



Finance & Operations Committee

May 2023

May 11, 2023

1:00 p.m.

Boardroom, McNamara Alumni Center

FIN - MAY 2023

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BOARD OF REGENTS DOCKET ITEM SUMMARY

Finance & Operations

May 11, 2023

AGENDA ITEM: President's Recommended FY 2024 Annual Capital Improvement Budget

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: President Joan T. A. Gabel
Myron Frans, Senior Vice President

PURPOSE & KEY POINTS

The purpose of this item is to review the President’s Recommended FY 2024 Annual Capital Improvement Budget (capital budget).

The University’s capital budget authorizes projects to begin design and construction during the upcoming fiscal year. The FY 2024 capital budget authorizes projects totaling \$636,561,000. Approximately 58 percent of the capital budget is State of Minnesota-supported debt from the University’s 2023 State Capital Request (\$371,200,000). The remaining 42 percent of the capital budget supports the University’s share of state-supported projects as well as University-funded capital improvements. This capital budget includes the University’s full State Capital Request and will be updated in June to reflect the outcome of the 2023 legislative session.

The capital budget includes the planning priorities established by the Six-Year Capital Plan, which the Board acts on annually in the fall. Additionally, funding pools categorized as Repair and Replacement (R&R) or Higher Education Asset Preservation and Replacement (HEAPR) include multiple projects intended to preserve and renew existing campus facilities. Projects funded by these dollars are intended to extend the life and functionality of existing University facilities and infrastructure.

In addition, for the first time, this capital budget also includes authorization to fund the following projects using the Long-Term Capital Financing Program:

Chemistry Undergraduate Teaching Laboratory Facility	\$46,300,000
Shepherd Laboratories Renovation, Floors 3-5	\$19,400,000
Women’s Gymnastics Training Facility	\$15,500,000
Academic Health Center Duluth – Design	\$6,000,000
UMC Heating Plant and Utility Infrastructure Improvements	\$1,667,000
UMM Multi-Ethnic Resource Center Improvements	\$1,667,000
Total budgeted	\$90,534,000

BACKGROUND INFORMATION

Annual Capital Improvement Budget

Board of Regents Policy: *Board Operations and Agenda Guidelines* directs the administration to conduct capital planning using a six-year time horizon updated annually. This annual capital planning process is completed in two parts.

- Part 1 is the Six-Year Capital Plan, which is updated annually and establishes the institution's capital priorities. This plan is the basis for continued capital and financial planning. The Six-Year Capital Plan is presented to the Board annually in the fall.
- Part 2, which is acted on by the Board in June, is the Annual Capital Improvement Budget. The capital improvement budget identifies projects with completed predesigns, financing plans, and grants approval for those projects to proceed with design and construction for the coming fiscal year.

The University requires that all capital projects spending more than \$1,000,000 on either design or construction be included in the capital budget. In order to be included in the capital budget, the project must be approved by the respective chancellor or vice president, have completed an appropriate level of planning (typically a predesign), have all the required funding identified, and be ready to proceed if approved by the Board. This required process leads to better projects but also excludes from the capital budget some important projects still in development. As these projects meet the Board's criteria, they will be presented as capital budget amendments.

Long-Term Capital Financing Program

As noted above, this year the capital budget will include authorization to use funding from the Long-Term Capital Financing Program. That funding will be used for specific projects identified in the capital budget and/or to refund short-term commercial paper issued during the construction of those projects. The Long-Term Capital Financing Program's initial funding is bond proceeds from General Obligation Taxable Bonds Series 2022 (Series 2022), issued on April 19, 2022 as a 30-year interest-only bond for a total of \$500 million. As required by Board policy, those proceeds may be used to finance capital projects which may include purchases of land and buildings, construction and remodeling projects, and the acquisition and installation of equipment, as well as the costs of issuance of such financing(s), and/or to refinance existing debt outstanding.

As stated in Board of Regents Policy: *Debt Transactions and Long-Term Capital Financing Program*, Article II, Section 1, Subd. 3, the president or delegate has the authority to issue short-term debt authorized under the Commercial Paper Facility up to the total amount authorized for issuance.

Approval of the refinancing of short-term debt issued under a Commercial Paper Facility to long-term debt using proceeds from the Long-Term Capital Financing Program is sought in compliance with Board of Regents Policies as follows:

- *Reservation and Delegation of Authority*, Article I, Section VII, Subd. 4
- *Debt Transactions and Long-Term Capital Financing Program*, Article II, Section I, Subd. 1
- *Debt Transactions and Long-Term Capital Financing Program*, Article III, Section I, Subd. 1

PRESIDENT'S RECOMMENDATION

The President recommends approval of the resolution related to the FY 2024 Annual Capital Improvement Budget.



REGENTS OF THE UNIVERSITY OF MINNESOTA

RESOLUTION RELATED TO

FY 2024 Annual Capital Improvement Budget

WHEREAS, the Board of Regents (Board) has directed the administration to annually submit a six-year capital improvement plan and an annual capital improvement budget; and

WHEREAS, the Board has adopted principles to guide the formulation of the six-year capital plan and the annual capital improvement budget; and

WHEREAS, the Board recognizes the importance of sustaining and improving the University's facilities in support of teaching, research, and outreach; and

WHEREAS, the administration has developed a capital planning framework designed to focus its capital planning efforts on projects that support the University's institutional priorities within a financial strategy that is realistic.

NOW, THEREFORE, BE IT RESOLVED that the Board approves the FY 2024 Annual Capital Improvement Budget.

Project Description Report

The following project information sheets, ordered by file number, provide brief descriptions of each project.

FY 2024 ANNUAL CAPITAL IMPROVEMENT BUDGET

University of Minnesota

UNIVERSITY OF MINNESOTA

Project Description Report

3625 Cedar Creek Classroom Expansion

Vice President: Academic Affairs

Campus: Cedar Creek Natural History Area

Facility: New Facility

Total Cost: \$2,890

Description: This project will construct an addition to the Lindeman Center, adding two new classrooms, restrooms, service, and circulation areas to support ongoing lab/ field research, community programming, and K-12 educational field trips.

RRC: College of Biological Sciences

RRC Contact: David Greenstein

Project Manager: Sutath Amphavannasouk

3633 Arboretum Parking, Access and Egress Improvements

Vice President: Academic Affairs

Campus: Landscape Arboretum - Excelsior

Facility: Site Improvements

Total Cost: \$12,900

Description: This project will consist of of sitework and utility infrastructure to support the Arboretum's new entry road at Highway 5 and Minnewashta Parkway, the AppleHouse, and an expansion of the main parking lot.

RRC: College of Food, Agricultural and Natural Sciences

RRC Contact: Brian Buhr

Project Manager: Emily Roland

3636 Agricultural Research and Education Complex, Phase 1 (FAARM)

Vice President: Academic Affairs

Campus: Systemwide

Facility: New Facility

Total Cost: \$120,000

Description: The Agricultural Research and Education Complex project will create site(s) for the 'Future of Advanced Agricultural Research in Minnesota' (FAARM) for innovative solutions to today's food systems that will lead the evolution of regenerative, systems-based agriculture. This approval is for Phase 1 of an anticipated total project cost of \$220 million.

RRC: College of Food, Agricultural and Natural Sciences

RRC Contact: Brian Buhr

Project Manager: Trevor Dickie

UNIVERSITY OF MINNESOTA

Project Description Report

3623 Chemistry Undergraduate Teaching Laboratory Facility

Vice President: Academic Affairs

Campus: Twin Cities

Facility: Fraser Hall

Total Cost: \$135,900

Description: This project will demolish non-historical portions of the building to make way for construction of a five-story addition, while fully renovating all retained space. Active learning laboratories will provide space for collaboration, lab prep, and academic support for U of M Twin Cities' undergraduate chemistry students. The total project budget is \$143.829 million. The 2020 State bonding bill and University one-third provided \$4.929 million for design. The balance of \$138.9 million included in the 2023 State Capital Request is composed of \$92.6 million from the State and \$46.3 million from the University, of which \$3 million was previously authorized in the FY22 capital budget.

RRC: College of Science and Engineering

RRC Contact: Andrew Alleyne

Project Manager: Kevin Ross

3624 Shepherd Laboratories Renovation, Floors 3-5

Vice President: Academic Affairs

Campus: Twin Cities

Facility: Shepherd Hall

Total Cost: \$24,400

Description: This project will renovate 3rd, 4th, and 5th floor spaces, finishing a complete building renovation from work started in 2017. The renovated areas will accommodate flexible and collaborative research spaces for robotics, virtual reality, graphics and visualization, human computer interaction, and natural language processing.

RRC: College of Science and Engineering

RRC Contact: Andrew Alleyne

Project Manager: Trevor Dickie

3621 R&R - Student Affairs

Vice President: Academic Affairs

Campus: Twin Cities

Facility: Campuswide

Total Cost: \$1,250

Description: Authorized funds will be used for facility and infrastructure repair and replacement projects for Boynton, Recreation and Wellness, and Student Unions and Activities.

RRC: Student Affairs

RRC Contact: Calvin Phillips

Project Manager: Multiple

UNIVERSITY OF MINNESOTA

Project Description Report

3628 Academic Health Center Duluth - Design

Vice President: Health Sciences

Campus: Duluth

Facility: New Facility

Total Cost: \$18,000

Description: This project will design a new facility in the Duluth Medical District to provide high demand health care education and interprofessional training in new teaching, clinical practice, and research spaces.

RRC: Office of Academic Clinical Affairs

RRC Contact: Jakub Tolar

Project Manager: Marc Partridge

3616 R&R - University Dining Services

Vice President: Finance and Operations

Campus: Twin Cities

Facility: Campuswide

Total Cost: \$1,025

Description: Authorized funds will be used for facility and infrastructure repair and replacement projects in retail food venues on the Twin Cities campus.

RRC: Auxiliary Services

RRC Contact: Laurie McLaughlin

Project Manager: Multiple

3617 R&R - Housing & Residential Life

Vice President: Finance and Operations

Campus: Twin Cities

Facility: Campuswide

Total Cost: \$7,003

Description: Authorized funds will be used for facility and infrastructure repair and replacement projects in the residence halls, apartments and family student housing units on the Twin Cities campus.

RRC: Auxiliary Services

RRC Contact: Laurie McLaughlin

Project Manager: Multiple

UNIVERSITY OF MINNESOTA

Project Description Report

3618 R&R - Parking Infrastructure

Vice President: Finance and Operations

Campus: Twin Cities

Facility: Campuswide

Total Cost: \$5,050

Description: Authorized funds will be used for parking infrastructure repair and replacement projects to include: structural, electrical, plumbing, HVAC and other critical repairs within structured parking and surface parking assets.

