barocas, Biomedical Engineering, College of Science & Engineering, Twin Cities
- Bradley G. Clary, Law School, Twin Cities
- E. Dan Dahlberg, School of Physics and Astronomy, College of Science & Engineering, Twin Cities
- Barbara E. Martinson, Design, Housing, and Apparel, College of Design, Twin Cities
- Chris Paola, Earth Sciences, College of Science & Engineering, Twin Cities
- Robert E. Porter, Veterinary Population Medicine, College of Veterinary Medicine, Twin Cities
- Alexander J. Rothman, Psychology, College of Liberal Arts, Twin Cities
- Barbara Young Welke, History, College of Liberal Arts and Law School, Twin Cities

### **JOHN TATE AWARD FOR EXCELLENCE IN UNDERGRADUATE ADVISING**

The John Tate Award for Excellence in Undergraduate Advising 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 2018 recipients are:

- Mark A. Bellcourt, Senior Academic Advisor, Student Services, College of Education and Human Development and the College of Food, Agricultural and Natural Resource Sciences, Twin Cities
- Tracey Bolen, Director of Advising and Academic Services, Labovitz School of Business and Economics, Duluth
- Michelle L. Page, Associate Professor, Division of Education, Morris

- Sara Schroth, Senior Academic Advisor, Minnesota English Language Program, College of Continuing and Professional Studies, Twin Cities

### **OUTSTANDING COMMUNITY SERVICE AWARD**

The Outstanding Community Service Award recognizes accomplishments of faculty, staff, students, and University-affiliated community members who have devoted their time and talent to make substantial, enduring contributions to the external community and to improve the well-being of society. The 2018 recipients are:

- Community Partner Award: Susan Ann Gust, activist and community development consultant
- Student Award: Anant Naik, undergraduate student, College of Science and Engineering, Twin Cities
- Staff Award: Jim Krueger, building and grounds supervisor, Cedar Creek Ecosystem Science Reserve, College of Biological Sciences, Twin Cities
- Faculty Award: JaneAnne Murray, professor of practice, Law School, Twin Cities

### **COMMUNITY-ENGAGED SCHOLAR AWARD**

The President's and College-Wide Community-Engaged Scholar Awards recognize faculty and professional and administrative employees for exemplary engaged scholarship in their fields of inquiry. The 2017-18 recipients are:

#### **President's Community Engaged Scholar**

- Lesa Covington Clarkson, Associate Professor, Department of Curriculum and Instruction, College of Education and Human Development, Twin Cities

### **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 2018 recipients are:

- Kumar G. Belani, Distinguished International Professor, Academic Health Center; professor of anesthesiology, medicine and pediatrics, School of Medicine; adjunct professor, School of Public Health, Twin Cities
- Karen Brown, director, Interdisciplinary Center for the Study of Global Change, Global Programs and Strategy Alliance, Twin Cities
- Steve Cisneros, director, President's Emerging Scholars Program, Office of Undergraduate Education, Twin Cities
- Sue Elm, clinical systems supervisor, School of Dentistry, Twin Cities
- Thomas Gilliam, administrative director, Master of Healthcare Administration and Executive Programs, School of Public Health, Twin Cities
- John Hamlin, professor, Department of Anthropology, Sociology & Criminology, College of Liberal Arts, Duluth
- Lyndel King, director and chief curator, Weisman Art Museum, Twin Cities
- Sharon Kressler, administrator, N.H. Winchell School of Earth Sciences, College of Science and Engineering, Twin Cities



- Rebecca Masterman, associate program director, UMN Bee Squad, and extension educator, MN Extension, Twin Cities
- Colin McFadden, technology architect, LATIS, College of Liberal Arts, Twin Cities
- Abdi Ismail Samatar, professor, Department of Geography, Environment & Society, College of Liberal Arts, Twin Cities
- Terri Sutton, communications associate, Department of English, College of Liberal Arts, Twin Cities

## **NATIONAL SCHOLARSHIP RECIPIENTS**

### **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.

- Merrick Pierson Smela, Chemistry and Biochemistry, College of Science & Engineering, Twin Cities

### **Fulbright Award**

In 1945, Senator J. William Fulbright introduced a bill in the United States Congress that called for the use of surplus war property to fund the “promotion of international good will through the exchange of students in the fields of education, culture, and science.” In 1946, President Harry S. Truman signed the bill into law, and Congress created the Fulbright Program, the flagship international educational exchange program sponsored by the U.S. Government. The Fulbright Program has fostered bilateral relationships in which citizens and governments of other countries work with the U.S. to set joint priorities and shape the program to meet shared needs.

