Board of Regents

June 2018

June 8, 2018

15 min following adjournment of GOV - 12:00 p.m.

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AGENDA ITEM: Recognition of Civil Service Consultative Committee Outgoing Chair

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan
             President Eric W. Kaler

PURPOSE & KEY POINTS

The purpose of this item is to recognize Raymond Muno, outgoing chair of the Civil Service Consultative Committee. Muno serves as Information Technology Manager in the Aerospace Engineering department in the College of Science and Engineering.
AGENDA ITEM: Recognition of Student Representatives to the Board of Regents

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

This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

To recognize the service of the 2017-18 Student Representatives to the Board of Regents:

Joshua Preston, Chair  Alexandra Ulland, Vice Chair
Twin Cities (PSG)   Duluth

Lauren Anderson  Sean Chen
Rochester  Twin Cities (COGS)

Marta Dean  Mina Kian
Crookston  Twin Cities (MSA)

Apoorva Malarvannan  Parker Smith
Twin Cities (MSA)  Morris
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.

**21st 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.
Mission Fulfillment Committee
May 10, 2018

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
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
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 Rosha, 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.

BRIAN R. STEEVES  
Executive Director and  
Corporate Secretary
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
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.


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 Cities
• 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
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,
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.
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 (“UM Physicians”), 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.

Board of Regents
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(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.


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
AGENDA ITEM: Report of the President

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler

PURPOSE & KEY POINTS

It is customary for the President to report on items of interest to the University community at each Board meeting.
It is customary for the Chair to report on items of interest to the University community at each Board meeting.

This is a report required by Board policy.
AGENDA ITEM: Receive & File Reports

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

☒ This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

The following items are included for receipt and filing:

A. Report of the Academic Professionals & Administrators Consultative Committee
B. Report of the Civil Service Consultative Committee
C. Quarterly Report of Grant and Contract Activity
P&A Senate 2017-18 Annual Report

The P&A Senate and the P&A Consultative Committee (PACC) began the year with the annual P&A Senate retreat in August. In addition to senator orientation and subcommittee selection, the retreat included a visit from Vice Provost and Dean of Graduate Studies Scott Lanyon, who spoke about the role of shared governance from the perspective of the administration. This year was an interesting one for the P&A Senate, as Chair Catherine St. Hill left the University mid-year, requiring the chair-elect to assume the role of chair earlier than expected.

P&A Senate meetings included the following topics:

- **October 2017**: Wellbeing Program updates from Laura Manydeeds, wellbeing program administrator, Office of Human Resources; discussion of open enrollment and benefits changes with Ken Horstman, senior director, Total Compensation, Office of Human Resources; and a discussion among P&A Senate members about how best to engage with constituents.

- **November 2017**: A presentation on Public Engagement by Amber Cameron, associate director for public engagement initiatives, Office for Public Engagement; a presentation on the Office of Conflict Resolution by Bruce Grosland, interim director, Office of Conflict Resolution; and a discussion among P&A Senate members about defining leadership at the University and in the senate.

- **February 2018**: An update on the Campus Climate Initiative with Ann Freeman, director, Campus Climate Initiatives, Office for Equity and Diversity; Nasreen Mohamed, director, Student Engagement, International Student and Scholar Services, Global Programs and Strategy Alliance; and Amelious Whyte, director, Public Engagement, College of Liberal Arts. At this meeting, the P&A Senate also discussed the announced closing of the Child Development Center and approved a letter calling on the administration to halt the closure and engage in a robust, system-wide discussion with shared governance and the University community about campus child care.

- **April 2018**: A government relations update from J.D. Burton, chief government relations officer, and a presentation on the University of Minnesota System Economic Impact Study by Erin Heath, senior analyst, Institutional Analysis, University Budget & Finance (who is also a P&A Senator). Elections for next year’s chair-elect and subcommittee chairs were also held at this meeting.

- **May 2018**: Recognition and Awards. This meeting focused on recognizing and honoring the many contributions of P&As across the University system. The P&A Senate Outstanding Unit Award was presented to the Undergraduate Leadership Minor. The six P&A recipients (Karen Brown, Steve Cisneros, Thomas Gilliam, Lyndel King, Rebecca Masterman, Colin McFadden) of the President’s Award for Outstanding Service were recognized, as well as the P&A recipient (Steven Pearthree) of the Outstanding Service to University Senate Governance recognition. In addition, Ann Bailey, a P&A Senator from the College of Education and Human Development, who also serves on the Provost’s Child Care Advisory Committee, gave an update on that work, and Geoff Rojas, president of the Postdoctoral Association, gave a presentation on issues facing postdocs at the University.
In addition to the topics addressed at P&A Senate meetings, the P&A Consultative Committee (PACC) met with several key administrators and discussed several other issues pertaining to P&A staff:

- Discussed roles of advocacy and activism in shared governance and the intersections and conflicts between collective-bargaining campaigns and the current senate model
- Previewed and consulted on the Preventing and Responding to Sexual Misconduct training module
- Provided feedback on the new Administrative Policy: *Parental Leave for Employees*, as well as Administrative Policies: *Military, Court Appearance, or Civic Duty Leave* and *Public Service: Campaigning for or Holding Public Office*
- Discussed allowing P&A staff to donate vacation time to Civil Service and union-represented colleagues in need with representatives from the Civil Service Consultative Committee
- Discussed changes to the retirement plan with Ken Horstman, senior director, Total Compensation, Office for Human Resources
- Conversed with President Kaler about staff compensation, P&A contract length, preventing sexual misconduct, and staff child care concerns
- Had a dialogue with the Faculty Legislative Liaisons about how P&As could support the University’s requests at the state legislature, as well as how the breadth of P&A contributions to the University’s mission (including research, teaching, program administration, student services) are perceived at the Capitol

This fall, PACC leadership traveled to the Morris campus with Vice Provost for Faculty and Academic Affairs Rebecca Ropers-Huilman, as well as Faculty Consultative Committee and Civil Service Consultative Committee (CSCC) leadership. In the spring, PACC and CSCC leadership braved the roads on the Monday after the infamous mid-April blizzard to pay a visit to the Crookston campus. During these visits, PACC and CSCC leaders met with key administrators at the system campuses and held drop-in meetings with P&A and Civil Service constituents. The drop-in meetings were extremely well attended and yielded productive dialogue between governance leaders and system campus constituents. In addition, PACC members discussed the structure of the P&A Senate subcommittees to evaluate whether the current structure continues to serve the needs of the senate and its constituents. Focus groups and further discussion of this topic will continue throughout the summer and into the fall.

Many other topics for the P&A Senate this year originated in work accomplished through its subcommittees.

**Benefits and Compensation (B&C) Subcommittee**
The subcommittee, chaired by Corinne Komor and Shannon Farrell, provides a voice for P&A concerns and advocacy to central University leadership, identifies areas of potential improvement in benefits, and provides a conduit of information between human resources administration and P&A employees. Last year, the subcommittee led the P&A Senate’s efforts in advocating for parental leave equity; members were therefore gratified to see the major aspects of their advocacy on this topic realized in the new Administrative Policy: *Parental Leave for Employees*. This year, discussion centered around improving the Regents Scholarship program, vacation accrual, and lactation resources at the University.
Communications Subcommittee
This subcommittee, chaired by Ann Hagen for 2017-18, is responsible for communicating the work of PACC and the P&A Senate to all P&A employees at the University. The main communication method is the monthly newsletter which relays the work of the P&A Senate.

Outreach Subcommittee
Under the leadership of Mia Boos and Noelle Noonan, the Outreach Subcommittee focused on creating processes and materials to assist senators in reaching out to constituents, as well as increasing awareness among P&A staff about the senate. Along with members of the Civil Service Senate, Outreach Subcommittee members staffed the University Senate Governance table at New Employee Orientations and provided new staff with information about shared governance.

Professional Development & Recognition (PD&R) Subcommittee
This year, under the leadership of Julie Rashid and (first) Connie Bongiorno and (later) Fran Fabrizio, PD&R developed and hosted a series of Brown Bag Lunch & Learn events supporting professional development, as it does each year. While P&A employees are the primary audience for these events, they are open to everyone and offer both in person and remote participation. This year’s theme was leadership, and topics included leading inclusively from within, working across silos, and building professional relationships. The subcommittee also began an effort to close caption previous Brown Bag presentations that are archived on the P&A Senate website.

Due to the unexpected leadership changes this year, the P&A Senate has the unique opportunity to have its chair continue in his role for a second year in 2018-19. This continuity seems to have worked well for the Faculty Senate in recent years, and we are looking forward to the results of this experiment. We have been fortunate and honored to lead the P&A Senate this year and are extremely grateful for the opportunity.

Respectfully submitted,

Ian Ringgenberg
Chair, 2017-18 P&A Consultative Committee and P&A Senate

Ann Hagen
Acting chair-elect, 2017-18 P&A Consultative Committee and P&A Senate

2017-18 P&A Senate Leadership

Chair
Catherine St. Hill, College of Pharmacy (July 1 - November 17, 2017)
Ian Ringgenberg, University Honors Program (beginning November 17, 2017)

Chair-Elect
Ian Ringgenberg, University Honors Program (July 1 - November 17, 2017)
Ann Hagen, School of Dentistry (acting; beginning November 17, 2017)

Past Chair
Etty DeVeaux, The Graduate School
**Benefits and Compensation Committee Co-Chairs**
Corinne Komor, College of Science and Engineering
Shannon Farrell, University Libraries

**Communications Committee Chair**
Ann Hagen, School of Dentistry

**Outreach Committee Co-Chairs**
Mia Boos, College of Continuing and Professional Education
Noelle Noonan, Law School

**Professional Development and Recognition Committee Co-Chairs**
Julie Rashid, University Libraries
Connie Bongiorno, University Libraries (July 1 - November 1, 2017)
Fran Fabrizio, Office of the Vice President for Research (beginning November 17, 2017)
The Civil Service Senate and its executive committee, the Civil Service Consultative Committee (CSCC), represents over 4500 University employees in many job families across the University system. Our ranks are made up of employees in three PELRA classifications; Non-Instructional Professionals (unit 12), Nursing Professionals (unit 5), and Supervisory (unit 13).

Overview

The Civil Service Consultative Committee and Civil Service Senate had a productive year discussing issues that concern Civil Service (CS) employees, along with broader issues affecting the entire University.

Throughout the year, the CSCC invited speakers on topics relevant to CS employees. Highlights include:

- Brandon Sullivan, Senior Director, Leadership and Talent Development, OHR: Employee Engagement
- Sofia Anderson-Stern, EOAA and Boyd Kumar, Chief Compliance Officer: Sexual Misconduct Training consultation
- Erin Leonard, Executive Director, MSRS: updates on pending pension legislation
- Julie Tonneson, Associate Vice President, University Finance: Discussion on Fringe Rates
- Ken Horstman, Director of Total Compensation, OHR and Patti Dion, Director of Employee Relations, OHR: Job Family Study Pain Points discussion
- Kathy Brown, Vice President, OHR and Ken Horstman, Director of Total Compensation, OHR: OHR Policy Review
  - Parental Leave
  - Campaigning for Public Office
  - Military Leave
  - In Range Salary adjustments
- Nicole Smiley, Social Concerns Committee and Dana Donatucci, FM recycling Supervisor: Organics Recycling
- Brandon Sullivan, Senior Director, Leadership and Talent Development, OHR: Employee Engagement Survey results
- Qias Munhazim, Director, Gender and Sexuality Center for Queer and Trans Life, Melinda Lee, Assistant Director, Gender and Sexuality Center for Queer and Trans Life and Gabrielle Mead, equal opportunity associate, Office for Equity and Diversity: Policy Review: Equity and Access, Gender Identity, Gender Expression, Names & Pronouns
- President Eric Kaler: Discussion on Legislative Updates and System Wide Strategic Plan
- Kathy Brown, Vice President, OHR and Ken Horstman, Director of Total Compensation, OHR: Retirement Plan Updates
- Laura Negrini, Director, Talent Acquisition, OHR: Layoff List discussion
Kelly Farmer, Director, University Tax Office: Implications of recent Federal Tax Law, impacts on pre-tax parking costs

Job Family Study

The CSCC has continued our discussion with the Office of Human Resources (OHR) regarding ongoing impacts of the Job Family Study, which OHR has now concluded. We have identified a specific set of issues, impacting Civil Service employees, we would like to see resolved. High priority issues include:

• Years of Service towards non-renewal
  Civil Service employees that were transitioned to P&A positions cannot count their previous years of service toward their non-renewal notice period, although their job did not change.