RRC: Auxiliary Services

RRC Contact: Laurie McLaughlin

Project Manager: Multiple

3619 R&R - Transportation Infrastructure

Vice President: Finance and Operations

Campus: Twin Cities

Facility: Campuswide

Total Cost: \$300

Description: Authorized funds will be used for transportation infrastructure repair and replacement projects to include: street projects, sidewalk projects, bridge projects, building linkages, campus safety upgrades and critical repairs identified within transportation assets.

RRC: Auxiliary Services

RRC Contact: Laurie McLaughlin

Project Manager: Multiple

3634 Territorial Hall HVAC System Replacement

Vice President: Finance and Operations

Campus: Twin Cities

Facility: Territorial Hall

Total Cost: \$32,000

Description: This project will replace existing heating and cooling systems at resident rooms with modern components to improve indoor air quality, provide additional humidity control, and meet current codes and standards. Additional scope includes full roof replacement and new building electrical service.

RRC: Auxiliary Services

RRC Contact: Laurie McLaughlin

Project Manager: Todd Larson

UNIVERSITY OF MINNESOTA

Project Description Report

3612 R&R - Twin Cities Campus

Vice President: Finance and Operations

Campus: Twin Cities

Facility: Campuswide

Total Cost: \$11,865

Description: Authorized funds will be used for facility and infrastructure repair and replacement projects on the Twin Cities campus.

RRC: Facilities Management

RRC Contact: Bill Paulus

Project Manager: Multiple

3613 R&R - Utility Infrastructure

Vice President: Finance and Operations

Campus: Twin Cities

Facility: Campuswide

Total Cost: \$11,390

Description: Authorized funds will be used for utility infrastructure repair and replacement projects on the Twin Cities campus.

RRC: Facilities Management

RRC Contact: Bill Paulus

Project Manager: Multiple

3614 R&R - Energy Conservation

Vice President: Finance and Operations

Campus: Twin Cities

Facility: Campuswide

Total Cost: \$3,900

Description: Authorized funds will be used to enhance the energy efficiency of facilities and infrastructure on the Twin Cities campus. Facilities Management maintains a revolving internal loan fund with the Budget Office to fund and repay conservation projects.

RRC: Facilities Management

RRC Contact: Bill Paulus

Project Manager: Multiple

UNIVERSITY OF MINNESOTA

Project Description Report

3630 Veterinary Diagnostics Lab Equipment Replacement

Vice President: Finance and Operations

Campus: Twin Cities

Facility: Veterinary Diagnostics Laboratory

Total Cost: \$7,500

Description: This project will replace existing process equipment at the end of its lifecycle and upgrade related building and infrastructure components to better support future operations.

RRC: Facilities Management

RRC Contact: Bill Paulus

Project Manager: Todd Larson

3620 R&R - Security Infrastructure

Vice President: Finance and Operations

Campus: Twin Cities

Facility: Campuswide

Total Cost: \$675

Description: Authorized funds will be used for facility and infrastructure repair and replacement projects related to security infrastructure on the Twin Cities campus.

RRC: Public Safety

RRC Contact: Matt Clark

Project Manager: Multiple

3607 HEAPR

Vice President: Finance and Operations

Campus: Systemwide

Facility: Systemwide

Total Cost: \$200,000

Description: This project will maximize the effectiveness and life of the University's 30 million square feet of infrastructure. The University allocates HEAPR funding system wide in four categories: health, safety, and accessibility; building systems; utility infrastructure; and energy efficiency.

RRC: University Services

RRC Contact: Brian Swanson

Project Manager: Andrew Chan

UNIVERSITY OF MINNESOTA

Project Description Report

3615 R&R - Athletics

Vice President: Intercollegiate Athletics

Campus: Twin Cities

Facility: Campuswide

Total Cost: \$2,000

Description: Authorized funds will be used for facility and infrastructure repair and replacement projects in competition and practice facilities.

RRC: Intercollegiate Athletics

RRC Contact: Mark Coyle

Project Manager: Multiple

3631 Women's Gymnastics Training Facility

Vice President: Intercollegiate Athletics

Campus: Twin Cities

Facility: Gymnastics

Total Cost: \$15,500

Description: This project will provide a new practice facility and support space for Women's Gymnastics to align University of Minnesota gymnastic facilities with Big Ten and national programs for recruiting, training, and development of student-athletes.

RRC: Intercollegiate Athletics

RRC Contact: Mark Coyle

Project Manager: Trevor Dickie

3611 R&R - UMC Campus

Vice President: Crookston Campus

Campus: Crookston

Facility: Campuswide

Total Cost: \$319

Description: Authorized funds will be used for facility and infrastructure repair and replacement projects on the Crookston campus.

RRC: Crookston Campus

RRC Contact: Mary Holz-Clause

Project Manager: Ryan Moe

UNIVERSITY OF MINNESOTA

Project Description Report

3638 Heating Plant and Utility Infrastructure Improvements

Vice President: Crookston Campus

Campus: Crookston

Facility: Heating Plant

Total Cost: \$5,000

Description: This project will replace deteriorated equipment inside the Crookston campus' heating plant, as well as related utility infrastructure to improve safety within the plant and reliability of heat and hot water across campus.

RRC: Crookston Campus

RRC Contact: Mary Holz-Clause

Project Manager: Ryan Moe

3608 R&R - UMD Campus

Vice President: Duluth Campus

Campus: Duluth

Facility: Campuswide

Total Cost: \$3,000

Description: Authorized funds will be used for facility and infrastructure repair and replacement projects on the Duluth campus.

RRC: Duluth Campus

RRC Contact: David McMillan

Project Manager: John Rashid

3609 R&R - UMD Student Life

Vice President: Duluth Campus

Campus: Duluth

Facility: Campuswide

Total Cost: \$3,500

Description: Authorized funds will be used for facility and infrastructure repair and replacement projects in residence halls, apartments, and other student service facilities on the Duluth campus.

RRC: Duluth Campus

RRC Contact: David McMillan

Project Manager: John Rashid

UNIVERSITY OF MINNESOTA

Project Description Report

3626 Griggs Hall HVAC Upgrades

Vice President: Duluth Campus

Campus: Duluth

Facility: Griggs Hall

Total Cost: \$6,000

Description: This project will consist of abatement, roof replacement, code upgrades, and new interior finishes.

RRC: Duluth Campus

RRC Contact: David McMillan

Project Manager: John Rashid

3610 R&R - UMM Campus

Vice President: Morris Campus

Campus: Morris

Facility: Campuswide

Total Cost: \$194

Description: Authorized funds will be used for facility and infrastructure repair and replacement projects on the Morris campus.

RRC: Morris Campus

RRC Contact: Janet Schrunk Erickson

Project Manager: Bryan Herrmann

3637 Multi-Ethnic Resource Center Improvements

Vice President: Morris Campus

Campus: Morris

Facility: Multi-Ethnic Resource Center

Total Cost: \$5,000

Description: This project will improve accessibility and upgrade life safety and building systems in the Multi-Ethnic Resource Center on the Morris campus.

RRC: Morris Campus

RRC Contact: Janet Schrunk Erickson

Project Manager: Bryan Herrmann

Project Funding Report

FY 2024 ANNUAL CAPITAL IMPROVEMENT BUDGET

University of Minnesota

Annual Capital Improvement Budget – Definitions and Totals by Funding Source - Dollars in thousands

Local Funds **\$94,471**

These funds have been allocated to or generated by campus-level, collegiate-level or departmental-level units. These funds include state appropriations, tuition, internal sales, external sales and other unrestricted funds.

Grants / Gifts **\$75,790**

Grant and gift funds are provided to the University to support specific construction projects.

Institutional Funds **\$87,533**

This category of resources represents a broad array of funds from within the University including but not limited to central budget allocations for specific projects, and internal loans. In addition, effective with the FY 2024 Annual Capital Budget, this category includes General Obligation Taxable Bonds Series 2022 (Series 2022) proceeds that support the Long-Term Capital Financing Program.

State Funds **\$371,267**

These funds are provided from State sold bond proceeds and/or cash reserves for use on legislatively authorized projects.

U of M Debt **\$7,500**

These funds come from the future sale of bonds and/or commercial paper issued by the University. The source of the debt service payment varies by project.

\$636,561

UNIVERSITY OF MINNESOTA

Funding Report

Academic Affairs

File	Facility	Project Title	Total	Local Funds	Grants / Gifts	Institutional Funds	State Funds	University Debt	Comments
<i>College of Biological Sciences</i>									
3625	New Facility	Cedar Creek Classroom Expansion	\$2,890	\$0	\$2,890	\$0	\$0	\$0	
<i>College of Food, Agricultural & Natural Resource Sciences</i>									
3633	Site Improvements	Arboretum Parking, Access and Egress Improvements	\$12,900	\$0	\$12,900	\$0	\$0	\$0	
3636	New Facility	Agricultural Research and Education Complex, Phase I (FAARM)	\$120,000	\$0	\$60,000	\$0	\$60,000	\$0	
<i>College of Science & Engineering</i>									
3623	Fraser Hall	Chemistry Undergraduate Teaching Laboratory Facility	\$135,900	\$0	\$0	\$43,300	\$92,600	\$0	\$3 million previously approved in FY22 capital budget
3624	Shepherd Hall	Shepherd Laboratories Renovation, Floors 3-5	\$24,400	\$5,000	\$0	\$19,400	\$0	\$0	
<i>Office of Student Affairs</i>									
3621	Campuswide	R&R - Student Affairs	\$1,250	\$1,250	\$0	\$0	\$0	\$0	
			\$297,340	\$6,250	\$75,790	\$62,700	\$152,600	\$0	

dollars in thousands

UNIVERSITY OF MINNESOTA

Funding Report

Health Sciences

File	Facility	Project Title	Total	Local Funds	Grants / Gifts	Institutional Funds	State Funds	University Debt	Comments
<i>Office of Academic Clinical Affairs</i>									
3628	New Facility	Academic Health Center Duluth - Design	\$18,000	\$0	\$0	\$6,000	\$12,000	\$0	
			\$18,000	\$0	\$0	\$6,000	\$12,000	\$0	