- Chloe Fouilloux, Ecology, Evolution and Behavior, College of Biological Sciences, Twin Cities
- Tate Sheppard, Theatre Arts and Spanish/Portuguese, College of Liberal Arts, Twin Cities

### **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.

- James Cox, Chemistry, College of Science & Engineering, Twin Cities
- Anna Nagel, Ecology, Evolution and Behavior, College of Biological Sciences, Twin Cities

## **NCAA CHAMPIONS**

Recognition was given to the following student-athletes for winning an NCAA championship during the 2017-18 academic year:

- Men’s Hockey, Duluth: Hunter Shepard, Blake Young, Nick McCormack, Sammy Spurrell, Karson Kuhlman, Parker Mackay, Jared Thomas, Avery Peterson, Peter Krieger, Nick Deery, Ben Patt. Louie Roehl, Billy Exell. Nick Swaney, Justin Richards,

Matt Anderson, Mikey Anderson, Koby Bender, Dylan Samberg, Riley Tufte, Nick Wolff, Will Campion, Jarod Hilderman, Joey Anderson, Jade Miller, Scott Perunovich, Kobe Roth – Scott Sandelin, Coach

- Sarah Bacon, Diving, Twin Cities – Kelly Kremer, Coach and Wenbo Chen, Coach
- Kaitlyn Long, Track and Field, Twin Cities – Matt Bingle, Coach

### **APPROVAL OF MINUTES**

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

Litigation Review Committee – March 23, 2018  
Board of Regents – March 23, 2018

### **REPORT OF THE PRESIDENT**

President Kaler reported on several items, including his participation in commencement ceremonies across the University; updates on the capital request and the Driven campaign; the University's global reach and impact; and NCAA news and developments.

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

### **REPORT OF THE CHAIR**

Regent McMillan offered examples from the Board's May agenda to demonstrate how the Board is working to achieve its priorities, including the recommendation of the Mission Fulfillment Committee to confirm an outstanding class of faculty for tenure and promotion; a vision for an integrated academic medical enterprise; a systemwide strategic plan that incorporates an academic investment strategy and long-term financial framework; and a focus on increasing private and public support for the mission of the University.

McMillan added that the Board will take action on the President's recommended fiscal year 2019 operating budget at the June 2018 Board meeting. He added that the Board encourages feedback on the proposed budget either by submitting comments on the Board of Regents website, or by attending upcoming public input sessions.

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

### **CONSENT REPORT**

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

- Gifts
- Report of the Regents Award Committee

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

## **SYSTEMWIDE STRATEGIC PLAN: MEDICINE & HEALTH**

Regent McMillan invited Interim Vice President for Health Sciences Tolar to present the third of five systemwide strategic planning presentations, as detailed in the docket.

President Kaler noted his intent to present a comprehensive plan for the Board to review in September, along with the 2020-21 biennial budget request. He described the process for assessing the University's academic health structure over the past few months, and announced that he is nearing a recommendation for the new structure.

Tolar outlined the goals for the medicine and health portion of the systemwide strategic plan, which include serving the community, enhancing the prestige of the Medical School, and aligning the University's priorities with those of the state. He provided several examples of groundbreaking research that places the University in a position to become a destination medical center.

Regent Rosha noted that due to the difficulty and ambition of Tolar's goals, he will face resistance, but added that Tolar has his full support. He expressed appreciation for the report's level of detail, and encouraged more of the same.

Regent Lucas stressed the importance of emphasizing the University's land-grant mission, as well as the goal of focusing on a few areas of expertise and doing them well.

Regent Hsu echoed Lucas in expressing appreciation for the focus on a few areas of expertise. He expressed support for the goal of becoming a destination medical center and asked for clarification on costs and timeline. He shared his confidence in Tolar's ability to acquire the funding necessary for the Medical School.

Regent Cohen noted that the statewide impact of the Academic Health Center shows that the University is fulfilling its land-grant mission.

Regent Simonson asked for clarity on what the areas of focus will be, and how the University will address the increase of independent research sponsorships in lieu of federal funds. He asked whether the University can be better compensated for intellectual property. Tolar offered his view that private independent research sponsorships are positive and productive as long as roles and responsibilities are clearly defined.