• Future status of No-New-Entry employees
  Civil Service (CS) employees whose jobs were mapped to P&A positions could elect to remain CS. There are approximately 900 employees that are still in No-New-Entry positions. For long term CS employees, moving to a Professional & Administrative (P&A) position can result in a significant loss of earned benefits, without any compensation. It also eliminates almost all job protections afforded to CS employees.

• P&A Degree Requirements for transitioned Civil Service Employees
  Civil Service employees that were transitioned to P&A positions were given a one time waiver of the P&A degree requirement. This now creates a situation where the employee no longer meets the qualifications for a job, that they may have held for many years, and limits their opportunities for advancement.

• Minnesota State Retirement System (MSRS) vesting
  CS employees that transition to P&A positions are allowed a one time, irrevocable choice to change their retirement plan from MSRS to the Faculty Retirement Plan (FRP). This choice must be made at the time of job transition. Employees with less than five years of service credit towards MSRS are not vested, and forfeit their right to an annuity at retirement, if they no longer participate. If they choose to move to the FRP, the only option is to withdraw their employee contributions, either immediately or at a future date. If not vested, they have no right to the employer portion, even if they are continuing employment with the University.

Merit Pay

Merit pay continues to be a top issue brought to the Civil Service Senate by our constituents, even four years into the process. In these years, the available salary pools have been modest, making it difficult to distribute salary increases on a true merit basis. Employees continue to ask why we are spending a large amount of University resources (in terms of time) calculating and distributing what amounts to a very small differential increase for any given employee.
Subcommittee Activities

There are three standing subcommittees of the CSCC.

Compensation and Benefits:

The Compensation & Benefits subcommittee had an active year with discussion on many subjects. The main topics were:

- Merit Pay
- Vacation Donation Program
- Bereavement Leave
- Short and Long-term Disability
- Benefits Comparison between P&A and CS
- Parental Leave

Employment Rules Sub-Committee:

This past year, the Civil Service Employment Rules Sub-Committee progressed the work with the Human Resources/Compensation and Benefits group and prepared amendments and updates to the Rules. Rule changes were approved by the Civil Service Senate and Civil Service Consultative Committee, and public hearings were held. Amendments to the Rules were approval by the Board of Regents on December 15, 2017 and May 11, 2018. Amendments to the Rules included:

- Updating the job classification change process
- Clarification of language regarding vacation accruals
- Removal of gendered terms,
- Sexual misconduct language now refers to the Board of Regents Policy
- Alignment with MN Statute, language regarding voting in elections
- Clarification of use of sick leave for University Wellbeing Program
- Clarification of language regarding the layoff list
- Parental Leave Policy, update to align with new University policy

Communications and Outreach Subcommittee:

- Added outreach to the charge to the subcommittee
- Ensured Civil Service presence at New Employee Orientation on the Twin Cities campus
- Established a procedure to welcome all new Civil Service employees on a monthly basis
- Developed and established a monthly Civil Service Newsletter. Readership rate has been, on average, 55%
- Hosted three employee focused brown bag seminars, with plans for more in the coming year. These have been well attended, both locally and remotely
- Developed and implemented a Welcome Manual for new Civil Service Senators and Operations Manual for the Civil Service Senate
Membership

Membership in both the Civil Service Senate and Consultative Committee has stabilized, with most seats in the representative units filled. We are happy that we will have representation from Rochester in the next year. With the small number of CS employees on the Rochester campus, it has been difficult to find employees willing to take on a role in University Governance. We hope to fill all representative seats, across all campuses, for the upcoming year.

System Campus Visits

Representatives of the CSCC have visited the four system campuses over the course of the last two years. Duluth and Rochester visits took place during the 2016-2017 time period, in December and April, respectively.

In September 2017, we visited the Morris campus. This was a joint visit with the representatives of the PACC along with representatives of the Faculty Senate. CSCC leadership met with Vice Provost Rebecca Ropers-Huilman, Chancellor Michelle Behr, PACC leadership, Faculty Senate leadership, and Morris faculty and staff to discuss ways the University can increase the diversity of our workforce, as well as retain those employees. Along with PACC leadership, CSCC representatives met with constituents to discuss challenges and opportunities for the employees at the Morris campus.

In April, 2018, we visited the Crookston Campus along with leaders from PACC. We met jointly with constituents as well as with campus leadership to discuss challenges and opportunities for the employees at the Crookston Campus.

Respectfully submitted,

Raymond Muno
Chair, 2017-2018, CS Consultative Committee and CS Senate

Becky Nelson
Chair-elect, 2017-2018, CS Consultative Committee and CS Senate
2017-2018 CSCC Leadership

Chair: Raymond Muno, CSE, Twin Cities
Chair-Elect: Becky Nelson, ITSS, UMD

Compensation and Benefits subcommittee Co-Chairs
Terri Wallace, Center for Writing
Terry Besemen, Minitex

Rules subcommittee Chair
Jean Otto, Integrative Biology & Physiology

Communications and Outreach subcommittee Chair
Missy Juilette, CEHD-FSO
Meeting of the Board of Regents

Quarterly Report of Grant/Contract Activity

Fiscal Year 2018

Third Quarter Data: January - March, 2018
Executive Summary

Fiscal year-to-date, the university had an increase in sponsored research funding of $38.0 million, which is a 6.5% increase in funding over this time last year. Both a larger number of awards as well as a larger average award amount are behind the year-over-year increase in funding for the university. Funding from Private sources has been on the decline thus far, mainly due to a decline in funding from Business & Industry sources. Despite the decreases in funding from NSF in both quarters two and three, it is still up fiscal year-to-date. Funding from State & Local sources increased by $20.6 million (34.6%) and most of the increase is from more high-dollar awards. The Medical School, however, is down $3.9 million (2.5%) thus far this fiscal year, primarily due to a smaller average award amount and one fewer large award. That said, some awards from NIH are still delayed and that could be contributing to the school's research funding decline.

The university had a $23.7 million increase in sponsored research funding in quarter three, which is a 21.4% increase when compared to quarter three of last fiscal year. The award count between these two quarters has been essentially the same. More high-dollar awards caused the increase in funding. However, if high-dollar awards are excluded from the analysis, the average award amount is still greater than that of quarter three last year. Funding from Private sources increased in quarter three of this year over quarter three of last year; this increase was mainly due to a few particularly large awards from Business & Industry as well as Other Private sources. Seven of the twelve college groupings on the "Quarter 3 Key Points" page received large awards.

Ultimately, the increase in award funding in quarter three has furthered the university's sponsored research dollar growth for FY2018 when compared to that of last year.
Quarter 3 Key Points

- Award count was down, but award amount was up in Q3 FY2018 (28 and $23.7M, respectively).
- The average award amount in Q3 FY2018 was higher than Q3 FY2017 by $25.3K.
- The increase in funding is primarily due to more $1M+ awards this quarter. The university received eight more 1M+ awards, totaling $20.7M.
- Excluding $1M+ awards, the average award amount is greater than that of Q3 FY2017 by $6.1K.
- NSF did not fund any $1M+ awards this year, but funded one last year for $3.2M - the amount by which this quarter’s funding decreased.
- Business & Industry sponsors awarded two $1M+ awards in Q3 FY2018 compared to none in Q3 last year. This resulted in $4.2M more in funding in terms of these high-dollar awards.
- Funding from Other Private sources increased by $8.4M (32.6%); this is essentially the amount by which funding from these sources decreased last quarter. About $6.0M of this increase is from three $1M+ awards this year compared to none last year.
- The increase in Other Federal funding is primarily due to three $1M+ awards totaling $7.4M in funding from high-dollar awards compared to three $1M+ awards for a total of $3.6M last year.
- The State of Minnesota funded three $1M+ awards resulting in $8.7M more in funding than received in Q3 FY2017 - in which the university received no $1M+ awards.

- The College of Science and Engineering funding decreased by $2.5M (14.7%). The college received $400K less in funding from $1M+ awards, suggesting that this decrease is due to a smaller average award amount.
- Funding for the Medical School remained essentially constant this year compared to last. The school received $5.6M more from $1M+ awards this year, but received 55 fewer awards. This suggests that the $1M+ awards are buoying the drop in award count.

Comparison of FY18 Q3 to FY17 Q3

<table>
<thead>
<tr>
<th>Sponsor Group</th>
<th>Sponsor</th>
<th>FY17 Q3</th>
<th>FY18 Q3</th>
<th>$ Change (Amount)</th>
<th>$ Change (%)</th>
</tr>
</thead>
<tbody>
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<td>Amount</td>
<td>Number</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
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<td>NIH</td>
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<td>2.8</td>
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<tr>
<td>Federal</td>
<td>NSF</td>
<td>26</td>
<td>27</td>
<td>4.5</td>
<td>-3.2</td>
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<tr>
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<td>Other Federal</td>
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<td>State &amp; Local</td>
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<td>79</td>
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<td>Total</td>
<td></td>
<td>1078</td>
<td>1050</td>
<td>134.6</td>
<td>23.7</td>
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</table>

<table>
<thead>
<tr>
<th>by College/Campus</th>
<th>Number</th>
<th>Amount</th>
<th>Number</th>
<th>Amount</th>
<th>$ Change (Amount)</th>
<th>$ Change (%)</th>
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</thead>
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<td>380</td>
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<td>Dentistry, Nursing, Pharmacy &amp; Vet Med</td>
<td>54</td>
<td>6.5</td>
<td>75</td>
<td>18.9</td>
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<td>192.1%</td>
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<td>16.8</td>
<td>115</td>
<td>14.3</td>
<td>-2.5</td>
<td>-14.7%</td>
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<tr>
<td>Public Health</td>
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<td>84</td>
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<td>70.4%</td>
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<td>40</td>
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<td>61</td>
<td>11.3</td>
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<tr>
<td>CFANS</td>
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<td>-5.4%</td>
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<td>CEHD</td>
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<td>36</td>
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<td>95.5%</td>
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<td>136</td>
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<td>-0.5%</td>
</tr>
<tr>
<td>CBS</td>
<td>22</td>
<td>4.8</td>
<td>26</td>
<td>5.7</td>
<td>0.8</td>
<td>17.2%</td>
</tr>
<tr>
<td>CLA</td>
<td>18</td>
<td>1.9</td>
<td>16</td>
<td>3.0</td>
<td>1.1</td>
<td>57.0%</td>
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<tr>
<td>Other</td>
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<td>-3.5</td>
<td>-58.1%</td>
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<tr>
<td>UMC, UMD, UMM, UMR</td>
<td>19</td>
<td>1.6</td>
<td>24</td>
<td>1.3</td>
<td>-0.3</td>
<td>-17.6%</td>
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<tr>
<td>Total</td>
<td>1078</td>
<td>110.9</td>
<td>1050</td>
<td>134.6</td>
<td>23.7</td>
<td>21.4%</td>
</tr>
</tbody>
</table>

**NOTE:** Amounts are represented in millions, therefore details may not sum to totals due to rounding.
Figure 1: FY18 Q3 Award Dollars by Funding Source

Private
- Other Private $34.3
- Business & Industry $17.4

State & Local
- State & Local $16.3

Federal
- Federal $66.7

Other
- Other Federal $22.6
- NIH $39.6
- NSF $4.5

Figure 2: FY18 Q3 Award Dollars by College-Campus

Medical School $33.8
- Dentistry, Nursing, Pharmacy & Vet Med $18.9
- College of Science and Engineering $14.3
- Public Health $13.8
- CEHD $10.0
- CFANS $10.8
- Other TC Provost $11.3
- Other Health Sciences $9.1
- CBS $5.7
- CLA $3.0
- Other $2.5
- UMC, UMD, UMM, UMR $1.3

NOTE: Amounts are represented in millions, therefore details may not sum to totals due to rounding.
Quarter 3 Award Dollars by College/Campus

Figure 3: Units with Greater than $10 Million Awarded Annually

- Medical School
- Science & Engineering, Col of
- Public Health, School of
- Veterinary Medicine, Col of
- Food, Ag & Nat Res Sci, Col of
- Education/Human Dev, Col of
- AHC Shared Units
- Biological Sciences, Col of
- Pharmacy, College of
- Liberal Arts, College of
- VP for Research, Office of
- UM Duluth

Figure 4: Units with Less than $10 Million Awarded Annually

- MN Extension
- Public Affairs, HHH School of
- Dentistry, School of
- Carlson School of Management
- Nursing, School of
- Design, College of
- Acad Affairs&Provost, Sr VP
- Law School
- Health Sciences Administration
- Global Programs & Strategy

*Other Units includes: College of Continuing Education, Equity & Diversity, UM Crookston, UM Morris, University Health & Safety.