dollars in thousands

UNIVERSITY OF MINNESOTA

Funding Report

Finance and Operations

File	Facility	Project Title	Total	Local Funds	Grants / Gifts	Institutional Funds	State Funds	University Debt	Comments
<i>Auxiliary Services</i>									
3616	Campuswide	R&R - University Dining Services	\$1,025	\$1,025	\$0	\$0	\$0	\$0	
3617	Campuswide	R&R - Housing & Residential Life	\$7,003	\$7,003	\$0	\$0	\$0	\$0	
3618	Campuswide	R&R - Parking Infrastructure	\$5,050	\$5,050	\$0	\$0	\$0	\$0	
3619	Campuswide	R&R - Transportation Infrastructure	\$300	\$300	\$0	\$0	\$0	\$0	
3634	Territorial Hall	Territorial Hall HVAC System Replacement	\$32,000	\$32,000	\$0	\$0	\$0	\$0	
<i>Facilities Management</i>									
3612	Campuswide	R&R - Twin Cities Campus	\$11,865	\$11,865	\$0	\$0	\$0	\$0	
3613	Campuswide	R&R - Utility Infrastructure	\$11,390	\$11,390	\$0	\$0	\$0	\$0	
3614	Campuswide	R&R - Energy Conservation	\$3,900	\$3,900	\$0	\$0	\$0	\$0	
3630	Veterinary Diagnostics Laboratory	Veterinary Diagnostics Lab Equipment Replacement	\$7,500	\$0	\$0	\$0	\$0	\$7,500	
<i>Public Safety</i>									
3620	Campuswide	R&R - Security Infrastructure	\$675	\$675	\$0	\$0	\$0	\$0	
<i>University Services</i>									
3607	Systemwide	HEAPR	\$200,000	\$0	\$0	\$0	\$200,000	\$0	
			\$280,708	\$73,208	\$0	\$0	\$200,000	\$7,500	

dollars in thousands

UNIVERSITY OF MINNESOTA

Funding Report

Intercollegiate Athletics

File	Facility	Project Title	Total	Local Funds	Grants / Gifts	Institutional Funds	State Funds	University Debt	Comments
<i>Intercollegiate Athletics</i>									
3615	Campuswide	R&R - Athletics	\$2,000	\$2,000	\$0	\$0	\$0	\$0	
3631	Gymnastics	Women's Gymnastics Training Facility	\$15,500	\$0	\$0	\$15,500	\$0	\$0	
			\$17,500	\$2,000	\$0	\$15,500	\$0	\$0	

dollars in thousands

UNIVERSITY OF MINNESOTA

Funding Report

Crookston Campus

File	Facility	Project Title	Total	Local Funds	Grants / Gifts	Institutional Funds	State Funds	University Debt	Comments
<i>UM Crookston</i>									
3611	Campuswide	R&R - UMC Campus	\$319	\$319	\$0	\$0	\$0	\$0	
3638	Heating Plant	Heating Plant and Utility Infrastructure Improvements	\$5,000	\$0	\$0	\$1,667	\$3,333	\$0	
			\$5,319	\$319	\$0	\$1,667	\$3,333	\$0	

dollars in thousands

UNIVERSITY OF MINNESOTA

Funding Report

Duluth Campus

File	Facility	Project Title	Total	Local Funds	Grants / Gifts	Institutional Funds	State Funds	University Debt	Comments
<i>UM Duluth</i>									
3608	Campuswide	R&R - UMD Campus	\$3,000	\$3,000	\$0	\$0	\$0	\$0	
3609	Campuswide	R&R - UMD Student Life	\$3,500	\$3,500	\$0	\$0	\$0	\$0	
3626	Griggs Hall	Griggs Hall HVAC Upgrades	\$6,000	\$6,000	\$0	\$0	\$0	\$0	
			\$12,500	\$12,500	\$0	\$0	\$0	\$0	

dollars in thousands

UNIVERSITY OF MINNESOTA

Funding Report

Morris Campus

File	Facility	Project Title	Total	Local Funds	Grants / Gifts	Institutional Funds	State Funds	University Debt	Comments
<i>UM Morris</i>									
3610	Campuswide	R&R - UMM Campus	\$194	\$194	\$0	\$0	\$0	\$0	
3637	Multi-Ethnic Resource Center	Multi-Ethnic Resource Center Improvements	\$5,000	\$0	\$0	\$1,667	\$3,333	\$0	
			\$5,194	\$194	\$0	\$1,667	\$3,333	\$0	

dollars in thousands

UNIVERSITY OF MINNESOTA

Funding Report

Report Summary

Total	Local Funds	Grants / Gifts	Institutional Funds	State Funds	University Debt
\$636,561	\$94,471	\$75,790	\$87,533	\$371,267	\$7,500

Local Funds

These funds have been allocated to or generated by campus-level, collegiate-level or departmental-level units. These funds include state appropriations, tuition, internal sales, external sales and other unrestricted funds.

Grants / Gifts

Grant and gift funds are provided to the University to support specific construction projects.

Institutional Funds

This category of resources represents a broad array of funds from within the University including but not limited to central budget allocations for specific projects, and internal loans. In addition, effective with the FY 2024 Annual Capital Budget, this category includes General Obligation Taxable Bonds Series 2022 (Series 2022) proceeds that support the Long-Term Capital Financing Program.

State Funds

These funds are provided from State sold bond proceeds and/or cash reserves for use on legislatively authorized projects.

U of M Debt

These funds come from the future sale of bonds and/or commercial paper issued by the University. The source of the debt service payment varies by project.

dollars in thousands

Potential Additions

FY 2024 ANNUAL CAPITAL IMPROVEMENT BUDGET

University of Minnesota

UNIVERSITY OF MINNESOTA

Potential Additions

File	Campus	Facility	Project Title	RRC
3635	UMTC	Middlebrook Hall	Middlebrook Hall Dining Renovation	Auxiliary Services
3647	UMTC	Middlebrook Hall	Middlebrook Hall HVAC Renovation	Auxiliary Services
3645	UMTC	Carlson School of Management	Carlson School Revitalization (construction)	Carlson School of Management
3641	UMTC	Wallin Medical Biosciences Building	WMBB Diverse Microbial Exposures Facility Expansion	Medical School
3646	UMTC	Microbial Cell Production Facility	Microbial Cell Production Facility Tenant Improvements	Multiple
3640	UMTC	Morrill Hall	Morrill Hall Re-Envisioned Building Use	Multiple
3644	UMTC	New Facility	Network Operations Center Relocation	Office of Information Technology
3643	UMTC	New Facility	St Paul Campus Center	Office of Student Affairs
3629	UMTC	Molecular Cellular Biology	Molecular Cellular Biology Tunnel Washer Replacement	Office of the Vice President for Research
3648	UMTC	Walter Library	Supercomputing Institute Power Supply Replacement	Office of the Vice President for Research
3642	UMD	Library Annex	Labovitz School of Business Sales Center Renovation	UM Duluth
3627	UMD	Residence Dining Center	Residence Dining Center Kitchen Renovation	UM Duluth

dollars in thousands

President's FY 2024 Recommended Annual Capital Improvement Budget

President Joan T. A. Gabel
Myron Frans, Senior Vice President

Finance & Operations Committee

May 11, 2023

SENIOR VICE PRESIDENT FOR FINANCE AND OPERATIONS

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University Services

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Annual Capital Schedule

Annual Capital Improvement Budget



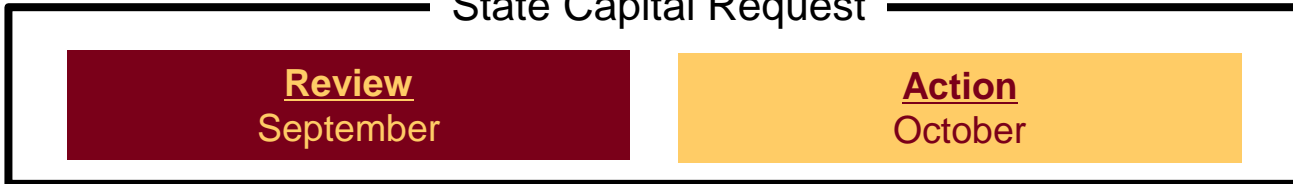
1
year

Six-Year Capital Plan



6
years

State Capital Request



1
legislative
session



Proposed FY 2024 Annual Capital Improvement Budget \$636.6 million

(dollars in millions)

Category	State	U of MN	Total
State Capital Request	\$371.2	\$112.7	\$483.9
University Funded Projects	-	\$152.7	\$152.7
Total FY 2024 Capital Improvement Budget	\$371.2	\$265.4	\$636.6



Annual Capital Improvement Budget

- Includes individual projects over \$1,000,000
- Projects need to have a completed predesign
- Projects must be fully funded
- Approved projects move into design and/or construction



Shepherd Labs

Capital Projects

\$384.9 million

(dollars in millions)

Location	Project	State	U of MN	Total
UMTC	Chemistry Undergraduate Teaching Lab	\$92.6	\$43.3 *	\$135.9
SYSTEM	Ag Research and Education Complex (FAARM)	\$60.0	\$60.0 **	\$120.0
UMTC	Territorial Hall HVAC System Replacement	-	\$32.0	\$32.0
UMTC	Shepherd Labs Renovation, Floors 3-5	-	\$24.4	\$24.4
UMD	Academic Health Center Duluth - Design	\$12.0	\$6.0	\$18.0
UMTC	Women's Gymnastics Training Facility	-	\$15.5	\$15.5
SYSTEM	Arboretum Parking, Access and Egress Improvements	-	\$12.9	\$12.9
UMTC	Vet Diagnostics Lab Equipment Replacement	-	\$7.5	\$7.5
UMD	Griggs Hall HVAC Upgrades	-	\$6.0	\$6.0
UMC	Heating Plant and Utility Infrastructure Improvements	\$3.3	\$1.7	\$5.0
UMM	Multi-Ethnic Resource Center Improvements	\$3.3	\$1.7	\$5.0
SYSTEM	Cedar Creek Classroom Expansion	-	\$2.7	\$2.9
Total		\$171.2	\$213.7	\$384.9

* An additional \$3 million was previously authorized in FY 2022

** \$60 million from U of MN partners



HEAPR Projects

\$200.0 million

- Higher Education Asset Preservation and Replacement (HEAPR) legislation provides very strict guidelines on the type of projects that can be funded
 - Intended to give the University of Minnesota and Minnesota State flexibility to operate within its strict guidelines
- Funds are intended to preserve and renew existing campus facilities by funding five kinds of projects:
 - Accessibility, Building Systems, Energy Efficiency, Health and Safety, and Infrastructure



Repair and Replacement Pools \$51.6 million

(dollars in millions)

Location	Project	Total
UMTC	R&R - Twin Cities Campus	\$11.9
UMTC	R&R - Utility Infrastructure	\$11.4
UMTC	R&R - Housing and Residential Life	\$7.0
UMTC	R&R - Parking Infrastructure	\$5.1
UMTC	R&R - Energy Conservation	\$3.9
UMD	R&R - UMD Student Life	\$3.5
UMD	R&R - UMD Campus	\$3.0
UMTC	R&R - Athletics	\$2.0
UMTC	R&R - Student Affairs	\$1.3
UMTC	R&R - University Dining Services	\$1.0
UMTC	R&R - Security Infrastructure	\$0.7
UMC	R&R - UMC Campus	\$0.3
UMTC	R&R - Transportation Infrastructure	\$0.3
UMM	R&R - UMM Campus	\$0.2