Regent Beeson suggested emphasizing the University's relationship with Fairview as a strategic partner. He echoed the desire for the University to become a destination medical center, and added that it will benefit from strong branding.

Regent Anderson voiced concern over the possibility of making cuts to dental and veterinary medicine programs, noting those cuts will affect rural Minnesota more than large cities. He stressed the importance of finding new revenue to reduce cuts. Tolar explained that positioning the University as a destination medical center will bring in the new revenue needed.

Regent Johnson asked Tolar what he needs from the Board and the Legislature in order to achieve his goals. Tolar asked for continued guidance and leadership from the Regents. He suggested it will be helpful for the Board to issue directives to restructure parts of the University to help reduce bureaucracy. He asked that the Board remain supportive of the University's allocation of funds from the state.

Regent Powell expressed appreciation for Tolar's commitment to the University's mission, which includes serving the state and patients. He stressed the Board's interest in hearing more about departmental strategies. He referenced the state's strong healthcare ecosystem, and asked if

the University can contribute more to the national public policy debate. Tolar responded by stating his belief that the University has the opportunity to play a role in that debate.

## **M HEALTH**

Regent McMillan invited Interim Vice President for Health Sciences Tolar to present for action the resolution related to the Extension of Master Integrated Structure Agreement, as detailed in the docket.

President Kaler outlined the purpose of the resolution, explaining it will extend the deadline to the end of June to finalize negotiations.

Regent Hsu expressed support for the extension as long as this is the last one. He asked if 30 days is enough time. Kaler responded that 30 days is enough, and that there are no plans to request additional extensions.

Hsu clarified that the extension is to complete the letter of intent, and asked when the definitive agreement will be completed. Senior Vice President Burnett responded that the documents will be completed by September 1, 2018. He added that Fairview's board plans to vote on the letter of intent on June 14, 2018. McMillan noted that the Board of Regents will schedule a special meeting to follow the Fairview meeting.

Hsu asked about potential delays. General Counsel Peterson stressed that he could not speak to that issue given confidentiality agreements, but noted he is optimistic about the June 30 deadline.

Regent Rosha shared his concern about disputes between some of the entities in the partnership. He encouraged Tolar to build flexibility into the agreement to ensure that the partnership will be able to adapt in the future. He expressed his support for the resolution. McMillan noted that other Regents have voiced similar concerns.

Kaler explained that the aspirations of the Board and the negotiating team are closely aligned. He emphasized the importance of securing a strong clinical partner.

Regent Omari proposed adding a September 1 deadline to the resolution for execution of the definitive agreement. Peterson recommended a September 30 deadline instead.

McMillan and Regent Beeson spoke against adding a September deadline. Omari agreed.

A motion was made and seconded, and the Board voted unanimously to approve the resolution, as follows:

WHEREAS, on May 12, 2017 the Board of Regents ("Board") adopted the Resolution Related to Non-Renewal of the Master Integrated Structure Agreement whereby the Board authorized and directed University of Minnesota ("University") administration to serve a notice of non-renewal pursuant to the terms of that certain Master Integrated Structure Agreement ("MISA") between the University, University of Minnesota Physicians ("UMPhysicians"), and Fairview Health Services ("Fairview") effective June 1, 2013, for the "M Health" relationship, with the hope and expectation that a renegotiated agreement would be put in place among the parties; and

WHEREAS, on May 24, 2017, the President of the University carried out the Board's direction by providing the University's unilateral notice of non-renewal of the MISA, such that the MISA and related M Health agreements will end May 31, 2018; and

WHEREAS, on May 25, 2017 Fairview provided its own unilateral notice of non-renewal of the MISA, also, but separately, electing to have the MISA and related M Health agreements end May 31, 2018; and

WHEREAS, the University, UMPHysicians and Fairview have been engaged in regular meetings and are preparing terms of a letter of intent for a renewed and improved relationship among the organizations, which letter of intent is expected to be presented to the Board and to the governing bodies of UMPHysicians and Fairview for review and approval in the near future.

NOW, THEREFORE, BE IT RESOLVED that with an understanding that the University, UMPHysicians and Fairview are working in earnest to finalize terms of a letter of intent describing terms for a new agreement among the organizations, but recognizing that the work may not be finished in time to allow for presentation of a proposed letter of intent to each organization's governing body before May 31, 2018, the Board authorizes the administration to enter into an agreement with Fairview and UMPHysicians to extend the termination date of the MISA and related M Health agreements to no later than June 30, 2018. The Board anticipates formal consideration of the letter of intent at a meeting of the Board in June 2018.