Amounts are in millions.
Fiscal Year-to-Date Summary

- FY2018 has had 131 more awards and $38.0M (6.5%) more in funding than FY2017 thus far.
- There have been eighteen more $1M+ awards, resulting in a $12.1M increase in funding from these high-dollar awards.
- The average award amount is about $4.5K more than that of FY2017 YTD ($168.6K compared to $164.2K)
- Excluding $1M+ awards, funding is $25.8M higher than that of FY2017 YTD; the average award amount for FY2018 YTD is about $3.6K more than that of FY2017 YTD ($118.5K compared to $114.9K).
- Funding from Business & Industry sponsors has declined by $9.0M (15.8%) thus far. These sponsors have also funded $11.6M less this year than last year in $1M+ awards.
- NSF funding has increased $8.9M (14.3%) FYTD and $3.9M of the increase comes from $1M+ awards. The large amount of funding the sponsor provided in Q1 has more than balanced out the decreases in funding in Q2 and Q3.
- State & Local funding has increased $20.6M (34.6%) FYTD. Most of this increase ($19.6M) is from $1M+ awards.

- The Medical School’s funding has declined by $3.9M (2.5%) thus far. It has also received $3.8M less in funding from one fewer $1M+ award.
- The School of Public Health’s significant decline in funding is due to the drop in $1M+ award funding explained in Q1’s report.
- The College of Pharmacy and the College of Veterinary Medicine have collectively received $13.3M more in funding from five more $1M+ awards, bolstering their group’s increase of $20.7M (67.1%).
- Funding for the Other Health Sciences group increased by $4.3M (8.1%), $3.7M of which comes from $1M+ awards.

Comparison of FY18 Fiscal Year-to-Date (Q3) to FY17 Fiscal Year-to-Date (Q3)

<table>
<thead>
<tr>
<th>by Source</th>
<th>FY17 YTD</th>
<th>FY18 YTD</th>
<th>$ Change (Amount)</th>
<th>$ Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsor Group</td>
<td>Number</td>
<td>Amount</td>
<td>Number</td>
<td>Amount</td>
</tr>
<tr>
<td>Federal</td>
<td>NIH</td>
<td>433</td>
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<td>Federal</td>
<td>NSF</td>
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<td>1135</td>
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<tr>
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<td>State &amp; Local</td>
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<td>59.4</td>
<td>295</td>
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<tr>
<td>Total</td>
<td></td>
<td>3551</td>
<td>583.0</td>
<td>3682</td>
</tr>
</tbody>
</table>

by College/Campus

<table>
<thead>
<tr>
<th>College/Campus</th>
<th>FY17 YTD</th>
<th>FY18 YTD</th>
<th>$ Change (Amount)</th>
<th>$ Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical School</td>
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<td>1281</td>
<td>151.1</td>
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<tr>
<td>Other Health Sciences</td>
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<td>477</td>
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<tr>
<td>Public Health</td>
<td>188</td>
<td>69.6</td>
<td>220</td>
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<td>CFANS</td>
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<td>53.6</td>
<td>289</td>
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<td>CEHD</td>
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<td>33.0</td>
<td>145</td>
<td>37.2</td>
</tr>
<tr>
<td>Other TC Provost</td>
<td>104</td>
<td>21.9</td>
<td>150</td>
<td>35.1</td>
</tr>
<tr>
<td>CBS</td>
<td>70</td>
<td>14.7</td>
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<tr>
<td>Other</td>
<td>123</td>
<td>19.0</td>
<td>74</td>
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<td>CLA</td>
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<td>16.2</td>
</tr>
<tr>
<td>UMC, UMD, UMM, UMR</td>
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<td>11.2</td>
<td>106</td>
<td>11.5</td>
</tr>
<tr>
<td>Total</td>
<td>3551</td>
<td>583.0</td>
<td>3682</td>
<td>620.9</td>
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</table>

NOTE: Amounts are represented in millions, therefore details may not sum to totals due to rounding.
Figure 5: 10-year trend of second quarter award dollars. Showing actual amount and rolling 3-year average. Includes ARRA awards.

Figure 6: 10-year trend of second quarter award dollars. Showing actual amount and rolling 3-year average. Excludes ARRA awards.

Amounts are in millions.
AGENDA ITEM: Consent Report

☐ Review ☑ Review + Action ☐ Action ☐ Discussion

☒ This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

To seek Board approval of items in the Consent Report, as required in Board of Regents Policy: Reservation and Delegation of Authority.

Items for consideration:

A. Gifts
   The President recommends approval of the Summary Report of Gifts to the University of Minnesota through April 30, 2018 (in docket).

B. Report of the All-University Honors Committee
   The President recommends approval of the All-University Honors Committee recommendations forwarded to the Board of Regents in a letter dated May 31, 2018.

C. Regents Professor Recommendation
   The President recommends approval of the Regents Professor recommendations forwarded to the Board of Regents in a letter dated May 31, 2018.
## June 2018 Regents Meeting

<table>
<thead>
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<th></th>
<th>April</th>
<th>Year-to-Date</th>
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<td>2018</td>
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<td>U of M Gift Receiving</td>
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<td>Univ of MN Foundation</td>
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<td>Total Gift Activity</td>
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*Detail on gifts of $5,000 and over is attached.

Pledges are recorded when they are received. To avoid double reporting, any receipts which are payments on pledges are excluded from the report amount.
**Gifts to benefit the University of Minnesota**

**Gifts received in April 2018**

<table>
<thead>
<tr>
<th>Donor</th>
<th>Gift/Pledge</th>
<th>Purpose of gift</th>
</tr>
</thead>
<tbody>
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<td><strong>$1 Million and Over</strong></td>
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<tr>
<td>Richard M Schulze Family Fdn</td>
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<td><strong>$500,000 - $1,000,000</strong></td>
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<tr>
<td>Clifford I and Nancy C Anderson</td>
<td>Gift</td>
<td>College of Science and Engineering</td>
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<td><strong>$250,000 - $500,000</strong></td>
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<td>Paul Y Kim Estate</td>
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<td>Seagate Technology LLC</td>
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<td>College of Science and Engineering</td>
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<td>Milton and Danae Andrews</td>
<td>Pledge</td>
<td>College of Biological Sciences</td>
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<td><strong>$100,000 - $250,000</strong></td>
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<tr>
<td>PepsiCo Inc</td>
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<td>Lee A Borah Jr Estate</td>
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<td>College of Liberal Arts</td>
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<td>Dianne L Eberlein</td>
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<td>Medical School</td>
</tr>
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<td>Morton D Silverman</td>
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<td>Childrens Cancer Research Fund</td>
<td>Pledge</td>
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<td>Libraries</td>
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<td>Way Trust</td>
<td>Gift</td>
<td>Minnesota Landscape Arboretum</td>
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<td>MGK Insect Control Solutions</td>
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<td>Anonymous</td>
<td>Pledge</td>
<td>Law School</td>
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<td>Aqualia International Fdn LTD</td>
<td>Gift</td>
<td>Minnesota Landscape Arboretum</td>
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<tr>
<td>Carly May Fdn</td>
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<td>Academic Health Center</td>
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<td>College of Science and Engineering</td>
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<td>College of Pharmacy, College of Science and Engineering</td>
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<td>Cargill Fdn</td>
<td>Gift</td>
<td>Minnesota Landscape Arboretum</td>
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<td>Supervalu Inc</td>
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<td>Van Z and Elizabeth T Hawn</td>
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| $25,000 - $50,000 | Bennett J Porter Jr Estate | Gift | College of Veterinary Medicine                                           |
|                  | Wanhua Chemical Group LTD | Gift | College of Science and Engineering                                       |
|                  | TRACON Pharmaceuticals     | Gift | Medical School                                                            |
|                  | Tony Fiorillo              | Gift | Intercollegiate Athletics                                                |
|                  | State Farm Mutual Automobile Insurance Co | Gift | Carlson School of Management                                               |
|                  | Wilson Scholarship Trust Fund | Gift | College of Science and Engineering                                       |
|                  | Hans C Aarsleff            | Gift | College of Liberal Arts                                                  |
|                  | Lam Research Corp          | Gift | College of Science and Engineering                                       |
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<td>Accredited Investors Inc</td>
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$5,000 - $10,000

Jane Sage Cowles Giving Fund-Fidelity Charitable Gift Intercollegiate Athletics, College of Liberal Arts, College of Education and Human Development

Senior Care Communities Inc Gift Center for Spirituality and Healing

Andersen Corp Gift College of Food, Agricultural and Natural Resource Sciences

Advanced Circulatory Systems Inc Gift Medical School

Boston Scientific Corp Gift College of Food, Agricultural and Natural Resource Sciences

C H Robinson Worldwide Inc Gift Carlson School of Management

John A Kosiak Gift College of Liberal Arts, Medical School, School of Public Health

The James Ford Bell Fdn Gift College of Veterinary Medicine

Calvin H and Sandra Simmons Gift Intercollegiate Athletics

Jeannine Rivet and Warren Herreid II Gift Academic Health Center

David J and Esther G McLaughlin Gift College of Food, Agricultural and Natural Resource Sciences

Frank H Burton Gift Medical School

Lucinda L Maine and Daniel H Albrant Gift College of Pharmacy

David R Hardten Gift Medical School

The Boeing Co Pledge College of Science and Engineering

Jeffrey G and Mary S Scott Pledge College of Liberal Arts

Network for Good Gift College of Science and Engineering

Adelle M and Michael A Jacoby Pledge College of Food, Agricultural and Natural Resource Sciences

Anonymous Gift Minnesota Landscape Arboretum

Arthur C Klassen Gift College of Education and Human Development

Barbs Donations Gift College of Education and Human Development

Boehringer Ingelheim Pharmaceuticals Inc Gift College of Pharmacy

Catherine A Taylor Gift Law School

Charles R Manzoni Jr Gift Academic Health Center

Chiang Ching-Kuo Fdn Gift University of Minnesota Press

Columns Resource Group Fdn Gift Academic Health Center

Darigold Inc Gift College of Food, Agricultural and Natural Resource Sciences

David R Frauenshuh Gift Medical School

Flory-Schultz Charitable Gift Fund Gift College of Biological Sciences

Howard O’Connell Charitable Fund-Bank of America Gift College of Biological Sciences

Hurley Funeral Home PC Gift Medical School
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AGENDA ITEM: Report of the Faculty Consultative Committee

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

This is a report required by Board policy.

PRESENTERS: Joseph Konstan, Professor, Department of Computer Science and Engineering and Chair, Faculty Consultative Committee

PURPOSE & KEY POINTS

The purpose of this item is to update the Board of Regents on the goals and accomplishments of the Faculty Consultative Committee.