Potential Additions

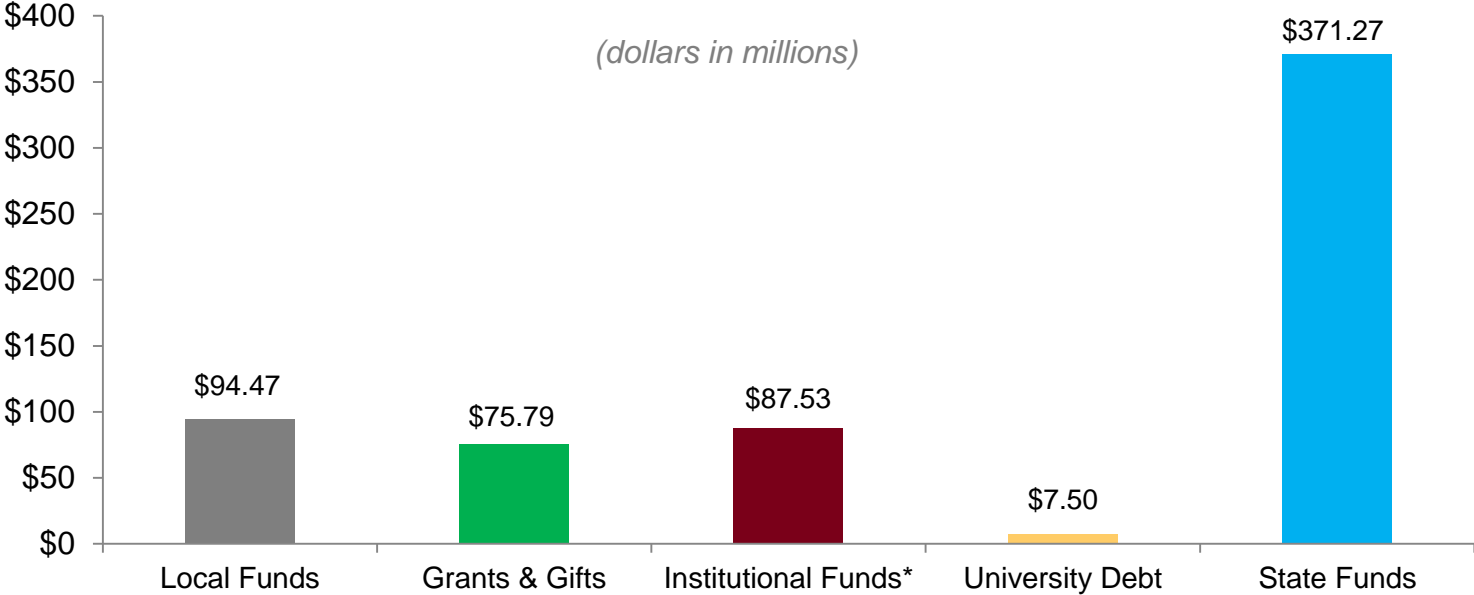
Location	Facility	Project
UMD	Library Annex	Labovitz School of Business Sales Center Renovation
UMD	Residence Dining Center	Residence Dining Center Kitchen Renovation
UMTC	Carlson School of Management	Carlson School Revitalization (construction)
UMTC	Microbial Cell Production Facility	Microbial Cell Production Facility Tenant Improvements
UMTC	Middlebrook Hall	Middlebrook Hall Dining Renovation
UMTC	Middlebrook Hall	Middlebrook Hall HVAC Renovation
UMTC	Molecular Cellular Biology	Molecular Cellular Biology Tunnel Washer Replacement
UMTC	Morrill Hall	Morrill Hall Re-Envisioned Building Use
UMTC	New Facility	Network Operations Center Relocation
UMTC	New Facility	Saint Paul Campus Center
UMTC	Wallin Medical Biosciences Building	WMBB Diverse Microbial Exposures Facility Expansion
UMTC	Walter Library	Supercomputing Institute Power Supply Replacement

Potential Additions have not yet met the readiness threshold for inclusion in the capital budget but may be added in June or later by amendment.



FY 2024 Capital Budget by Source

State Debt represents 58% of the \$636.6 million FY 2024 Capital Budget



*Institutional Funds includes projects funded in part or whole by the Long-Term Capital Financing Program





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BOARD OF REGENTS DOCKET ITEM SUMMARY

Finance & Operations

May 11, 2023

AGENDA ITEM: MPact 2025 Sustainability Update

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Shane Stennes, Chief Sustainability Officer
Heidi Roop, Assistant Professor, Climate Science and Director, Climate Adaptation Partnership

PURPOSE & KEY POINTS

The purpose of this item is to provide an update on key initiatives related to the sustainability goals in the MPact 2025 Systemwide Strategic Plan (MPact 2025). This update also highlights the annual Progress Report on Sustainability & Energy Efficiency Targets and Standards as required by Board of Regents Policy: *Sustainability and Energy Efficiency*.

As part of MPact 2025, the University has committed to building a fully sustainable future and identified three actions to advance this goal:

1. Demonstrate state and worldwide leadership in sustainability and environmental teaching, research, and convening power.
2. Develop system leadership and governance coordination for sustainability initiatives.
3. Establish a next-generation systemwide Climate Action Plan.

Work to advance these goals is described in the annual Progress Report on Sustainability & Energy Efficiency Targets and Standards, which is included in the docket. Through the efforts highlighted in the report and many other initiatives, the University is building its capacity for transformational change, improving operational sustainability, developing student understanding and competency in sustainability, and delivering positive benefits to Minnesota communities and the world.

The scale and impact of the institution’s sustainability program are highlighted by the results of recently completed sustainability ratings and rankings. The Morris and Twin Cities campuses received Gold ratings from the Association for the Advancement of Sustainability in Higher Education’s Sustainability, Tracking, Assessment, and Rating System (AASHE STARS). The University system was rated among the top institutions in the world on the Sustainable Development Goals related to hunger and health in the Times Higher Education Impact Rankings. The University participated in the Impact Rankings again this year and anticipates an updated ranking at the end of May. Both the STARS and Impact Rankings assessments are MPact 2025 Progress Card measures. The performance on both assessments achieved identified targets.

In response to the impacts of climate change, each campus is developing a plan to eliminate its greenhouse gas pollution and make each campus more resilient to the effects of climate change. One focus of this discussion will be the recently completed draft of the Climate Action Plan (CAP) for the Twin Cities campus. The Twin Cities campus completed its first CAP in 2011. Through its implementation, the campus reduced its emissions by over 50 percent. The 2023 Twin Cities campus CAP identifies a vision, goals, strategies, and key performance indicators across five significant campus emission categories to reduce emissions by 60 percent of the 2019 levels, by 2033. Additionally, the plan lays out a vision to:

- eliminate emissions from purchased electricity by 2033;
- eliminate emissions from the campus energy plants and other scope 1 sources by 2045; and
- become carbon neutral in commuting and air travel by 2050.

The CAP also identifies the strengths and vulnerabilities of the Twin Cities campus relative to climate change. Current and anticipated future global warming is expected to result in changes in temperature, precipitation, and severe weather. As a place-based institution, the campus will be unable to escape these impacts and will need to become more resilient to the effects. The CAP assesses strengths and risks relative to climate change impacts and identifies the next steps in building an adaptation plan.

Finally, the Twin Cities CAP lays out a series of cross-cutting initiatives to advance climate action. These include work on funding models, carbon pricing, carbon removal and offsetting, curricular and research efforts, and fostering broad engagement on climate action. These cross-cutting efforts to advance the campus CAP may be transferable and replicable across the system. If adopted, prioritizing resources in future annual operating and capital budgets will be essential to achieving CAP goals.



UNIVERSITY OF MINNESOTA



DRAFT - FOR REVIEW

Twin Cities Climate Action Plan 2023

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Land Acknowledgement

The University of Minnesota campuses were built on the traditional homelands of the Dakota and the Ojibwe, and scores of other Indigenous peoples who have walked on these lands from time immemorial.

It is important to acknowledge the peoples on whose land we live, learn, and work as we seek to improve and strengthen our relations with our tribal nations. We also acknowledge that words are not enough.

We must ensure that our institution provides support, resources, and programs that increase access to all aspects of higher education for our American Indian students, staff, faculty, and community members.





Executive Summary



In MPact 2025, the University committed to building a fully sustainable future, and climate change is the most significant barrier to achieving this bold vision. Climate change is considered one of the greatest challenges of the 21st century and is an existential threat that is already harming people, communities, and ecosystems in Minnesota and around the world. Those impacts will become more severe and pronounced if the causes and symptoms of climate change go unchecked.

The current warming and destabilization of the Earth's climate is attributable to human activities, primarily the use of fossil fuels, which release greenhouse gases into the atmosphere.

Climate change is a problem we all have contributed to, which means we all have a moral imperative and power to fix it.

World leaders and subject matter experts have called to limit warming to 1.5°C (2.7°F) to avoid dramatically increasing the risks related to climate change (IPCC, 2021). To remain under this temperature threshold, swift and steep carbon emission reductions must be realized. Global carbon emissions need to be reduced by 43% compared to 2019 levels by 2030 (IPCC, 2022b). With climate change impacts already occurring and expected to worsen, urgent action is needed to adapt and build resiliency in our communities, infrastructure systems, and natural environments.

The University of Minnesota Twin Cities has a long history of leadership on addressing climate change. In 2008, the University system joined other higher education institutions who pledged to act on climate change through emissions reductions and integration of climate change into research and curriculum. In 2011, the University created its first Climate Action Plan (CAP). Following this commitment and planning, the University developed critical climate science, researched solutions, and graduated students that have gone on to address the climate crisis through action at all scales.

The University of Minnesota Twin Cities also decreased greenhouse gas emissions over 50% between 2008 and 2022.



SDG 13 - Climate Action

The United Nations' Sustainable Development Goals (SDGs) provide a shared framework to advance the well-being of all communities across the planet. The SDGs, which emphasize how interconnected we are environmentally, socially, and economically, are consistent with the University's long-term commitment and practice of bringing together partners across the University and beyond to meet the needs of the community. Accordingly, the SDGs fit seamlessly into the strategic goals and priorities of the UMN system and are specifically called out in MPact 2025.