#### **REPORT OF THE MISSION FULFILLMENT COMMITTEE**

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

- 1) Approval of the promotion and tenure recommendations for regular faculty candidates, as presented by the senior academic officers of the University of Minnesota.
- 2) Approval of the promotion recommendations for contract faculty, as presented by the senior academic officers of the University of Minnesota.
- 3) Approval of the annual continuous appointment and promotion recommendations for academic professionals, as presented by the senior academic officers of the University of Minnesota.
- 4) Approval of the consent report, which includes academic program additions, changes, and discontinuations.

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

#### **REPORT OF THE AUDIT & COMPLIANCE COMMITTEE**

Regent Cohen, chair of the committee, reported that the committee discussed audit and non-audit services provided to the University by external audit firms; was presented with the external audit plan for fiscal year 2017; heard an update on the implementation of compliance initiatives and several completed risk assessments; received an overview of UReport statistics from the second half of 2017; and discussed the University's institutional risk profile.

#### **REPORT OF THE LITIGATION REVIEW COMMITTEE**

Regent Beeson, chair of the committee, reported that pursuant to notice sent by the University, the Litigation Review Committee met on May 10, 2018. At this meeting, a resolution was considered and adopted that authorized the closing of the meeting. In the closed meeting, discussion was held on matters subject to the attorney-client privilege.

## **REPORT OF THE FINANCE & OPERATIONS COMMITTEE**

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

- 1) Adoption of proposed amendments to Board of Regents Policy: *Endowment Fund*. A motion was made and seconded, and the Board voted unanimously to adopt the proposed amendments to the policy, as follows:

### SECTION I. SCOPE.

This policy governs the management of investments in the University of Minnesota (University) endowment fund (endowment).

### SECTION II. INVESTMENT OBJECTIVES.

The investment objectives for the University endowment shall be, over the long term, to:

- (a) preserve the inflation adjusted value of the endowment;
- (b) generate investment returns that meet or exceed the annual payout rate plus direct expenses incurred by the investment program after adjusting for inflation as measured by the Consumer Price Index;
- (c) execute the investment program within acceptable risk parameters; and
- (d) provide stable distributions for annual spending purposes.

### SECTION III. COMPREHENSIVE PROGRAM REVIEW.

Annually, the president or delegate shall present to the Board of Regents (Board) a comprehensive review of the investment program including a summary of the results of investment strategies employed during the previous year to achieve the investment objectives.

### SECTION IV. ASSET ALLOCATION GUIDELINES.

Consistent with Board of Regents Policy: *Reservation and Delegation of Authority*, the Board reserves to itself authority to approve asset allocation ranges. Those ranges shall be:

- The long-term allocation for Stability assets shall be 5-15 percent and include Liquid Reserves (5-15 percent) and High Quality Credit (0-6 percent).
- The long-term allocation for Diversifier assets shall be 20-40 percent and include Enhanced Stability assets (5-20 percent), Idiosyncratic assets (0-15 percent), and Growth Diversifiers (5-20 percent).
- The long-term allocation for Growth assets shall be 50-70 percent and include Equity (45-70 percent) and Extended Credit (0-10 percent). Within Growth assets, the Equity allocation shall have long-term geographic target exposures of United States markets (45 percent), Developed Markets (30 percent), and Emerging Markets (25 percent).

### SECTION V. REPORTING.

The president or delegate shall make the following reports to the Board at the specified times or frequencies:

- (a) a quarterly report regarding the status of the endowment containing the following information:
  - (1) the total market value and investment performance relative to selected benchmarks for each asset class and the total portfolio;
  - (2) an attribution analysis of investment performance;
  - (3) an analysis of investment performance relative to investment objectives;

- (4) a summary of portfolio risk;
  - (5) deviations from asset allocation ranges, if any; and
  - (6) new managers, manager terminations, and any significant changes in investment strategy or allocation.
- (b) an annual report containing the following information:
- (1) a comparison of relative performance and asset allocation to peer institutions;
  - (2) steps taken to provide opportunities to emerging, minority-owned, and woman-owned investment management firms; and
  - (3) a description of current investments related to sustainability and renewable energy.
- (c) at the next regularly scheduled meeting of the Board a report containing the following information:
- (1) any significant change in investment strategy and any internal or external event that has materially affected the performance of the fund; and
  - (2) any other information requested by the Board.