BACKGROUND INFORMATION

The Chair of the Faculty Consultative Committee provides updates twice a year. The last update was at the December 2017 meeting.
Overview

• Meeting UMN Faculty
• Four Messages
• Question and Answer
Meeting UMN Faculty

• One small sampling from among our incredible faculty
  – Asked a subset of deans, chancellors, etc., for recommendations
• Took a few minutes to read public information (websites), and then set up a 15-minute visit or phone call.
• Incredibly heartening experience
Kristen McMaster

- Professor of Ed. Psychology
  - Special Education Program
- Came to research from practice (spec. ed. teacher)
- Was excited about solving classroom problems, data, evidence-based practice
- Large-scale RCT on individualized instruction (MN and MO), tools to support it.
Nabil Matar

- Professor of English (also History, Rel. Studies)
- Expert on relationship between the Islamic Mediterranean and Britain, Western Europe, and the US
- Recently received Kuwait Foundation award
- Appreciates U of M commitment to research; proud of impact on students
Alison Hoxie

- Asst. Professor, Mechanical Engineering, UM Duluth
  - UMTC Alum
  - Fluid dyn, energy, environment

- Expert on atomization
  - Developed atomizer that uses half the air/power; more efficient biofuels combustion
  - Works with Duluth, local companies

- Teaches project-based sustainable energy class
Melissa Geller

- Assoc. Professor OBGYN (Directs Division of Gynecologic Oncology)
- Leads multiple clinical trials studying potential for NK cells to treat recurrent ovarian cancer
  - Remarkably promising results
- Gratitude to excellent mentors here, learns each day from students, residents, fellows
Michael Garwood

- Professor of Physics (also Radiology, CMRR)
- Leading $10.8M grant to produce a small, portable MRI (other 90% of world)
- Interdisciplinary, mostly through grad. students
- Not possible without CMRR
- Amplified impact through medical colleagues
Emily Gaarder

- Assoc. Prof. of Sociology / Anthropology, UM Duluth
- Restorative justice for domestic violence
  - Developed program with Men as Peacemakers in Duluth
  - One of only two nationwide; approached regularly by cities
  - Trained students, volunteers, staff
  - Broader: women in justice system
- UMD ++comm. engagement
Christine Baeumler

• Assoc. Prof. of Art
  Interdisc. Art & Social Pract.

• Works with communities, scientists, to get people involved in:
  – Urban habitat; stormwater runoff; climate change; pollinator decline
  – Make things visible; enable action
  – Pollinator Garden at Plains Art Museum; Bog on MCAD roof; Hmongtown Marketplace
Four Messages
1. Meet Our Faculty

- We can arrange for more of them to visit with you at and around Board meetings
- Or better yet, divide up and spend a day at one of our campuses

P.S. We have incredible staff and students too!
2. We Cherish What Differentiates Us

• We are the state’s key producer of research, graduate students, and professional students.

• We also provide an outstanding education for those undergraduates who seek what we offer.

• But too often we hear the discussion dominated by undergraduate tuition, with no discussion of graduate and professional education, our research mission, and the distinctive education we can offer.
Mighty Axe Hops – From U to Your Glass!
3. Faculty are a Huge Asset to the State

- Simply having expertise here leads to plentiful desirable outcomes
  - Local engagement is natural (easier and more rewarding)
  - Local expertise through students, partnerships
  - National and global expertise attracts resources to Minnesota
4. The University is Like a Quality Car

- Don’t oversteer
- Watch ahead to avoid potholes, ditches
- Keep it filled with fuel; maintain and replace parts as needed
- Avoid sudden starts and stops

Public domain image (CC0) from pxhere.com
A Moment of Thanks … A Plea for Humility

• Incredible volunteer service
• See the passion many of you have for the University and for the State
• Please spend as much time as possible learning about and with us
• Please use a light touch on the wheel
Q&A
AGENDA ITEM: Systemwide Strategic Plan: Teaching & Learning

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler
Karen Hanson, Executive Vice President and Provost

PURPOSE & KEY POINTS

The purpose of this item is to review the Teaching & Learning focus area of the Systemwide Strategic Plan. The strategic opportunity areas where the University can leverage the strengths of the system are:

1. Enrollment Management
2. Value Proposition of the University
3. System Financial Aid Strategy
4. Pathways Development
5. Collaborative Academic Planning
6. Online Learning
7. Student Development

BACKGROUND INFORMATION

This is the fourth presentation to the Board on the Systemwide Strategic Plan in 2018. The Board discussed the plan for medicine and health at its May meeting, research at its March meeting, and outreach and public service at its February meeting. In addition, the Mission Fulfillment Committee discussed academic investment strategy principles and direction at the February meeting.
Scope

Where can we leverage the strengths of the University of Minnesota system to improve teaching and learning and serve the state of Minnesota?

- Reflects synergies or efficiencies that can be achieved through a system approach.
- Doesn’t reflect all details of various campus strategic plans but campus plans may be refined through this process.
- Aim to improve, individually and collectively, by working together in several key areas.
- Focused on serving the state of Minnesota, while attending to effect we have on the world, and that the world has on us.
Strategic Opportunity Areas

Where can we leverage the strengths of the University of Minnesota system to improve teaching and learning and serve the state of Minnesota?
1. Enrollment Management

We seek to meet the needs of incoming Minnesota students while enhancing the University’s national and international reputation and will do so by maximizing the number of students served well by the system and optimizing the enrollment of each campus.
1. Enrollment Management

Completed and Ongoing:
- Convened task force of campus vice chancellors, vice provost and dean of undergraduate education, and enrollment leadership.
- Reviewed enrollment data and identified salient environmental factors impacting the enrollment environment.
- Developed campus and system enrollment targets for 2024.
- Ongoing and regular meetings among admissions directors to discuss areas for collaboration.

Next Steps:
- Finalize undergraduate System Enrollment Management strategic action plan: 7 strategies with corresponding actions.
- Create permanent system enrollment council to assume responsibility for system enrollment plan and continually review targets and environmental factors impacting enrollment.
# 1. Enrollment Management

<table>
<thead>
<tr>
<th>Enrollment Strategy 1</th>
<th>Decrease migration flow of MN students to four-year institutional competitors.</th>
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</thead>
<tbody>
<tr>
<td>Enrollment Strategy 2</td>
<td>Recruit applicants to other system campuses when not admitted to campus of first choice.</td>
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<tr>
<td>Enrollment Strategy 3</td>
<td>Develop and improve academic pathway programs.</td>
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<tr>
<td>Enrollment Strategy 4</td>
<td>Develop systemwide financial aid strategy and improve messaging around net costs, pricing, and value proposition of UMN Brand.</td>
</tr>
<tr>
<td>Enrollment Strategy 5</td>
<td>Develop and brand a one-stop portal to online courses and programs across the University of Minnesota system.</td>
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<tr>
<td>Enrollment Strategy 6</td>
<td>Improve support for system-campus model to strengthen culture of system coordination.</td>
</tr>
<tr>
<td>Enrollment Strategy 7</td>
<td>Emphasize benefits of UMN Brand and build awareness of distinctiveness of each campus. Communicate brand collectively.</td>
</tr>
</tbody>
</table>
2. Value Proposition of the University

We seek to advance understanding of and secure for all our stakeholders the distinctive value of a degree from the University of Minnesota.
2. Value Proposition of the University

Completed and Ongoing:
- Connected enrollment management leaders to enhance admissions processes and develop common recruitment messages.
- Developed common language for communicating about the University as a system (see February presentation by Vice President Kramer).

Next Steps:
- Develop systemwide identity, marketing and communication strategy (see February presentation by VP Kramer).
- Articulate to students the benefits of being part of a multi-campus system.
- Build awareness of distinctiveness of campuses to meet student unique needs and experiences.
## 2. Value Proposition of the University

### Signal Strengths of Each Campus

<table>
<thead>
<tr>
<th>Campus</th>
<th>Strengths</th>
</tr>
</thead>
</table>
| Crookston campus  | ● Experiential learning  
                        ● Leadership in online learning                                           |
| Duluth campus     | ● Location on Lake Superior provides unique research opportunities  
                        ● Research deeply integrated with teaching                                |
| Morris campus     | ● Top public liberal arts college with strength in environmental sustainability  
                        ● Federal recognition as a Native American Serving Non-Tribal institution |
| Rochester campus  | ● Health professions focus  
                        ● Strong partnerships with Mayo and the city of Rochester                  |
| Twin Cities campus| ● Breadth and depth of programs (among the world’s most comprehensive institutions)  
                        ● Location in metro with Fortune 500 companies and leading cultural institutions |
3. System Financial Aid Strategy

We will develop a systemwide financial aid strategy that aligns with the value of an investment in education, maintains affordability, and advances financial aid resources on all five campuses.
3. System Financial Aid Strategy

Completed and Ongoing:
● Completed cost and pricing analysis that determined undergraduate degree is among the most affordable in the state for Minnesota residents.
● Emphasizing to donors and legislators the importance of scholarships in boosting vitality of our state and attracting diverse and talented students.

Next Steps:
● Analyze systemwide expansion of land-grant legacy and student experience scholarship programs like President’s Emerging Scholars.
● Promote scholarship opportunities through Capital Campaign.
● Improve messaging about affordability for MN residents.
4. Pathways Development

We will maintain, develop, and improve formal academic pathway programs to and across our system, in partnership with Minnesota high schools, Minnesota State Colleges and Universities, and with a heightened focus on professional post-baccalaureate programs.
4. Pathways Development

Completed and Ongoing:

● Established over 150 partnerships with dozens of state community colleges.
● Veterinary Food Animal Scholars Track (VetFAST) undergraduate to graduate program.
● Created StudyAway Program, which allows University of Minnesota students the opportunity to enroll in a unique, semester-long program at any system campus.

Next Steps:

● Grow partnerships with Minnesota high schools and other state partners with particular emphasis on students of color and growing populations.
● Increase collaboration with Minnesota State two-year programs.
● Develop bridge programs to support incoming students at higher risk for attrition.
● Increase development of undergraduate to professional programs.
● Increase focus on diversity pathways across the system into graduate programs.
5. Collaborative Academic Planning

We will strengthen existing and develop new collaborative mechanisms for academic planning across the University of Minnesota System and with relevant external institutions.
5. Collaborative Academic Planning

Completed and Ongoing:
- Strengthened working relationships across the campuses: Systemwide Enrollment Council, Admissions Directors, Accreditation Network, Communications Directors group
- Advisor (APLUS) and degree progress (APAS) systems extended systemwide.

Next Steps:
- Refine system course transfer system to be easily understood by students.
- Ensure all faculty systemwide have training and development opportunities and avenues to exchange best practices.
- Review implementation of liberal education principles across system.
- Extend and deepen system-level relationships beyond central offices.
6. Online Learning

We will develop a clear, comprehensive, systemwide approach to the identification, development, and deployment of strategic online courses and programs that are responsive to student demand and expand access to all University of Minnesota campuses. To enhance the impact of these courses, we will provide systemwide guidelines and support for online teaching and course development.
6. Online Learning

Completed and Ongoing:
- Over 40 degree programs and over 2,000 course sections delivered completely online.
- Integrated support for the development and delivery of online learning.
- Implementing systems and processes that facilitate systemwide approach to online course/program delivery, as well as collection of relevant data about student performance.

Next Steps:
- Support the development of fully online programs at the graduate and undergraduate level where the University of Minnesota system has a clear comparative advantage and strong student demand.
- Develop online courses to provide enhanced curricular options and promote timely graduation for students on all University of Minnesota campuses.
- Ensure that all colleges, academic units, and campuses have guidelines for online teaching and course development.
- Institute the structural changes needed to support and lead this work.
7. Student Development

We seek development of the whole student, understanding that to be successful academically, students need to feel welcome, be physically and mentally well, and be supported personally as well as academically as they plan for and transition to life beyond campus.
7. Student Development

Completed and Ongoing:

● Established systemwide leadership network to enhance student mental health on all campuses.
● Provided access to learntolive.com—a confidential, free online program to help with stress, depression, social anxiety, and insomnia—to all students across the system.
● Conduct regular systemwide surveys on health and wellness.