Goal 13 of the 17 SDGs focuses on how climate change is affecting the world and the imperative of taking immediate action to mitigate and adapt to it. At the University of Minnesota, research on climate change includes everything from how we can adapt to the potential effects of climate change by developing more climate resilient plants and crops, to designing buildings that can better withstand extreme weather, to sharing with the public how climate change affects them, and training future climate champions who will advocate for needed changes well into the future. For more information, visit sdg.umn.edu/goal-13-climate-action

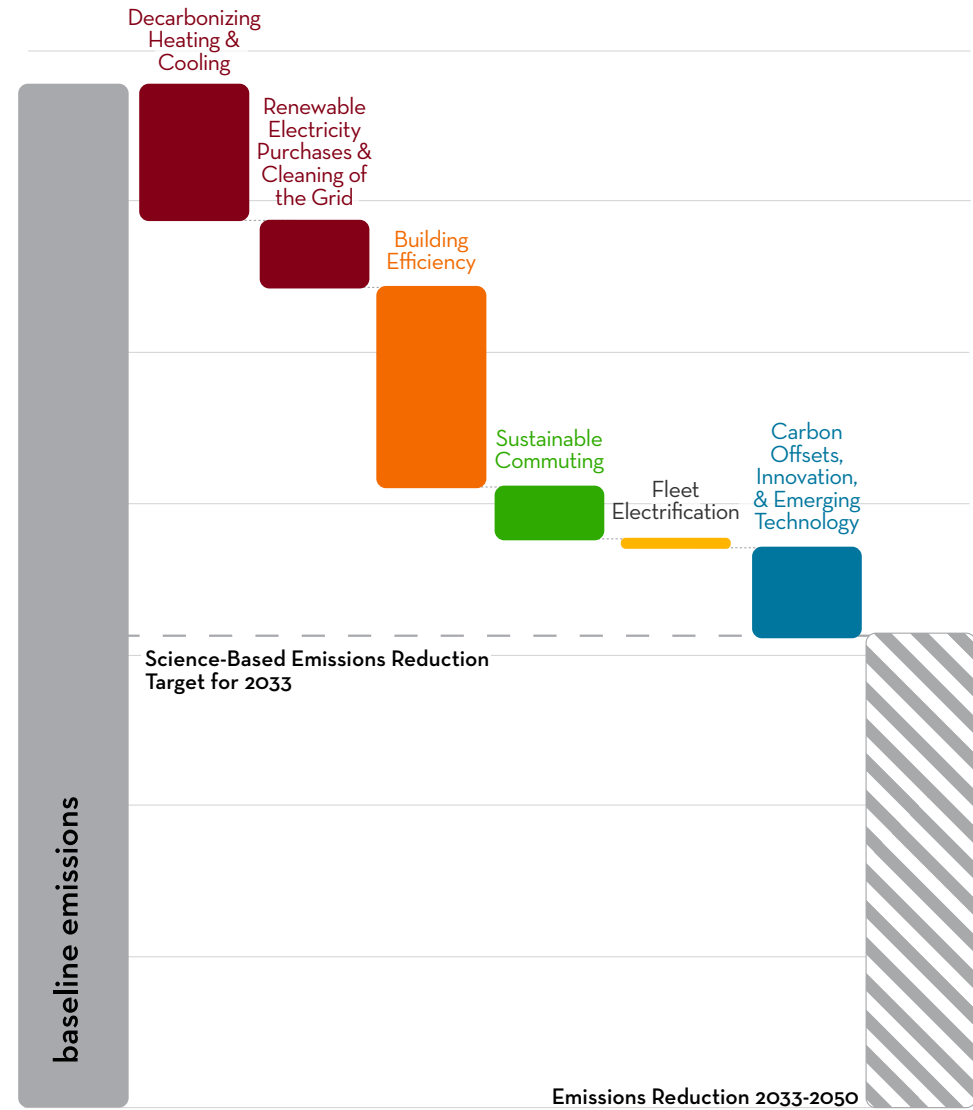
The 2023 Climate Action Plan (CAP) builds on the University's history of leadership and identifies actions to eliminate emissions from campus activities at a pace consistent with limiting warming to 1.5°C. **The University will reduce emissions by 60% over the next decade compared to 2019 levels and will become carbon neutral by 2050.** The CAP also establishes the following targets to directly eliminate carbon emissions and to become carbon neutral through offsets only when direct emissions reductions cannot be achieved:

- Directly eliminate carbon emissions from the campus energy plants and other emissions sources controlled or owned by the University (or scope 1 sources) by 2045
- Directly eliminate emissions from purchased electricity (or scope 2 sources) by 2033
- Become carbon neutral in commuting and air travel by 2050

The CAP identifies ambitious and achievable actions to meet the University's climate commitments, to include:

- Reducing energy usage on campus
- Supplying more of the campus's energy needs from renewable sources
- Aligning with space optimization and hybrid work concepts supported by other initiatives
- Rightsizing and electrifying the campus fleet vehicles
- Developing a mission-driven and value-added carbon offsets program for University sponsored travel
- Making a healthy and sustainable commute accessible for all

2033 Emission Reduction Pathway



The diagram above estimates the University's baseline carbon emissions and how different areas of emissions will be reduced over the next 10 years. The emissions reductions align with a science-based emissions reduction target or a target to stay on track with the Intergovernmental Panel on Climate Change (IPCC), an intergovernmental body of the United Nations, recommendations to limit warming to 1.5°C. About 40% of the University's remaining emissions will be eliminated between 2033-2050.

In addition to greenhouse gas mitigation, this plan also incorporates a vulnerability and strength assessment of the campus infrastructure, environment, and community in the face of local climate hazards. This assessment will provide the baseline for climate resilience planning to follow in 2023.

The CAP was developed under the auspices of the Twin Cities Sustainability Committee with support from Sustainability Staff. Through the Committee, Working Groups composed of staff, faculty, and students were established to develop a vision, goals, strategies, and key performance indicators for categories of emissions and to conduct a risk and resilience assessment for the campus. Throughout the process, over 3,200 campus and

external stakeholders were engaged, providing input and direction to the process through workshops, meetings, town halls, surveys, and other activities.

Business as usual will not achieve the transformational outcomes necessary to meet the University's climate commitments. In response, the CAP identifies cross-cutting initiatives and implementation pathways to enable and facilitate the systems change required. These efforts include empowering and engaging more of the University community, enhancing the University's financial tools and processes to enable the investment required, assigning economic value to carbon pollution, and building a rigorous approach to carbon dioxide removal for hard-to-eliminate emissions.

Moving forward, the Committee, Working Groups, and staff will develop detailed blueprints that will delineate implementation steps, outline connections to curriculum and research, more closely examine intersectionalities with diversity and equity work, and more. Regular updates will reflect progress on all identified key performance indicators as well as direct emissions reductions and climate resilience performance. While the implementation structure falls to the aforementioned team, the work will require the engagement of the entire University community, from students to leadership, to ensure a sustainable future for all.

80% of the University community say climate change is extremely or very important to them personally





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Introduction



What Causes Climate Change in Minnesota and Globally

Climate change refers to a long-term shift in temperatures and weather patterns. Since the 1800s, human activities, primarily the burning of fossil fuels like coal, oil and gas, have been the main driver of climate change (United Nations, n.d.). For example, when gasoline is used for driving a car or natural gas is burned in a boiler to heat a building, carbon pollution is released into the atmosphere. Carbon emissions cause global warming by trapping the sun's heat in the atmosphere, which raises the global temperature. This warming then leads to climate change. In summary, the global temperature will continue to rise if fossil fuels continue to be burned.

Climate Change in Minnesota

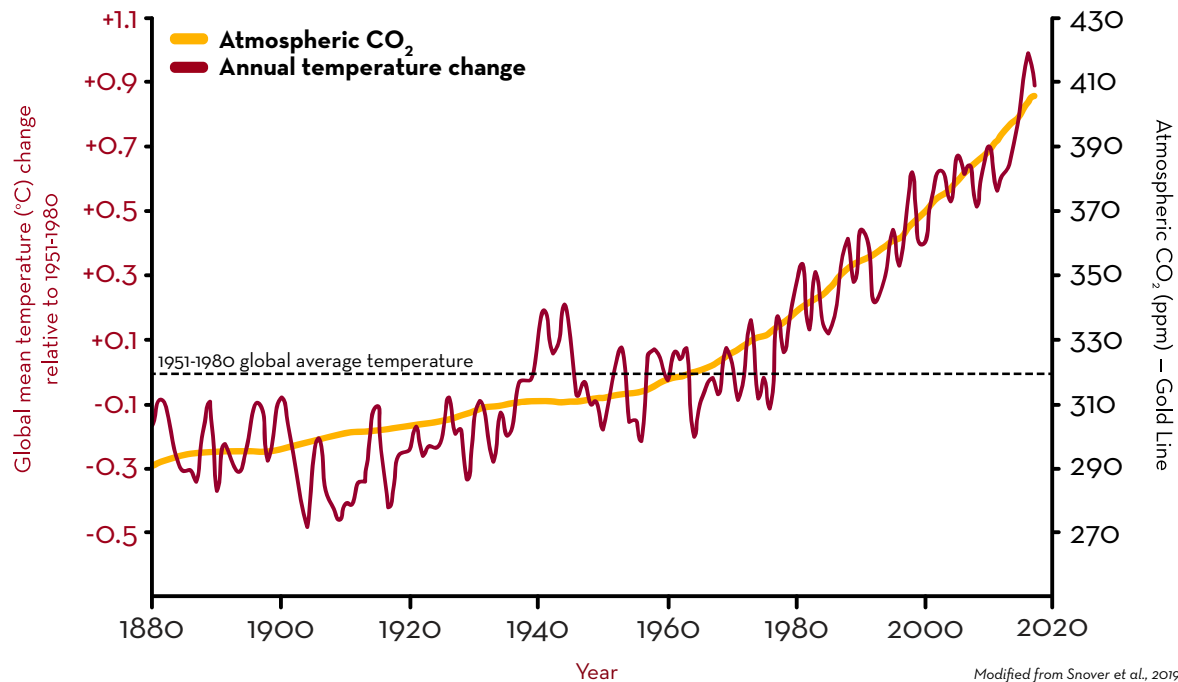
Greenhouse gas concentrations are continuing to rise (IPCC, 2022b) and the Earth is now about 2°F/1.1°C warmer than it was in the 19th century (IPCC, 2021). The last decade (2011-2020) was the warmest on record.

While a 2°F/1.1°C increase in global temperature may not seem like a lot, the Earth is a complex system and even small increases in global average temperature can have tremendous impacts. As a result of climate change, the world is already experiencing more intense droughts, water scarcity, severe fires, rising sea levels, flooding, melting polar ice, catastrophic storms, and declining biodiversity (Intergovernmental Panel On Climate Change, 2022). Even just a small half degree of warming can have astronomical effects, not only on humans, but on agriculture, wildlife, water supply and the economy.

Climate change is already experienced throughout Minnesota. The 10 warmest and wettest years in Minnesota have occurred since 1998 (MN DNR, 2023).

Many climate impacts are expected to worsen. Extreme events, like flooding, drought, and heat waves, will likely become more frequent and more intense with climate change in the future.