#### SECTION VI. INVESTMENT MANAGEMENT GUIDELINES.

Subd. 1. Use of Investment Managers. Except as provided in Subds. 3 and/or 4 of this section, endowment funds shall be invested only through investment managers. The president or delegate shall choose investment managers with demonstrated expertise and engage them by written agreement to execute transactions in their discretion within stated parameters and in accordance with applicable policy. No investment manager may manage more than 20 percent of the endowment for a period of more than 12 months.

Subd. 2. Liquidity. Illiquid investments shall be defined as those incapable of being converted to cash or cash equivalents within 12 months without material loss of market value. The sum of illiquid investments by net asset value shall not exceed 50 percent of total endowment assets in normal market environments and 75 percent in stressed market environments. Additionally, the sum of (a) the net asset value of illiquid investments, and (b) total unfunded commitments to illiquid investments shall not exceed 75 percent of total endowment assets in normal market environments and 90 percent in stressed market environments.

Subd. 3. Rebalancing. The president or delegate shall monitor market value of endowment assets in comparison to the asset allocation ranges approved by the Board. At least quarterly, the president or delegate shall determine whether rebalancing is appropriate and, if so, act in a timely and cost-effective manner. In order to achieve rebalancing, the following investment instruments may be employed with the use of an investment manager:

- (a) futures contracts, only on a net unleveraged basis;
- (b) options contracts for purposes of hedging or the sale of covered options, provided that aggregate option exposure may not exceed 10 percent of the value of the endowment; and
- (c) investments in exchange-traded funds.

Subd. 4 Permissible Activities and Limitations.

- (a) Economic leverage, defined as the portion of an exposure obtained through the derivatives market that is not fully collateralized by cash, may be utilized subject to the constraint that gross leverage of the total endowment fund shall not exceed 110 percent. Derivative positions utilized in implementing the rebalancing program, as described in Subd. 3(a) of this section, will not be included in the calculation of gross leverage.

- (b) Co-investments are permissible subject to the following constraints: 1) co-investment commitments shall not exceed 3 percent of total endowment assets at time of commitment, and 2) co-investments may only be executed when sponsored by investment managers with whom the endowment has invested.
- (c) No individual investment may be made for the purpose of achieving management control in any company. This provision is not intended to prohibit the use by investment managers of control strategies with respect to portfolio companies.
- (d) A maximum of ten percent of the endowment may be invested in any single fund or account.
- (e) The investment of endowment funds shall comply at all times with the restrictions on investment of amounts comprising the Permanent University Fund that are set forth in Minnesota Statutes Section 11A.24 or its successor.

Subd. 5. Environmental, Social, and Governance Responsibilities. The University shall consider environmental, social, and governance responsibilities in its investment decisions.

#### SECTION VII. PAYOUT RATE.

The endowment payout rate shall be set at a level that supports University operations while enabling the endowment to grow at an inflation-adjusted rate that will provide for future distributions. Distributions shall be made quarterly. The annual payout rate shall be 4.5 percent of the average of the endowment's trailing month-end market values for the prior 60 months.

Supersedes: Investment Social Concerns Dated September 13, 1991.

- 2) Approval of the real estate transaction related to the sale of 2642 University Avenue, St. Paul. A motion was made and seconded, and the Board voted unanimously to approve the real estate transaction.
- 3) Approval of the real estate transaction related to the sale of 0.19 acres located in the northwest corner of the University of Minnesota Morris. A motion was made and seconded, and the Board voted unanimously to approve the real estate transaction.
- 4) Approval of the real estate transaction related to the lease of 9,383 rentable square feet located within the Destination Medical Center, Rochester. A motion was made and seconded, and the Board voted unanimously to approve the real estate transaction.
- 5) Approval of the resolution related to the proposed labor agreement with District Council No. 1 of the Graphic Communications Conference of the International Brotherhood of Teamsters, Local 1-B. A motion was made and seconded, and the Board voted unanimously to adopt the proposed resolution, as follows:

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

WHEREAS, Local 1-B 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 that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for May 10, 2018.



- 6) Approval of the Consent Report for the Finance & Operations Committee as presented to the committee and described in the May 10, 2018 committee minutes. A motion was made and seconded, and the Board voted unanimously to approve the Consent Report.

### **NEW BUSINESS**

Regent Rosha asked the Office of the Board of Regents to provide the policy on where proceeds from real estate transactions go.