Next Steps:

● Leverage the strength of the system to inform climate work on every campus.
● Connect career services across the system.
Academic Investment Planning

Academic administration provides oversight and support for a collaborative, distributed process that relies on faculty expertise to identify priorities for investment in faculty hiring and programs of study.
Academic Investment Planning

Key Process Elements:
1. Collective exercise with distributed process.
2. Touchpoints for academic oversight and strategic investment.
3. Relies on faculty expertise for specifics.
Academic Program Approval Levels

Faculty
Academic Programs and Departments
Colleges
Campuses
Public Review Period
Executive Vice President and Provost
Board of Regents
Higher Learning Commission
Academic Planning Principles

- Quality
- Centrality to Mission
- Comparative Advantage
- Enhancement of Academic Synergies
- Demand and Resources
- Efficiency and Effectiveness
- Development and Leveraging of Resources
The University of Minnesota is an equal opportunity educator and employer.
AGENDA ITEM: Overview of Institutional Risk Profile & Related Mitigation Plans

☐ Review  ☐ Review + Action  ☐ Action  ❑ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Karen Hanson, Executive Vice President and Provost
             Brian Burnett, Senior Vice President

PURPOSE & KEY POINTS

The purpose of this item is to present to the full Board the past year’s work and discussion of the Audit & Compliance Committee on a new model for the University's institutional risk profile, specifically focusing on risk mitigation plans for the various institutional risks.

Institutional Risk Profile

The institutional risk profile is used to identify the greatest risks at a governance level. The risk profile lists 21 risks categorized into three primary areas:

1. Business Challenges – Issues that pose risk to the fundamental teaching, research, and outreach mission and the institution’s ability to maintain functionality.
2. Compliance – Issues that pose risk of failure to act in accordance with laws and regulations, institutional policies and procedures, or industry best practices.
3. Institutional Integrity – Issues that pose risk to the institution’s ability to live up to its core values.

The primary reason for this new approach is that the importance and impact of risks rising to a governance level may not be best understood by a heat map style risk profile. The risk profile presents the institution’s most significant risks and acknowledges that all can rise to a high level of importance at a governance level.

The risk profile also connects to the Board’s committee structure by identifying the appropriate Board committee for further risk mitigation discussions. The time horizon for each risk is identified, showing how the issue would typically be understood and whether it must be mitigated with short-term actions, as an isolated incident might be, or it is an ongoing challenge to the University.
BACKGROUND INFORMATION

The Board last endorsed institutional risk principles in February 2011, and the Audit & Compliance Committee recommended changes at its October 2017 meeting. The institutional risk profile was last updated in January 2014.

The Audit & Compliance committee discussed the process and plan for updating the University's Intuitional Risk Profile at its September 2017, October 2017, December 2017, February 2018 and May 2018 meetings. The committee has reviewed and discussed a revised set of institutional risk principles, discussed the institutional risk profile, and considered and discussed mitigation plans for the various risks.
Preamble: By the very nature of its mission, the University pursues many activities that inherently create risk. It is the expectation that the risks associated with these activities will be mitigated in a responsible and accountable manner. The following principles are intended to provide a framework when assessing individual risk management decisions.

1. High tolerance for mitigated risks in the pursuit of innovative, breakthrough research, scholarship and public engagement.

2. High tolerance for strategic risk-taking that has potential to enhance instructional quality.

3. High tolerance for strategic risk-taking to promote productivity, creativity and reputation.


5. Low tolerance for risks posing potential for damage to the University’s brand and/or reputation.

6. Low tolerance for risks arising from inappropriate discharge of fiduciary responsibilities.

7. Low tolerance for risks that undermine actual safety, or the perception of safety, on our campuses.

8. Zero tolerance for intentional non-compliance with laws or regulations.
<table>
<thead>
<tr>
<th>Category</th>
<th>Risk</th>
<th>BOR Committee</th>
<th>Time Horizon</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUSINESS CHALLENGE</td>
<td>A - Campus Safety</td>
<td>MF / FO</td>
<td>ST / O</td>
</tr>
<tr>
<td></td>
<td>B - Clinical Partnerships</td>
<td>MF / FO</td>
<td>ST / O</td>
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<tr>
<td></td>
<td>C - Collaboration w/ Externalities &amp; Joint Ventures</td>
<td>MF / FO</td>
<td>O</td>
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<td></td>
<td>D - Decentralization</td>
<td>MF / FO</td>
<td>O</td>
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<tr>
<td></td>
<td>E - Employee Demographics / Succession Planning</td>
<td>MF / FO</td>
<td>O</td>
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<tr>
<td></td>
<td>F - Facilities – Maintenance, Scope, &amp; Alignment</td>
<td>FO</td>
<td>O</td>
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<tr>
<td></td>
<td>G - Faculty Retention</td>
<td>MF / FO</td>
<td>O</td>
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<tr>
<td></td>
<td>H - Information Technology – Security / Failure / Resilience / Cost</td>
<td>FO</td>
<td>O</td>
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<tr>
<td></td>
<td>I - Intercollegiate Athletics</td>
<td>MF / FO</td>
<td>O</td>
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<tr>
<td></td>
<td>J - International Activities</td>
<td>MF</td>
<td>ST / O</td>
</tr>
<tr>
<td></td>
<td>K - Legal &amp; Regulatory Compliance</td>
<td>MF / FO</td>
<td>O</td>
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<tr>
<td></td>
<td>L - New &amp; Disruptive Educational Models</td>
<td>MF</td>
<td>O</td>
</tr>
<tr>
<td></td>
<td>M - Public Funding Reliability, Economic Climate, &amp; Financial Sustainability</td>
<td>FO</td>
<td>O</td>
</tr>
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<td></td>
<td>N - Representational Diversity</td>
<td>MF</td>
<td>O</td>
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<td></td>
<td>O - Shifting Enrollment Patterns</td>
<td>MF</td>
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<td><strong>COMPLIANCE</strong></td>
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<td>P - High Risk Research</td>
<td>MF</td>
<td>ST / O</td>
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<tr>
<td></td>
<td>J - International Activities</td>
<td>MF</td>
<td>ST / O</td>
</tr>
<tr>
<td></td>
<td>K - Legal &amp; Regulatory Compliance</td>
<td>MF / FO</td>
<td>O</td>
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<tr>
<td></td>
<td>Q - Research or Clinical Misconduct</td>
<td>MF</td>
<td>O</td>
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<td></td>
<td><strong>INSTITUTIONAL INTEGRITY</strong></td>
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<td></td>
<td>R - Brand &amp; Reputation Management</td>
<td>MF</td>
<td>ST / O</td>
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<tr>
<td></td>
<td>S - Campus Climate &amp; Free Speech</td>
<td>MF / FO</td>
<td>ST / O</td>
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<td>T - Crisis Management</td>
<td>MF / FO</td>
<td>ST</td>
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<td>I - Intercollegiate Athletics</td>
<td>MF / FO</td>
<td>ST / O</td>
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<tr>
<td></td>
<td>U - Sexual Misconduct – Prevention, Training, &amp; Response</td>
<td>MF / FO</td>
<td>ST / O</td>
</tr>
</tbody>
</table>

**Key:**
Board Committee: FO – Finance & Operations; MF – Mission Fulfillment
Time Horizon: ST – Short-term; O – Ongoing
Institutional Risk Profile / Mitigation Plan - R 2017-18

Institutional Risk:
Brand and Reputation Management

Risk Category:
Institutional Integrity

Responsible Senior Leader:
Vice President Matt Kramer

Other Responsible Units:
University Relations; President; Communication Directors; Chancellors and Deans; Athletics

Introduction (why a risk?)

- Brand and reputation are integral to recruitment, funding (legislative and donor), advocacy, pride, ability for alumni to find high quality jobs and retention of staff
- Pace of brand potential degradation has accelerated because of the instant nature of social media and the polarization of media
- Minor elements (or moments in time) can quickly become significant issues
- Limited investment in brand results in limited reputation capital to draw from when crises arise

Risk Mitigation Strategies

- Greater investment in ongoing brand marketing and reputation enhancement
- Training and engagement of all communicators, systemwide, in anticipating issues and enhancing brand and reputation
- Immediate engagement with University Relations on issues that can affect brand and reputation
- Regular external survey work to assess strength of support and potential points of erosion
- Monitoring of media, social media, and political leaders statewide to recognize and respond to potential issues
- Close coordination with senior team members, academic and otherwise, to coordinate response and engagement on current issues
- Management of response to issues to identify best suited individual(s) to represent the University
- Regular engagement with leading political and opinion leaders to prepare them with our response to any issues
Institutional Risk Profile / Mitigation Plan - S
2017–18

Institutional Risk:
Campus Climate and Free Speech

Risk Category:
Institutional Integrity

Responsible Senior Leader:
Executive Vice President and Provost Karen Hanson

Other Responsible Units:
Chancellors and Deans; University Services; Equity and Diversity; University Relations

Introduction (why a risk?)

- Our university is and must be a place where people can explore ideas, engage in vigorous debate, thoughtfully discuss issues, and learn from one another’s perspectives
- We have a responsibility to ensure an open, inclusive, and nonthreatening environment for education, research, and dialogue—for our students, faculty, staff, visitors, and the public
- Global, national, and local issues and policies affect our campuses and campus life
- Many wide-ranging activities and events—curricular, co-curricular, and public—take place every day across our large and decentralized system of five campuses
- Events may bring logistical, managerial, or safety/security challenges that must be balanced and managed alongside our foundational commitments to the free exchange of ideas and to creating and sustaining a welcoming and inclusive climate across our campuses

Risk Mitigation Strategies

- Continue campus climate initiatives to engage faculty, staff, and students and sustain welcoming and inclusive campus environments
- Share campus training practices and, when appropriate, resources, and develop specific campus-based protocols to respond to problems and ensure safety and security
- Leverage resources and expertise across the University to plan, support, and manage events that may pose special logistical, managerial, or safety/security challenges
- Maintain ongoing initiatives to monitor global, national, and local issues and policies and remain attentive to dynamics of activism and protest in campus and community contexts
- Maintain policies and protocols to ensure that we are collaborative, fair, and consistent in working with all student groups and event organizers, true to our mission and values
Institutional Risk Profile / Mitigation Plan - A
2017–2018

Institutional Risk:
Campus Safety

Risk Category:
Business Challenge

Responsible Senior Leader:
Senior Vice President Brian Burnett

Other Responsible Units:
Chancellors; Human Resources, University Relations; University Services; VP for Research

Introduction (why a risk?)
- Public perception of campus safety can impact student and parent decisions to enroll at the U, lead to state scrutiny of institutional efforts in this area
- A highly decentralized organization makes it challenging to anticipate which events and daily operations may pose a safety risk or spark dissent
- Wide range of research conducted has the potential for unintentional or intentional exposure to biological or radiological agents and makes the institution a target for terrorism
- Individuals’ lived experiences outside the University mean situations or messaging that feel safe for one person can feel unsafe for another
- The Twin Cities campus is in a major metropolitan area, which will mean more near-campus crime than campuses located in greater Minnesota
- Three campuses have a sworn police department, which has the potential for a use of force situation that would draw local or national attention to the institution
- Large numbers of minor children attend summer camps and programs

Risk Mitigation Strategies
- Intentional community engagement efforts build relationships and common understanding between police and the campus community
- Research safety teams have an ongoing focus on improving safety culture in labs
- Extensive, regularly updated plans for emergency operations, building-level emergencies, continuity of operations, etc.; plans are tested and trained through tabletop and full-scale functional exercises involving responders and policy makers to prepare for actual emergencies
- Broadly representative workgroups review events, messages, and safety plans for disparate impact
- University police are trained in cultural competence and de-escalation skills
- Mutual aid partnerships with area law enforcement agencies at each campus enables appropriate response when additional staffing is needed
- Administrative policy outlines requirements and procedures for safety of minors, with mandatory background checks and training for employees and volunteers working with minor children
Institutional Risk Profile / Mitigation Plan - B
2017-18

Institutional Risk:
Clinical Partnerships

Risk Category:
Business Challenge

Responsible Senior Leader:
Interim Vice President and Dean Jakub Tolar

Other Responsible Units:
Finance and Operations; University of Minnesota Physicians (UMP); Office of General Counsel; School of Nursing

Introduction (why a risk?)