	2.7°F (1.5°C)	3.6°F (2.0°C)	Impact of Difference
EXTREME HEAT			
Global population exposed to heatwaves	~4 billion	~6 billion	~2 billion more people
AGRICULTURE & FISHERIES			
Reduction in global corn harvests	10%	15%	1.5x worse
Decline in marine fisheries	4.5 million metric tons	6.0 million metric tons	1.3x worse
PLANTS & ANIMALS			
Further decline in coral reefs	70-90%	99%	up to 1.4x worse
Vertebrates, plants & insects losing at least 1/2 of their range	7%	15%	2x worse
WATER RESOURCES			
Global population exposed to new or aggravated water scarcity	4%	8%	2x worse
People exposed to drought each month	114.3 million	190.4 million	76.1 million more people
Additional global population affected by river floods	108.4 million	146.3 million	37.9 million more people
ECONOMY			
Global costs of warming	\$54 trillion	\$69 trillion	\$15 trillion more
U.S. Gross Domestic Product (GDP) losses	0.6%	1.2%	2x worse



Modified from Snover et al., 2019



Changes in Rainfall

"Since 1916, the amount of rain that falls during the annual largest storm in Minnesota has increased by more than an inch. Not only has the average yearly maximum rain event become more extreme, but the most damaging extreme events also have become more common."

–University of Minnesota Climate Adaptation Partnership

More Damaging Rains (MN DNR, 2019)

- › **20%** increase in the number of 1" rains
- › **65%** increase in the number of 3" rains
- › **13%** increase in the size of the heaviest rainfall of the year.
- › since 2000 widespread rains of more than 6" are **4x more** frequent than in the previous three decades.



Changes in Seasonality

"Projections suggest that Minnesota winters and spring seasons will get both warmer and wetter. These changing precipitation extremes will challenge our water resources and stormwater management systems and shift both when and how we experience precipitation across the state."

–University of Minnesota Climate Adaptation Partnership



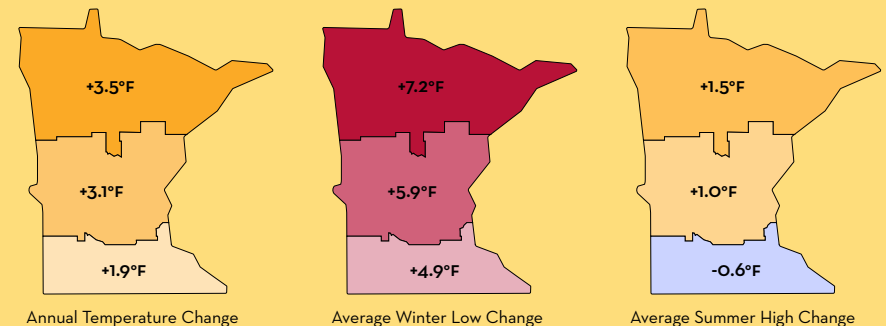
Increased Temperatures

"Although there isn't yet discernible evidence that hot days are getting hotter, we can expect days warmer than 90 degrees or even 100 degrees Fahrenheit to become more common (Pryor et al., 2014)."

–University of Minnesota Climate Adaptation Partnership

- › Nights have warmed **55%** faster than days since 1970 (MN DNR, 2019)
- › Average temperatures in MN have warmed by nearly **3°F** since 1895 (MN DNR, 2019)

Changing Average Temperature in Minnesota between 1895 and February 2023



(MN DNR, 2023)

How the University's Emissions Contribute to Climate Change

Want to know more about emissions?
See Chapter 2 for more information.

University Climate Action and MPact 2025

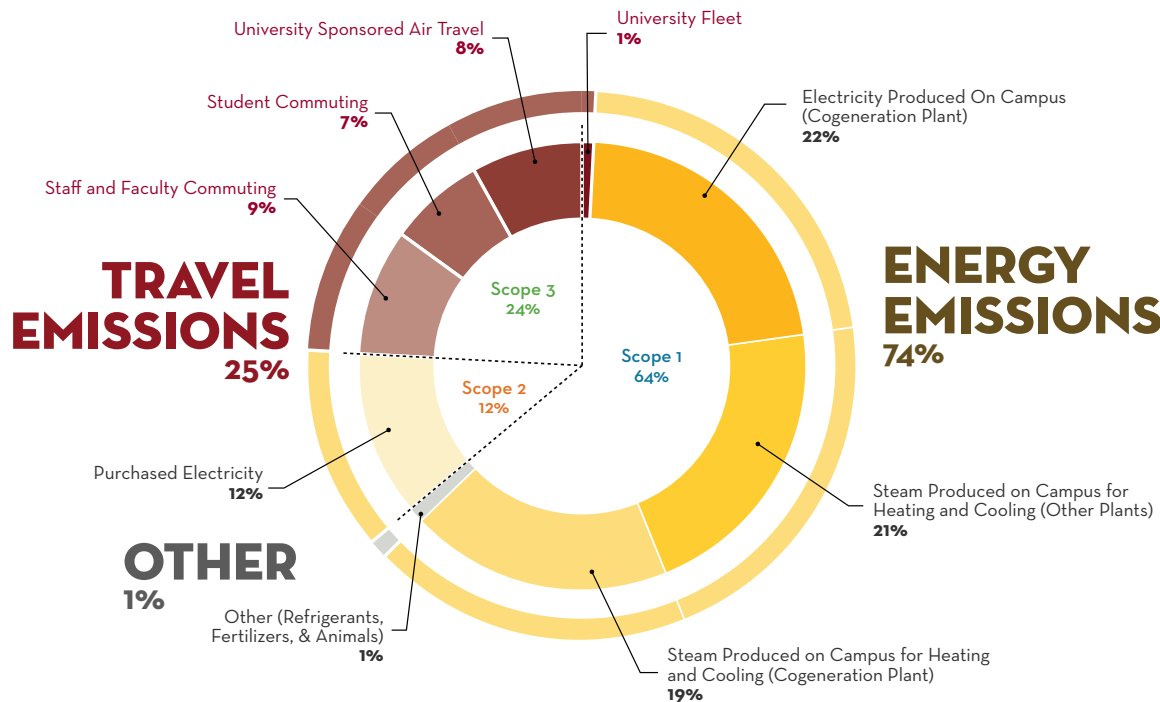
The University of Minnesota has been systematically working on climate change for more than two decades. In 2008, the University pledged to reduce emissions from campus operations to net zero as quickly as possible and to integrate climate change into curriculum, research, and outreach. To reach these goals, the Twin Cities campus developed its first climate action plan in 2011 and set a goal to cut emissions in half by 2021. The University realized this goal in 2020. In 2021, the University created a systemwide strategic plan, MPact 2025, which established a goal to "Build a fully sustainable future." To advance this important work, University leadership called for each campus to establish a next-generation climate action plan. Many other climate action partners and programs across the University exemplify leadership and amplify the impact of the University's climate action, such as the:

- Institute on the Environment
- University of Minnesota Climate Adaptation Partnership
- Swain Climate Policy Series: Advancing Climate Solutions. Now.
- Climate Smart Municipalities
- Midwest Climate Adaptation Science Center
- The Grand Challenges Curriculum
- Department of Soil, Water, and Climate
- Center for Sustainable Building Research

The CAP also aligned with the Twin Cities Campus Plan (2021) and other related University initiatives to synchronize strategies and recommendations across the institution. Moving forward, continued coordination will be critical to realizing shared opportunities, particularly as the University completes the campus' Energy and Utility Plan.

Emission Breakdown

By Scope (inner circle) and Category (outer ring)



FY2022 - Baseline Emissions Year

Importance to the Campus Community

Climate change has the potential to impact every sector of life and is important to the University community.

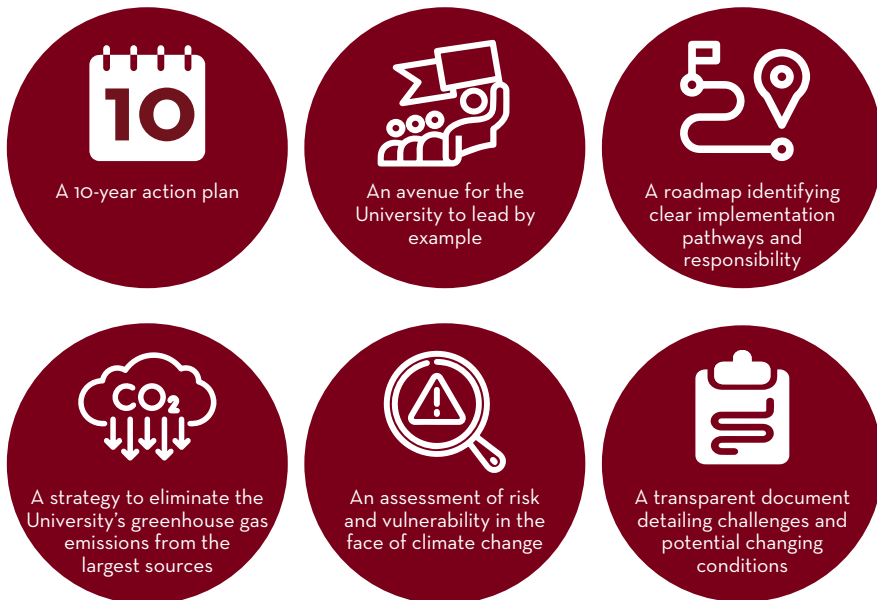
- **Over 83%** of faculty and staff in a sample survey cited climate change as very or extremely important to them personally

- **66%** of faculty and staff and **72%** of students experience climate anxiety or a chronic fear of environmental doom, distress, fear, and/or anger at least sometimes
- **Over 66%** of the campus community is very worried about how climate change will impact other places around the world
- **Over 78%** of the campus community are very worried about how climate change will impact future generations