Regent Hsu moved a resolution to freeze undergraduate tuition for fiscal year 2019, as follows:

WHEREAS, the University of Minnesota is dedicated to pursue knowledge through research and discovery and apply this knowledge through teaching, learning, and outreach and public engagement; and

WHEREAS, the cost of attendance, primarily through tuition, has increased exponentially over recent decades, creating a barrier to attendance for many prospective students and resulting in oppressive debt obligations for former students and graduates; and,

WHEREAS, the State of Minnesota has been among the best in the nation in maintaining financial support for higher education; and,

WHEREAS, the Board of Regents has expressed its resolve to reduce costs and gain efficiencies to minimize the financial barriers to a world-class education; and

WHEREAS, the Regents recognize that non-essential increases in residential tuition exacerbate the financial barrier to a University education, work against the Board's commitment to reduced cost and increased efficiencies, and belie the support provided by the people of Minnesota to educate future generations.

NOW, THEREFORE, BE IT RESOLVED, the Board of Regents directs resident undergraduate tuition on all campuses for FY2019 be frozen at FY2018 levels.

BE IT FURTHER RESOLVED, any new incremental appropriation provided in the 2018 legislative session will be used in the FY2019 budget to reduce resident undergraduate tuition rates across all University campuses in accord with a plan presented by the Administration for approval by the Board of Regents at its June 2018 meeting.

The motion was seconded.

Regent Beeson expressed disappointment in seeing the resolution presented as new business, recalling that the Board has made efforts to avoid bringing resolutions without review by committees. He voiced concern that the resolution may pre-empt the budget process the following month. He added that he would like to see a model that shows an increase in tuition of 0.25% or 0.5%.

Regent McMillan reminded the Board that the administration is willing to model tuition scenarios.

Rosha encouraged the Board to focus on the substance of the matter instead of the procedure. He noted that while he supports the intent of the resolution, it is premature to vote now without receiving more information. He added that the resolution has the potential to convey the University's resolve to minimize tuition increases as the Legislature considers the supplemental budget request.

Regent Omari requested a model that shows where cuts will be made if tuition revenue is reduced. He questioned the use of specific words in the resolution, which he believes mischaracterize the intent. He requested a comparison with other states regarding allocation of funding for higher education and other areas.

McMillan reminded the Board that the \$10 million supplemental budget request to the state, if funded, will be allocated entirely toward reducing tuition.

Regent Sviggum concurred with Rosha that the resolution could send a positive message to the Legislature. He expressed strong support for lowering tuition.

Regent Cohen agreed with Beeson's assertion that receiving information in advance is beneficial, and discouraged the practice of introducing items for review/action at the same time.

Regent Johnson emphasized that while no one wants to increase tuition, it is necessary for the University to pay its faculty and staff competitive salaries. He described the University's difficulty in raising the necessary funds if tuition is frozen. He urged the Board not to adopt the resolution.

Rosha clarified that he does not believe the Board would suggest cutting faculty salaries to compensate for a tuition freeze. He expressed support for the resolution based on the positive message it could send to the Legislature.

Regent Lucas requested a model of what was cut from the budget when the 2% increase was approved.

Regent Sviggum shared his belief that it is possible to make budget cuts without sacrificing educational quality. He raised concern over making a decision without reviewing budget models first.

Regent Simonson voiced his support for the resolution, citing concern over increasing student debt.

McMillan and Regent Powell recommended postponing the resolution until the Board has more data.

Rosha asked the chair's opinion on whether the resolution will have an effect on the Legislature's decision regarding the supplemental budget request. McMillan responded that it does not seem likely to influence the decision.

Hsu discussed the benefits his resolution will have in terms of sending a message to the Legislature. He pointed out that a freeze will impact a very small percentage of the budget.

Hsu called for a roll call vote. Regent Omari cautioned that voting against the resolution could send a message that the Board does not want to freeze tuition, which is not the case. He moved to table the motion. The motion to table was not seconded.

Regent Anderson observed that if the vote is postponed, it will take place too late to have an effect on the decision of the Legislature. McMillan cautioned against using the vote as a signal to the Legislature.

The vote was as follows:

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

Three votes were cast in favor of the motion and nine votes were cast against the motion. The Hsu resolution failed.

The meeting adjourned at 12:18 p.m.



**BRIAN R. STEEVES**  
**Executive Director**  
**and Corporate Secretary**