- Financial support from our clinical partners is essential to the on-going operation and success of the academic medicine efforts of the University, particularly the Medical School

- Training sites are essential to the education of health profession students and their availability is heavily dependent on our clinical partnerships

- The reputation of the University’s academic medicine efforts is dependent on the reputation of our clinical partners

- Patient safety is paramount in all that we do in academic medicine and requires confidence in our clinical partners

Risk Mitigation Strategies

- Robust ongoing discussions/negotiations with current and future partners about all elements of the relationship

- UMP has responsibility for the quality of all aspects of the clinical partnerships; appropriate entity to hold that responsibility

- UMP manages physician credentialing

- Robust contracts with financially sustainable partners
Institutional Risk Profile / Mitigation Plan - C
2017–18

Institutional Risk:
Collaboration with Externalities and Joint Ventures

Risk Category:
Business Challenge

Responsible Senior Leader:
Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett

Other Responsible Units:
Office of the Vice President for Research; University Services; University Finance; Office for Public Engagement; Chancellors and Deans

Introduction (why a risk?)

- Ongoing quality, continuity, financial, operational, legal, and reputational risks related to:
  - Research partnerships, grants, and contracts
  - Business partnering and alliances
  - Partnerships/contracts related to teaching-learning programs and academic technology
  - Ongoing engagement by faculty, staff, and students with external stakeholders and partners through research collaborations, outreach, community-based teaching and learning
- University intellectual property rights could be lost without proper remuneration
- Externalities and the U have differing accountability structures and expectations; improperly structured/managed partnerships can imbalance shared risk and reward; U mission and longevity provide more tolerance for long-term ROI than private-sector partners
- Assets/liabilities become linked to U financial position; potential legal/reputational risk
- Activities may introduce unrelated business-income and private-use challenges

Risk Mitigation Strategies

- Route collaborations/joint ventures through SPA/OTC to ensure proper agreements, IP clauses
- Evaluate collaborations with externalities, joint ventures, and academic partnerships to ensure they align with core University mission, values, operations, and strategic goals (in addition to contractual and financial alignment); regularly assess both quality and congruence with mission
- Develop and maintain clear policies and practices for engagement and community-based learning, including MOUs for U-community collaborations
- Educate University researchers about both advantages and pitfalls of external collaborations
- Review by OGC of contracts/charters/articles of incorporation to protect U from undue risk or long-term exposure; U Finance considers long-term impact of potential partnership’s financials/debt
- Maintain clear criteria for business partnering: U manages operations if two of three are met: on U land, in U facility, delivering U program; U retains all/some defined role in ownership, regulation, or remediation on non-performance
- Establish and maintain regular financial and operational reporting
- Maintain defined governance structure to ensure U role in decision making; clearly define roles and responsibilities for U executives on decision-making authority
Institutional Risk Profile / Mitigation Plan - T 2017-18

Institutional Risk:
Crisis Management

Risk Category:
Institutional Integrity

Responsible Senior Leader:
Vice President Matt Kramer

Other Responsible Units:
President; Chancellors and Deans

Introduction (why a risk?)

- A crisis mishandled can dramatically, broadly and quickly diminish reputation
- Crisis Management is a skill set, like any other, that requires specific competencies; not all professionals have the skill set to manage and respond accordingly
- Identifying and discerning the difference between a real crisis, and merely an important issue, is key to managing institutional risk and allocation of limited resources
- The demand by stakeholders for information in a real crisis can quickly overwhelm an organization resulting in the stakeholders “inventing” their own information to the organization’s detriment

Risk Mitigation Strategies

- Maximize the use of the “Issues Management” team, training and processes to anticipate and respond to risks
- Regular exercises to involve University Relations and University of Minnesota partners in responding to crisis management from a PR/Marketing perspective
- Quick and accurate assessment of a crisis as being routine (not unimportant, but manageable) versus unique/novel requiring additional resources and approaches
  - Ongoing training and risk assessment of issues to separate the two
- Creation of an immediate crisis response team to manage all stakeholders (internal and external)
  - Importance of disciplined approach to crisis management to ensure consistency in communication and media engagement
Institutional Risk Profile / Mitigation Plan - E
2017-18

Institutional Risk:
Employee Demographics/ Succession Planning

Risk Category:
Business Challenge

Responsible Senior Leader:
Vice President Kathryn Brown

Other Responsible Units:
President’s Office; Executive Vice President and Provost; Senior Vice President; and all campuses, colleges and units

Introduction (why a risk?)
- Many senior leaders are in the retirement risk zone
- One third of the faculty and staff are baby boomers – retirement eligible
- External hires are costly and require significant training
- Need to ensure that we have the needed leadership competencies
- Impact of University policies that make internal promotion more complicated

Risk Mitigation Strategies
- Examine internal policies to eliminate roadblocks to internal promotion
- Provide tools, strategies and support for campuses, colleges and units to develop actionable succession plans
- Utilize human resource reports to help leaders, managers, and supervisors understand their workforce and risk for employee departures
- Provide support for searches to insure fair and equitable process, as well as using pre-hire assessments to understand the leadership competencies that a candidate presents
- **Additional support to seek diverse** candidate pools and insure affirmative action is considered
- Leadership development at all levels of the organization to prepare a broad spectrum of current employees for future senior leadership, managerial or supervisory opportunities
- Examine programs that identify high potential faculty or staff for leadership roles and support their development
Institutional Risk Profile / Mitigation Plan - D
2017-18

Institutional Risk:
Decentralization

Risk Category:
Business Challenge

Responsible Senior Leader:
Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett

Other Responsible Units:
Chancellors and Deans; Research; Internal Audits; Office of the President (Office of Institutional Compliance); Human Resources

Introduction (why a risk?)
- Large system of five campuses with decentralized academic programs:
  - Potential confusion about responsibility and accountability
  - Risk of operational inefficiency, less than optimal coordination of activities and efforts, increased costs due to duplication of services or activities
  - More difficult to ensure consistency of activities, or compliance with mandated requirements, in a decentralized environment
  - Risk of fragmentation as mission and goals are defined and pursued throughout the decentralized organization
  - Harder to measure efficiency or effectiveness in a decentralized environment

Risk Mitigation Strategies
- Maintain clear lines of responsibility, authority, accountability (University delegations library)
- Utilize technology to facilitate relevant and timely communications across the organization
- Establish a clear policy framework; keep it current and updated (University Policy library)
- Maintain oversight and monitoring activities that are relevant, timely, and appropriate for the desired outcomes
- Use regular budget and financial oversight to measure and monitor key activities
- Assess opportunities to automate, consolidate, or centralize activities where controls are critical to reducing risk or increasing compliance (Sponsored Projects Administration) or where consistency of output is required or desired (e.g. financial, HR transactional activity)
- Maintain ongoing academic program review, compact/budget planning, and academic leadership development and review; faculty reporting and review
- Define and maintain clear and best-practice Human Resources policies
- Establish and deliver robust training for those who will conduct business activities
Institutional Risk Profile / Mitigation Plan - F
2017-2018

Institutional Risk:

Facilities: Maintenance, Scope, and Alignment

Risk Category:

Business Challenge

Responsible Senior Leader:

Senior Vice President Brian Burnett

Other Responsible Units:

University Services; University Finance; Government and Community Relations

Introduction (why a risk?)

- University facilities are integral to the place-based campus experience, and are retained for decades if not in perpetuity
- Institution does not currently adequately fund depreciation or facility renewal
- State of Minnesota provides 70% of the University’s capital renewal funding
- Building system failure has the potential to cause catastrophic disruption to long-term research
- Cost of operating, maintaining, and renewing buildings in poor or critical condition disproportionately consumes limited repair and replacement funds that could be spent on buildings in catch up or keep up condition

Risk Mitigation Strategies

- Buildings are classified in three categories (keep up/catch up, sustain, or dispose/do not invest) to ensure discretionary funds are spent on those facilities intended to remain in the University’s portfolio long-term
- Prioritize renovation of existing space over the creation of net new space
- Improve the utilization of existing space
- Auxiliary funded and operated facilities include depreciation in their operating pro formas and business planning
- Target individual systems for replacement to ensure the most critical systems and components provide for access, safety, reliability, and functionality
- Include some ongoing allocation for repair and replacement funds in all new building operating funds as well as in the University’s annual operating budget
- Maximize energy conservation and implement district utility strategies to reduce the operating burden and help redirect funds toward facility improvement
- University Finance reviews state economic forecasts, Minnesota Management and Budget debt capacity estimates and financial reports, past trends, and budget instruction documents to help shape the size of six-year capital plans
Institutional Risk Profile / Mitigation Plan - G
2017–18

Institutional Risk:
Faculty Retention

Risk Category:
Business Challenge

Responsible Senior Leader:
Executive Vice President and Provost Karen Hanson

Other Responsible Units:
Chancellors and Deans; Human Resources; Finance and Operations; Equity and Diversity

Introduction (why a risk?)

• Recruitment and retention of field-shaping researchers and teachers is critical to our mission of teaching, research, and outreach
• Imperative for advancing outstanding research and curricular innovation, transformative education for students, and the research collaborations needed for state and world
• Field-shaping researchers and teachers are highly sought after
• Top faculty bring research funding, attract other top faculty as colleagues, and inspire motivated and talented undergraduate and graduate students
• Candidate pool for our top faculty members is small; our University must compete among peer public research universities as well as with private colleges and universities that may have sizable flexible funds
• Increasing international competition for top faculty
• Increasing importance and challenges related to dual-career couples
• Retention is intrinsically tied to diversity as imperatives for academic excellence
• Budget challenges and resource decisions may impede hiring and retention

Risk Mitigation Strategies

• Develop and maintain policies and practices for competitive compensation and benefits
• Implement multi-pronged strategies to make the University a place that faculty will find attractive as they build their research and teaching careers:
  o build pipelines to recruit and retain a strong and diverse faculty
  o develop faculty talent across the course of the entire career
  o recognize and reward faculty excellence
  o promote diversity
  o support academic infrastructure and culture
  o reduce barriers to interdisciplinary collaborations and partnerships
Institutional Risk Profile / Mitigation Plan - P
2017-18

Institutional Risk:
High Risk Research

Risk Category:
Compliance

Responsible Senior Leader:
Vice President for Research Al Levine

Other Responsible Units:
Research Compliance Office (RCO); Human Research Protection Program (HRPP); Clinical and Translational Science Institute (CTSI); Biosafety - Select Agents; Radiation Safety; Research Laboratory Safety; Health Insurance Portability Accountability Act (HIPAA) and Data Privacy office; Office of Institutional Compliance; Biotechnology Activities Oversight Committee; Institutional Animal Care and Use Committee (IACUC); Post Approval Monitoring - Human (PAR); Export Controls; Sponsored Projects Administration (SPA); Sponsored Financial Reporting (SFR); Office of Internal Audit

Introduction (why a risk?)

- Lack of oversight can lead to injury of faculty, students and staff
- Potential damage to the University's reputation and undermining of the research enterprise
- Highest standards of ethical practice are expected when dealing with human subjects and animals
- Financial risk due to improper expenditures on sponsored projects

Risk Mitigation Strategies

- Pre-approval of all studies with human subjects, post approval review to ensure compliance and institutional oversight and audit of these processes
- Post approval and semiannual inspections of animal studies
- Mandatory education of faculty, staff and students on essential research practices before allowed to work in labs or work on certain research
- Determining conflict of interest before research has begun, follow up of plans to ensure continued compliance
- Audit of high risk financial records on a continuous basis to ensure transactions are following University policy and federal/state/sponsoring agency regulations
- CTSI's regulatory group provides monitoring services over the life of the clinical trial where monitoring is required by FDA or NIH or is requested by the study sponsor-investigator. Monitoring is for: human subjects' protection, trial data accuracy, compliance with currently approved protocol
Institutional Risk Profile / Mitigation Plan - H
2017-2018

Institutional Risk:
Information Technology - Security/Failure/Resilience/Cost

Risk Category:
Business Challenge

Responsible Senior Leader:
Senior Vice President Brian Burnett

Other Responsible Units:
All University Units

Introduction (why a risk?)