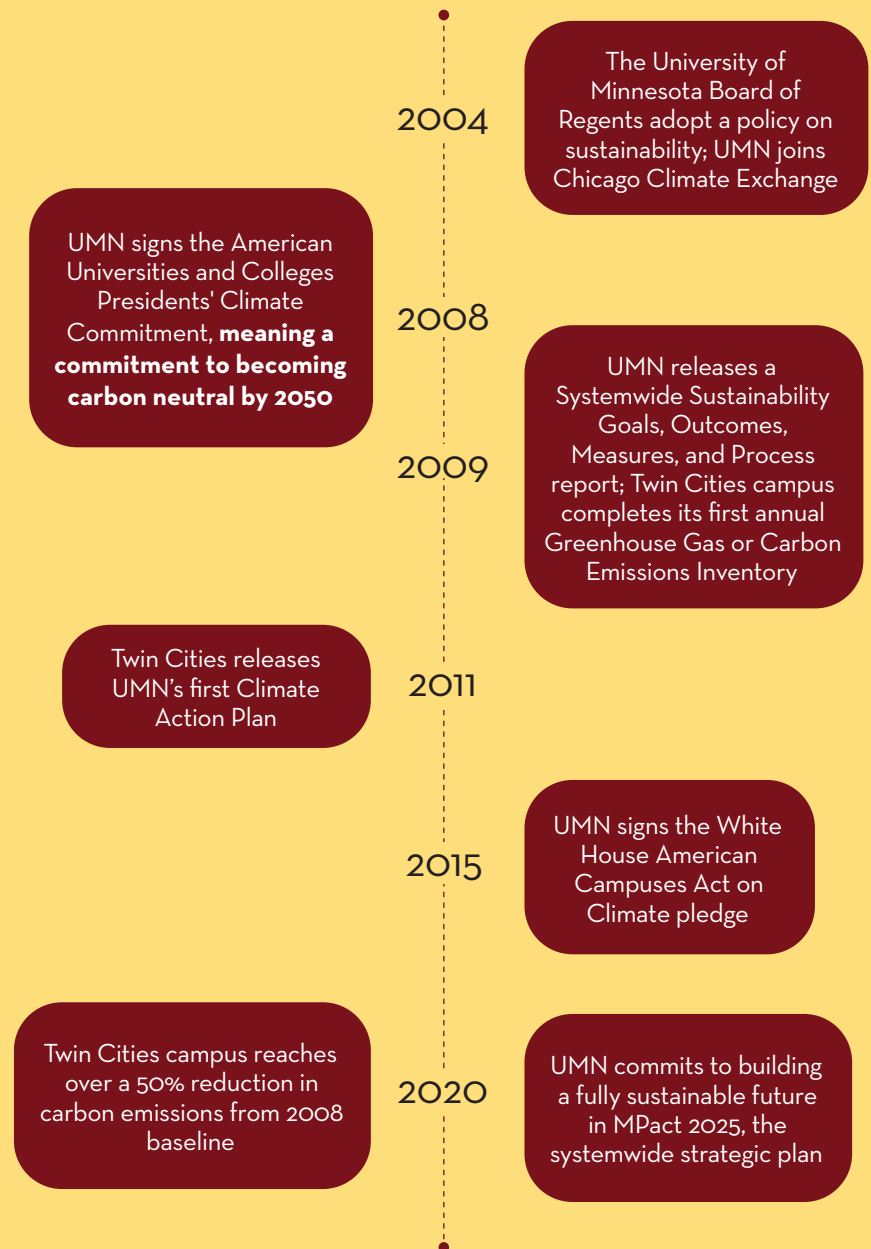
Climate Action Vision—Carbon Neutral and Climate Resilient by 2050 or Earlier

The CAP sought to identify actions to eliminate campus greenhouse gas emissions by 2050, make the University more resilient, and address climate change through education, research, and outreach. The planning horizon for the CAP was 10 years, or put differently, what needs to be achieved by 2033. With the most recent Intergovernmental Panel on Climate Change (IPCC) report on the emissions reductions required in order to keep warming to 2.7°F/1.5°C (2021), the planning process strove to achieve emissions reductions more aggressively in the coming decade than a linear, year-over-year, reduction pathway to 2050.

The planning effort at the Twin Cities campus strives to create:



A History of Climate Action at the U



Process Summary

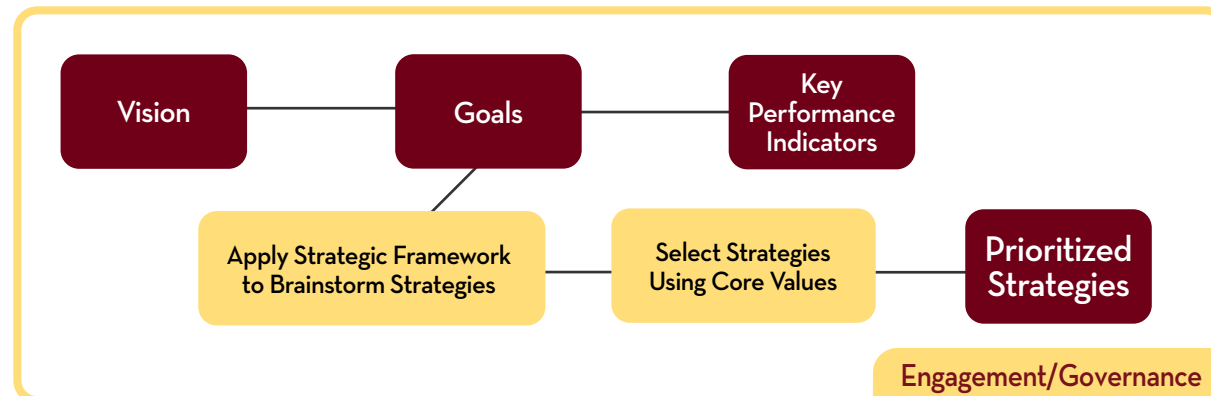
Two questions to be answered...

1. Climate Mitigation: How can the University reduce carbon emissions on campus?

The Climate Action Plan focuses on the University's largest areas of emissions that are currently tracked, are primarily within the University's operational control, will take a long time to transition, or are highly visible. The five categories of emissions covered in this plan are:



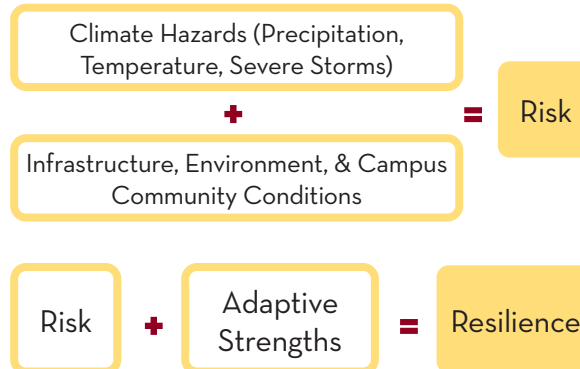
Emission Reduction Process



2. Climate Adaptation: How does the University adapt to climate change and build resilience on campus?

The University of Minnesota Twin Cities has never completed a vulnerability, strength, and risk assessment for climate change. The CAP completed this baseline assessment by considering the risk to infrastructure, natural resources, and the campus community in the face of changes in temperature, precipitation, and severe storms.

Adaptation and Resilience



Assessment Process

Strategic Framework

The Strategic Framework was developed with input from the Twin Cities Sustainability Committee. The Framework provided prompts on the following categories to encourage Working Groups to think beyond their area of expertise:

- Funding Schemes
- External Collaboration
- Curriculum & Research
- Tradeoffs & Opportunity
- Accessibility, Diversity, Equity, Inclusion, & Justice
- Campus Culture & Communication
- Interdependencies & Implementation

Core Values

Developed with stakeholder input, the Core Values guided the Working Groups to prioritize or select strategies. The Core Values were:

- › Equity
- › Greenhouse Gas Reduction Potential
- › Leadership
- › Longevity and Durability
- › Cost Effectiveness

Definitions

See a new word? Definitions for common climate action terms and phrases are available in Appendix A.

Climate Change

Human activities, principally through emissions of greenhouse gases, have unequivocally caused global warming. Human-induced climate change is already affecting many weather and climate extremes in every region across the globe (IPCC, 2021).

Carbon Neutral

Carbon neutrality is achieved when an organization either produces zero-carbon emissions or takes action to reduce carbon in the atmosphere equal to the amount of carbon they produce (United Nations, 2021).

Climate Mitigation

Actions that reduce carbon emissions like creating electricity with solar panels rather than burning coal or reducing deforestation.

Climate Adaptation

The process of adjustment to actual or expected climate and its effects in order to moderate harm or take advantage of beneficial opportunities (IPCC, 2022a).

What is Defined as “On Campus”?



Engagement Process

Twin Cities Sustainability Committee

The Twin Cities Sustainability Committee was charged to guide the implementation of the climate action plan along with other priorities that contribute to realizing the commitment of MPact 2025 to Build a Fully Sustainable Future and the Board of Regents Policy-Sustainability and Energy Efficiency. Throughout the process, the Twin Cities Sustainability Committee provided direction, feedback, and input.

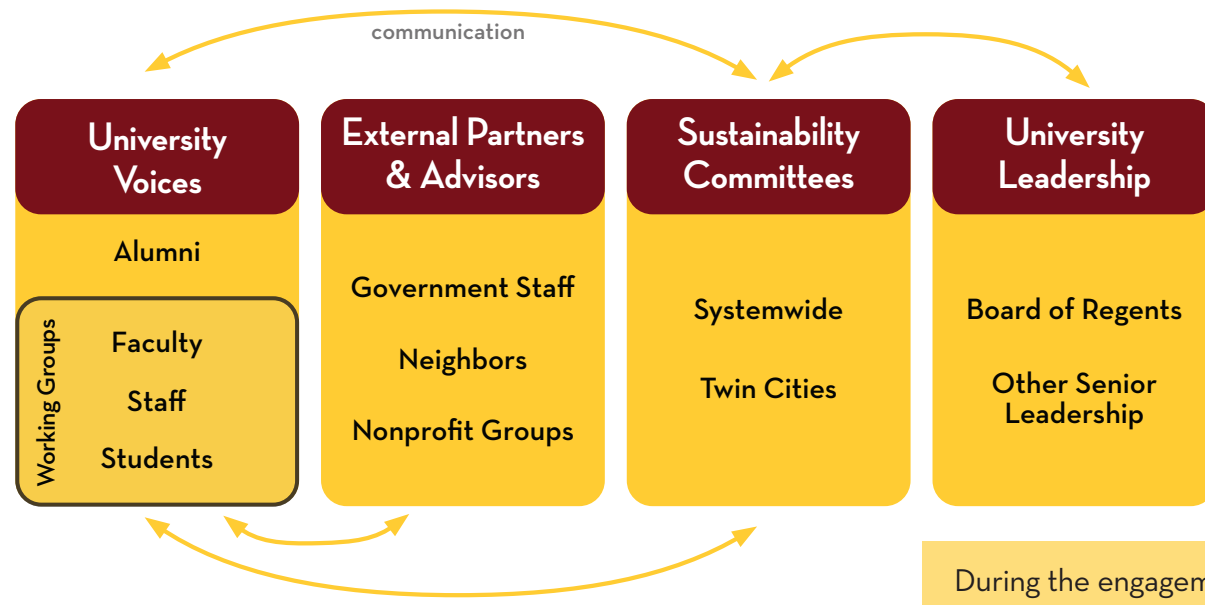
Campus Community

Members of the campus community were engaged throughout the planning process and their input was relayed between stakeholder groups to inform the outcomes of the CAP. Campus engagement was structured into three phases. As of early April 2023,

the project team met with over 20 organizations or classes, connected with over 3,200 people through surveys and in-person engagement, and learned a lot about priorities and perspectives from the campus community. For a full summary of the campus community engagement, see Appendix B.

Working Groups

Recognizing the complexity and breadth of work to be done, the Twin Cities Sustainability Committee formed Working Groups to advance specific aspects of the planning process related to eliminating major sources of campus emissions and making the campus more resilient to current and future climate change impacts. The Working Groups led in-depth research and analysis to produce goals, key performance indicators, and prioritized strategies in the CAP based on the engagement process, best practices, and internal baseline assessments.