Information security is a high risk for the University of Minnesota environment due to:
- an increasing amount and sophistication of cyber threats with criminal intent in the global landscape
- a broad number of regulatory obligations with zero-tolerance for perceived breaches of information
- a diverse University culture that places a high value on collaboration and sharing of data, and that accepts a certain level of security risk-tolerance to foster that culture
- each individual in the community that has a critical role to protect themselves, which in turn protects the University

Additionally, information technology is a high risk from an operational perspective because:
- the institution is increasingly reliant on technology systems to support the mission, but providing high availability (uninterrupted operation) of those systems is cost prohibitive

Risk Mitigation Strategies

The University addresses information security risks through an information security program by actively:
- evaluating security risks to ensure that the risk is compatible with the University culture and desired risk-tolerance
- establishing the security requirements for the University
- responding quickly to security incidents and breaches when they do occur
- assisting the University community with meeting regulatory obligations
- educating the University community to increase security awareness
- investing in cyber-security infrastructure (i.e.: log-management, firewall, distributed denial of service, threat monitoring, two-factor authentication) and insurance

University technologists continually seek opportunities to advance the institution closer to high availability through a combination of affordable strategies:
- creative service sourcing (centralization, outsourcing, etc)
- high priority service isolation to separate infrastructure
- strengthened methodologies, processes, and expertise for system changes
Institutional Risk Profile/Mitigation Plan - I 2017-18

Institutional Risk:
Intercollegiate Athletics / Long term TV Contract Market

Risk Category:
Business Challenge

Responsible Senior Leader:
Athletic Director Mark Coyle

Other Responsible Units:
None

Introduction (why a risk?)

- Declining number of cable TV subscribers. Profits are contingent on number of households who are paying for the channel on cable networks
- People are using other platforms to watch Minnesota games, (Over the top or OTT)
- We are in year 2 of a 6-year agreement with our television partners. The landscape could look very different by at the end of the agreement – amount of money we receive from the conference for our TV contract could go down and that is revenue that the department is dependent upon for operating expenses

Risk Mitigation Strategies

- Explore ways to capitalize on the alternative platforms that are broadcasting Minnesota games
- Continue to build our high profile programs so fans want to pay to watch Minnesota teams compete
- Improve game day experience so people want to come to campus to buy tickets and watch events in person
- Continue to build up and improve our fan loyalty program to connect with our fans, therefore resulting in people watching games on TV or in person
- Utilize the Gopher Digital group to enhance the content for broadcasts
- Develop a medium range financial plan to examine and test assumptions and initiatives to ensure a financially sustainable athletic department
Institutional Risk Profile/Mitigation Plan - I
2017-18

Institutional Risk:
Intercollegiate Athletics / Compliance

Risk Category:
Institutional Integrity

Responsible Senior Leader:
Athletic Director Mark Coyle

Other Responsible Units:
Office of General Counsel

Introduction (why a risk?)

- There are NCAA, conference and institutional rules that need to be followed in order for student-athletes/programs to be eligible to compete
- Administrators, coaches, staff and student-athletes are all responsible for their own actions, but their actions can affect their team and the institution

Risk Mitigation Strategies

- The Department of Athletic Compliance reports directly to the Office of the General Counsel which provides independent oversight for all NCAA/Big Ten/WCHA rules. The Athletic Department administration works closely with the Compliance staff, but does not have any control over the execution of the activities of the compliance staff
- The six member athletic compliance department is responsible for conducting a comprehensive compliance program which includes education, monitoring, and enforcement.
  - Education -- Staff educates thousands of individuals per year across a broad array of athletic department staff, campus and community partners. The level of education is specific to the risk inherent in the position. Coaches and student-athletes receive the most education but it extends to boosters, local businesses, and other University employees (e.g., housing and residential life, OneStop and Bookstore employees)
  - Monitoring -- The Compliance staff has robust audit and monitoring activities which include coaching phone log audits, social media monitoring for Prospective Student-Athletes, Coaches, and Media members, recruiting expense approval, and practice/competition/travel with teams
  - Enforcement -- The University of Minnesota takes all allegations of NCAA rules violations seriously and takes action to fully investigate and report any violations of NCAA and conference rules
Institutional Risk Profile / Mitigation Plan - J
2017–18

Institutional Risk:
International Activities

Risk Category:
Business Challenge; Compliance

Responsible Senior Leader:
Executive Vice President and Provost Karen Hanson

Other Responsible Units:
Chancellors and Deans; GPS Alliance; Research (Sponsored Projects Admin., Research Compliance Office); Office of General Counsel; Office of the President (Office of Institutional Compliance); Human Resources

Introduction (why a risk?)
• We enroll students from 135 nations and have faculty, staff, and visiting scholars from many countries. National/international affairs, political/civil unrest, and immigration policies may directly affect employees and impact students’ educational progress
• The U is engaged in teaching, research, student study abroad, and outreach in countries around the globe; these activities require academic, logistical, legal, and financial support and may be affected by national/international affairs and policies
• Complex federal and international regulations may overwhelm researchers, potentially curtailing international research and collaborations
• Inadequate support for researchers undertaking international collaborations can leave researchers and the U vulnerable to violation of U.S. and foreign laws/policies. Management of exports (data, agricultural, animal, etc., including foreign travel) needs special vigilance

Risk Mitigation Strategies
• Ensure we operate legally, ethically, and safely in countries around the world:
  o GPS Alliance to support U faculty, staff, and students abroad, approve agreements with international partners, and help units host international scholars/post-docs/visitors
  o Mandatory travel registry for U travelers abroad, trainings for faculty leading students abroad, coordination of student travel approval for unstable regions
  o Strong U export control office plus international research regulatory expertise through SPA, GPS Alliance, and the OGC to provide researchers across the institution with education and support to safely develop/manage international collaborations
• Build and sustain beneficial international partnerships with carefully selected universities/institutions abroad
• Foster and support collaborations among scholars and students exploring significant interdisciplinary international issues
• Maintain Immigration Response Team to assist students, incoming international scholars, others
Institutional Risk Profile / Mitigation Plan - K 2017-18

Institutional Risk:
Legal and Regulatory Compliance

Risk Category:
Business Challenge; Compliance

Responsible Senior Leader:
General Counsel Douglas Peterson

Other Responsible Units:
Office of Institutional Compliance; Office of Internal Audit

Introduction (why a risk?)

- Consistent litigation risk
- Complex legal/regulatory environment
- Lack of compliance can result in significant exposure
- Lack of compliance can result in negative culture

Risk Mitigation Strategies

- Legal team
  - Prevent litigation through preventive measures and, where appropriate, early resolution of disputes
  - Maintain a vigorous defense of the University’s interests in litigation
- Compliance Program based on Federal Sentencing Guidelines and associated program principles (National model)
- Executive Oversight Compliance Committee
- Chief Compliance Officer (Certified Compliance and Ethics Professional)
- Cadre of identified institutional compliance partners with deep subject matter expertise
- Process for staying abreast on legal/regulatory changes and a policy process that incorporates those changes
- Compliance reporting line available 24 hours a day and a carefully managed investigation and non-compliance mitigation process
- Open communication between compliance areas, including the Office of General Counsel, Office of Internal Audit, and the Office of Institutional Compliance
- Annual Internal Audit work plan
- Annual compliance monitoring work plan
- Compliance training
Institutional Risk Profile / Mitigation Plan - L
2017–18

Institutional Risk:
New and Disruptive Educational Models

Risk Category:
Business Challenge

Responsible Senior Leader:
Executive Vice President and Provost Karen Hanson

Other Responsible Units:
Chancellors and Deans; Information Technology; University Libraries

Introduction (why a risk?)

- Online programs by for-profit sector: less costly alternatives to traditional universities
- Online campuses increasingly offer college degrees, furthering direct competition; most online programs do not have our faculty, physical infrastructure, and research-related costs
- Skills training and certificates/badges are of growing interest to learners, employers
- Tech innovations are reshaping individual/societal expectations for teaching and learning; expanded use of academic technology has operational, HR, quality control, and cost implications
- Growing trend toward education with pronounced market/employability focus aligns incompletely with University’s fulfillment of broad educational mission for the state

Risk Mitigation Strategies

- Implement strategic plans for campuses/colleges to optimize size and deployment of faculty and staff resources
- Develop systemwide framework for strategic engagement with online learning
  - Full/partial online programs that expand access to/impact of our academic programs
  - Online courses/flexible options to support retention and timely graduation
- Continually assess demand for and position of our undergraduate, graduate/professional, and non-degree programs and evaluate the mix of online and in-person offerings
- Advance policies and protocols that allow for innovative and cost-effective use and updating of academic technology
- Support experimentation with new modalities and circumstances of education
- Evaluate quality and effectiveness of pedagogical and learning management technologies adopted or deployed by faculty and instructors
- Develop policies, practices, and programs to advance outreach and public engagement that is responsive to business/community stakeholders and partners
- Maintain strong communications on the value and impact of a University with a comprehensive research and teaching profile
Institutional Risk Profile / Mitigation Plan - M 2017-18

Institutional Risk:

Public Funding Reliability, Economic Climate, and Financial Sustainability

Risk Category:

Business Challenge

Responsible Senior Leader:

Senior Vice President Brian Burnett

Other Responsible Units:

University Relations; Government and Community Relations; Budget Office; President’s Senior Leadership Team

Introduction (why a risk?)

- More tuition dependent now than anytime in history / constraints on raising tuition
- Flat to declining state support
- Public constituency that prevents quick decisions that will impact service
- Cost structures not nimble nor built for rapid change
- Cost increases in technology, research infrastructure, compliance, library resources continue
- Public skepticism about the value of higher education and resource management

Risk Mitigation Strategies

- Extensive one on one updates with key majority and minority leaders in the Legislature
- Regular updates on U of MN impact on Minnesota communities and citizens
- Specialized engagement with specific legislators to build on individual or professional interest
- Continual reallocation of resources within the institution - moving resources from lower to higher priority needs
- Annual practice of delivering a balanced operating budget to the Board
- Continual process of restructuring operations throughout the institution to improve efficiency and save money
- Budget model that incents units to generate and maximize external revenues where appropriate, and forces transparency in spending decisions
- Development of analyses to understand and monitor our spending in different ways to better align that spending with strategic goals
- Budget process and analyses developed to predict and monitor significant financial challenges in the units
- Minnesota Finance Academy conducted annually to assist leaders and finance staff in external environment, resource planning principles and other key areas for use in managing units effectively
Institutional Risk Profile / Mitigation Plan - N 2017-18

Institutional Risk:
Representational Diversity

Risk Category:
Business Challenge

Responsible Senior Leader:
Interim Vice President Michael Goh

Other Responsible Units:
All academic and administrative units

Introduction (why a risk?)
- Institutional reputation - Earning and maintaining credibility and the respect of a broad set of constituencies is often tied to the presence of diverse students, staff, and faculty who highlight an institution’s commitment to equity and diversity
- A lack of diversity on campus is connected to the failure to recruit and/or retain underrepresented students, staff, and faculty. Poor recruitment and retention numbers make an institution less appealing to all prospective students, staff, and faculty
- Research shows that representational diversity provides educational benefits. Students have higher levels of learning when they interact and exchange ideas with others who are different from them
- Changing state and national demographics - Higher education institutions are called upon to reflect broader demographic shifts. Peer institutions include representational diversity in their strategic planning and future-oriented initiatives. Failure to do so would result in declining overall student enrollment
- A foundational component of higher education is the creation of an academic environment that welcomes and includes a diversity of views and experiences
- Campus climate and creating a welcoming environment for all students, staff, and faculty - Many institutions are proactively trying to address issues of campus climate through increasing representational diversity

Risk Mitigation Strategies
- The Institute for Diversity, Equity, and Advocacy (IDEA) enhances the visibility and productivity of scholars who have expertise in equity, diversity, and underrepresented populations. Bridge funding is available to support departments in hiring diverse faculty members. IDEA also hosts the only national symposium focused on advancing faculty diversity in higher education
- The Office for Equity and Diversity (OED) hosts a variety of events and programs throughout the year that provide opportunities for underrepresented and diverse populations to find support and build community on campus
- College Multicultural Access, Diversity, and Excellence (College MADE) is an initiative that brings data on representational diversity and campus climate to individual departments to assist in their strategic planning
- The Office for Business and Community Economic Development works to increase supplier diversity and provide scholarships and employment opportunities to predominantly underrepresented students
- Office for Equity and Diversity scholarships are awarded through all of our student-facing units to support underrepresented students
- The President’s Postdoctoral Fellowship Program recruits scholars from underrepresented communities, and provides them with mentoring, development, and networking opportunities
- OED Education and Training Programs opportunities include a certificate program and trainings to address and reduce implicit bias on campus and during the faculty/staff search process
Institutional Risk Profile / Mitigation Plan - Q 2017-18

Institutional Risk:
Research or Clinical Misconduct

Risk Category:
Compliance

Responsible Senior Leader:
Vice President for Research Al Levine

Other Responsible Units:
Research Compliance Office (RCO); Human Research Protection Program (HRPP); Institutional Review Board (IRB); Clinical and Translational Science Institute (CTSI); Biosafety - Select Agents; Radiation Safety; Research Laboratory Safety; Health Insurance Portability Accountability Act (HIPAA) and Data Privacy Office; Office of Institutional Compliance; Biotechnology Activities Oversight Committee; Institutional Animal Care and Use Committee (IACUC); Post Approval Monitoring - Human (PAR); Export Controls; Sponsored Projects Administration (SPA); Sponsored Financial Reporting (SFR); Office of Internal Audit

Introduction (why a risk?)

- Highest standards of ethical practice are expected by all (sponsor, federal and state government, and the community) when dealing with human subjects and animals. Misconduct can lead to serious injury or death of human subjects and animals
- Misconduct that is not deterred and/or dealt with at the time of occurrence can undermine the research enterprise leading to reduced levels of funding, fines from federal/state government and negative impact on the University's reputation
- Undeterred misconduct can lead to inaccurate or false research results which would be detrimental to the research community

Risk Mitigation Strategies

- HRPP's post approval process is responsible for conducting assessments that verify PI compliance with IRB-directed corrective actions
- The Research Compliance Committee (RCC) will work together to develop a toolkit to enumerate and clarify potential remedial actions in response to noncompliance. The committee will work toward a monitoring process across compliance units for a PI that has misconduct in one area to ensure that the misconduct is not in other compliance areas
- Verifications that action plans or re-training for all research misconduct are completed in a timely manner
- Escalation plans and remedial actions will confirm and demonstrate the serious consequences for recurring misconduct
Institutional Risk Profile / Mitigation Plan - U 2017-18

Institutional Risk:

Sexual Misconduct – Prevention, Training and Response

Risk Category:

Institutional Integrity

Responsible Senior Leader:

President Eric Kaler

Other Responsible Units:

Academic Affairs; Equity and Diversity; Human Resources; Intercollegiate Athletics; Student Affairs; University Senate

Introduction (why a risk?)

- Multi-faceted problem not easily addressed
- Damages and traumatizes our most precious resource – our people
- High-profile incidents difficult to manage successfully and negatively impact the brand
- Decreased student and employee productivity, satisfaction, and academic/professional actualization
- Increased student and employee attrition

Risk Mitigation Strategies

- Launching of the President’s Initiative to Prevent Sexual Misconduct
- Increased and on-going training for all sectors – faculty, staff and students and within individual academic and administrative units
- Developing training for bystander engagement skills building
- Increased staff for units dealing directly with prevention (Student Affairs) and response (Equity and Diversity, Student Affairs, University Senate)
- University wide public awareness campaign launching in the fall
- Investigating the potential gaps in procedures, policies, chains of accountability/responsibility for appropriate and timely action
- Collect data to understand the gaps in the prevalence of sexual misconduct among faculty and staff, and increased understanding of the graduate student experience
- Create a research infrastructure to facilitate coordinated efforts to access existing data and support original research
Institutional Risk Profile / Mitigation Plan - O
2017–18

Institutional Risk:
Shifting Enrollment Patterns

Risk Category:
Business Challenge

Responsible Senior Leader:
Executive Vice President and Provost Karen Hanson

Other Responsible Units:
Chancellors and Deans

Introduction (why a risk?)
- Intense national-level competition for the very best students
- Macro demographic trends affecting enrollment: Fewer high school graduates; achievement and opportunity gaps that impede college readiness and success
- Rising cost of higher education intensifies affordability pressures
- Enrollment downturns and fluctuations for campuses and some academic programs related to social and economic trends, job market trends, workforce needs
- Variable impact on university enrollment of student enrollment and transfer trends in Minnesota and the surrounding region
- Impact on enrollment of disruptive educational models such as online programs

Risk Mitigation Strategies
- Monitor enrollment strategies and student demographics; aggregate campus data to inform strategic projections (systemwide enrollment management planning)
- Continue senior oversight of admissions process with weekly reporting, which enables flexible, timely responses to changing conditions
- Sustain curricular, research, and outreach/engagement areas crucial to the quality, impact, and reputation of our institution
- Leverage university curricular strengths through online learning, professional development, and lifelong learning
- Expand interdisciplinary research and teaching congruent with changes in the production of knowledge and societal trends
- Advance coordinated and collaborative policies and practices to maintain capacity in graduate and professional education, consistent with our state-chartered mission
- Advance faculty/student diversity as mission imperatives through multipronged strategies
- Collaborate with state and national partners to support pipeline development and college readiness strategies
AGENDA ITEM: Board of Regents Policy: *Code of Ethics for Members of the Board of Regents* – Annual Review

☑️ Review ☐ Review + Action ☐ Action ☐ Discussion

☑️ This is a report required by Board policy.

PRESENTERS: Douglas Peterson, General Counsel

PURPOSE & KEY POINTS

The purpose of this discussion is to fulfill the requirement of the Board of Regents Policy: *Code of Ethics for Members of the Board of Regents*, which directs the Board, with the assistance of the General Counsel, to publicly review annually the requirements and procedures provided in this policy.
CODE OF ETHICS FOR MEMBERS OF THE BOARD OF REGENTS

This policy governs the activities of members of the Board of Regents (Board) of the University of Minnesota (University) regarding financial disclosure, gifts, expense reimbursement, and conflicts of interest.

SECTION I. GUIDING PRINCIPLES.

The following principles shall guide the accountability of Regents:

Subd. 1. Public Trust. The Board is responsible for the governance of the University. In carrying out this constitutionally conferred public trust, Regents must be accountable in the areas of financial disclosure, gifts, expenses, and conflicts of interest, and shall not use the authority, title, or prestige of their office to solicit or otherwise obtain private financial, social, or political benefit that in any manner is inconsistent with the public interest. In serving the people of Minnesota, Regents shall adhere to the highest ethical standards.

Subd. 2. Paramount Interest. Regents bring to their task varied backgrounds and expertise, but they are expected to put aside parochial interests, keeping the welfare of the entire University, not just a particular constituency, at all times paramount.

Subd. 3. Time Commitment. In undertaking the duties of the office, Regents shall make the necessary commitment of time and diligence to fulfill their public governance responsibilities.

SECTION II. FINANCIAL DISCLOSURE REQUIREMENTS.

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

SECTION III. GIFTS.

No Regent shall accept any gift or accommodation, except as permitted by Board policy. This prohibition does not apply to complimentary tickets to University events furnished in accordance with guidelines on file in the Board Office.

SECTION IV. EXPENSES.

Regents serve without compensation, but they are entitled to reimbursement for expenses incurred while representing the University in an official capacity in accordance with guidelines on file in the Board Office.
SECTION V. DEFINITIONS.

Subd. 1. Recusal. Recusal shall mean noninvolvement of a Regent in any discussion of, and decision regarding, the relevant matter to ensure that the Regent's independence of judgment is not compromised, that the public's confidence in the integrity of the Board is preserved, and that the University's public mission is protected.

Subd. 2. Financial Conflict of Interest. A financial conflict of interest exists whenever a Regent, a Regent's family member, and/or a business associated with a Regent or a Regent's family member has an actual or potential financial interest or any other interest in a matter pending before the Board that may impair independence of judgment or objectivity in the discharge of the Regent's public governance responsibilities.

Subd. 3. Family Member. Family member shall mean a spouse, parent, sibling, child, domestic partner, or any person residing in the Regent's household.

Subd. 4. Business Associated with a Regent. Business associated with a Regent shall mean an organization, corporation, partnership, proprietorship, or other entity if either the Regent or a member of the Regent's family:

(a) receives compensation in excess of $500 in any month or has any contractual right to future income in excess of $6,000 per year;
(b) serves as an officer, director, partner, or employee; or
(c) holds a financial interest valued in excess of $10,000.

For purposes of this policy, compensation shall not include reimbursement for expenses under Section IV above, any non-employment related funds from a governmental source, investment or savings income, retirement or insurance benefits, or alimony.

Subd. 5. Financial Interest. Financial interest shall mean a foreseeable, nontrivial financial effect that may result from Board action.

Subd. 6. Employment-Related Conflict of Interest. An employment-related conflict of interest exists whenever a Regent's employment relationships may impair independence of judgment.

SECTION VI. FINANCIAL AND EMPLOYMENT-RELATED CONFLICT OF INTEREST PROCEDURES.

Subd. 1. Interpretation and Application. The conflict of interest provisions of this policy shall be interpreted and applied to best serve the interests of the University. In some cases, full disclosure and consideration of the particular facts may indicate that a potential conflict of interest is insubstantial so that the University's interests are best served by the Regent's participation. If doubt remains regarding the need for recusal, the Regent involved must elect recusal. Recusal on a particular matter because of a
conflict does not reflect adversely on the Regent involved; rather, it simply recognizes that in a complex and interconnected society conflicts cannot be entirely avoided and will occur.

Subd. 2. Disclosure or Acknowledgment of Actual or Potential Conflicts.
Actual or potential conflicts of interest shall be brought to the attention of the chair of the Board at the earliest opportunity. Such actual or potential conflicts may be reported by an individual Regent or by any other person. Disclosure or acknowledgment of such a conflict of interest and recusal shall be noted appropriately in Board minutes.

Subd. 3. Consultation with General Counsel. A Regent with a conflict of interest question is encouraged to consult with the general counsel who, if requested, shall provide a written opinion on whether a conflict of interest exists under this policy. A copy of any such opinion shall be provided to the chair. The chair also may request an opinion from the general counsel on any conflict of interest question.

Subd. 4. Disputed Conflicts of Interest. Any disputed issues relating to the existence of a conflict of interest requiring recusal shall be decided by the chair, who may choose to refer the question to an ad hoc group of Regents consisting of the chair, the vice chair, and one other Regent appointed by the chair. If the chair or vice chair is the subject of the conflict of interest dispute, another Regent shall be appointed by the ranking Regent. The chair (or the ad hoc group if appointed) shall determine whether there is a conflict of interest and report the decision to the Board; however, in all cases the Board is the final authority on conflict questions.

Subd. 5. Deliberations and Voting. Regents who declare or have been found to have an actual or potential financial or employment-related conflict of interest shall recuse themselves regarding the matter determined to be a conflict and shall not take any action to influence the outcome of the matter.

SECTION VII. CANDIDACY FOR PUBLIC OFFICE.

A Regent shall resign from the Board upon officially announcing candidacy for any partisan elective public office.

SECTION VIII. UNIVERSITY EMPLOYMENT.

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

SECTION IX. ANNUAL REVIEW OF POLICY.

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

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

Pursuant to Board of Regents Policy: Board Operations and Agenda Guidelines, “The Board conducts business through meetings of the Board and its committees.... [and] Committees provide recommendations for action by the Board. Typically, standing committees have the following responsibilities:

- Recommend action on matters where the Board has reserved authority to itself as outlined in Board of Regents Policy: Reservation and Delegation of Authority and other Board policies;
- Provide governance oversight on topics within the committee’s purview;
- Review and make recommendations on relevant new and existing Board policies;
- Receive reports on policy-related issues affecting University departments and units;
- Receive information items (e.g., status reports on current issues of concern and administrative searches); and
- Review other items placed on the agenda by the Board chair in consultation with the president and Board vice chair.”

BACKGROUND INFORMATION

Current committee chairs:

- Audit & Compliance Committee – L. Cohen
- Finance & Operations Committee – T. Anderson
- Governance & Policy Committee – D. Rosha
- Litigation Review Committee – R. Beeson
- Mission Fulfillment Committee – A. Omari