During the engagement process, questions arose about areas of study that could not be answered in the scope of this plan. These questions were collected to inform the future of sustainability work on campus. See Appendix C for some examples of those questions.

Key Engagement Takeaways

- › The campus community feels a great sense of urgency and would like to see carbon neutrality before 2050
- › The campus community emphasized on equity as a value in which to prioritize strategies
- › The campus community would like to see UMN act as a leader in climate action
- › The student population feels strongly about the impacts of climate change and that aggressive action is needed



Above: Spring 2023 Climate Action Open House, Left: Prospect Park Neighborhood Association Event, Right: Fall 2022 Climate Action Workshop

Equity and Justice

The burdens of environmental pollution, including those associated with climate change, are disproportionately borne by Black, Indigenous, and people of color (BIPOC), people in poverty, and the disenfranchised. Throughout the climate planning process, members of the University community called attention to this injustice. While the CAP partially addresses the issue through the mechanisms described below, much more work remains to be done. Generations of environmental and climate injustice require more consideration than could be completed through the current effort. A process dedicated to equity and justice, that is led by and centers the people most impacted, is necessary. As such, environmental justice is identified as an critical issue for future University work in Appendix C.

Engaging Affected Communities

Diverse communities on and off campus were engaged in the planning process, including local neighborhood associations and campus organizations like the Diversity Community of Practice, the Circle of Indigenous Nations, and the Office for Multicultural Student Engagement.

Reducing Emissions in Environmental Justice Communities

The University campus is located in census tracts identified as environmental justice areas of concern by the Minnesota Pollution Control Agency. Many of the goals and strategies articulated in this CAP for mitigating carbon pollution (a global pollutant) also lead to reductions in local air pollutants that negatively impact human and environmental health. Through climate action, the University will help to lessen impacts of environmental injustice in the communities surrounding campus.

Accessibility, Diversity, Equity, Inclusion, and Justice in Strategy Development and Prioritization

Each Working Group was asked to develop and assess strategies with a climate justice lens, to ensure maximized community benefits and the elimination of negative externalities. Some of the questions the work group considered included:

- › What equity and justice impacts (positive and negative) could the proposed strategy have?
- › How will these be managed and accounted for?
- › Who needs to be involved in developing and implementing strategies?
- › How do we prioritize accessibility in implementation?

Providing Economic Opportunity to Communities

Realizing the climate goals articulated in this CAP will involve significant economic activity, including the construction of new emissions-free energy and transportation systems, and enhancing natural and built infrastructure for resilience. Many communities have historically been excluded from these employment and business opportunities. Economic opportunities driven by our climate action plan will be accessible, and contribute to prosperity for businesses owned by women, minorities, disabled individuals, and other underserved owners, through the University's Office of Supplier Diversity and the University's partnerships with organizations like the Regional Apprenticeship Training Center in North Minneapolis.





Carbon Mitigation 2

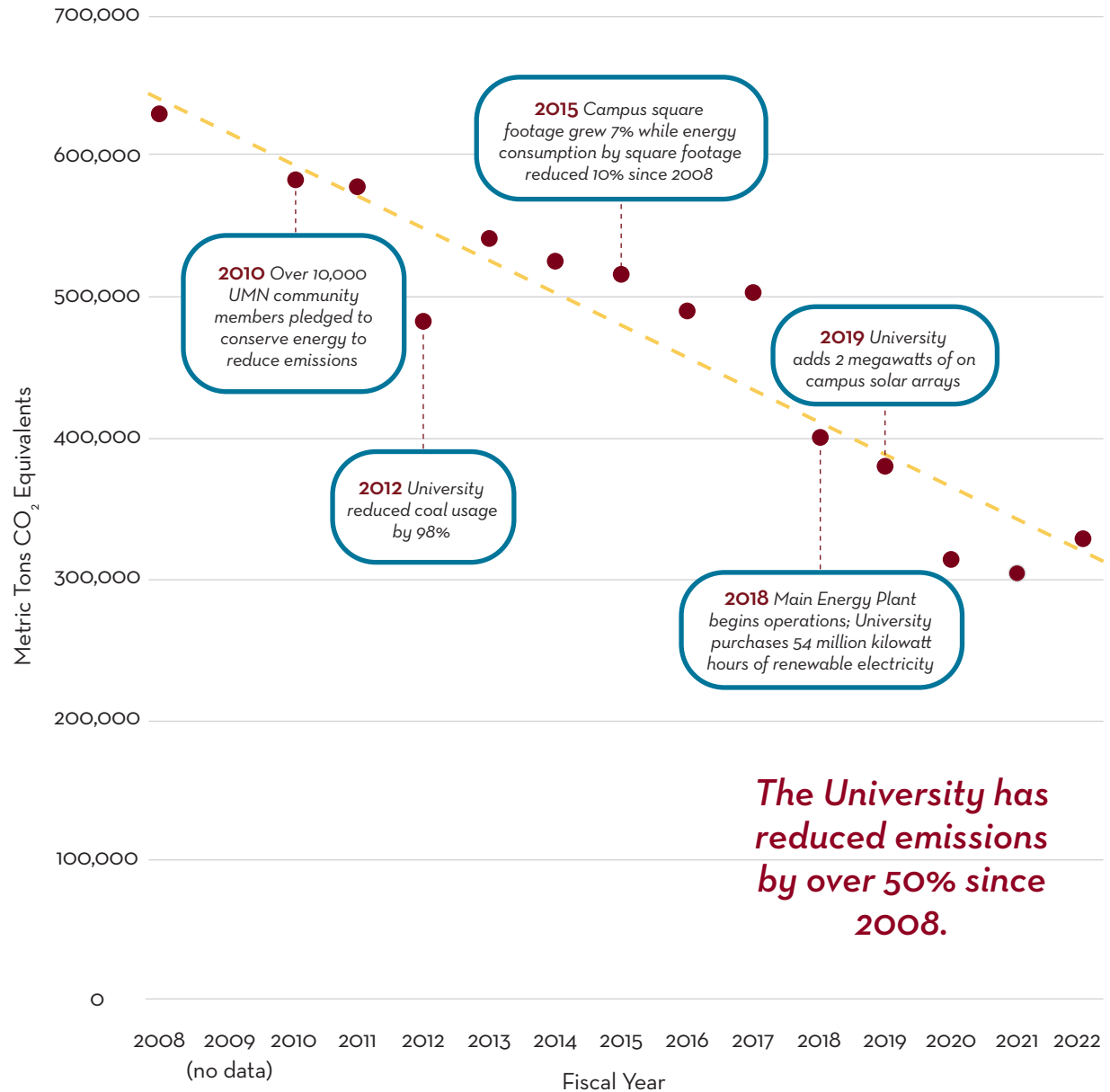
History of Climate Leadership

The University of Minnesota's commitment to carbon neutrality started in 2008 when the institution joined the American College and University Presidents' Climate Commitment, now known as the Second Nature Climate Leadership Commitment. Since 2010, the University has completed a greenhouse gas inventory on an annual basis. In 2020, carbon emissions had declined by approximately 50% from the 2008 baseline. Moving forward, the University will need to transform the energy, transportation, and other supporting systems to meet emission reduction goals.

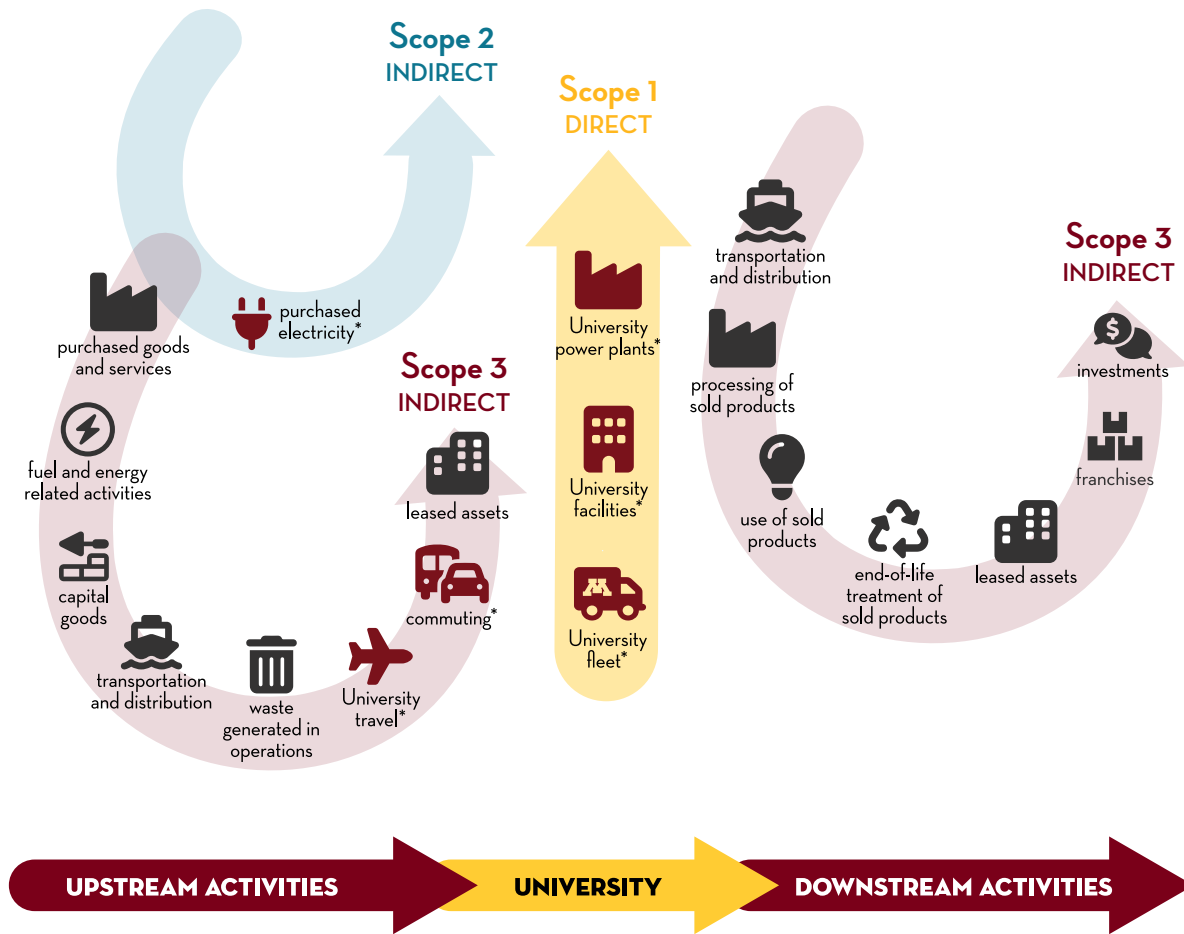
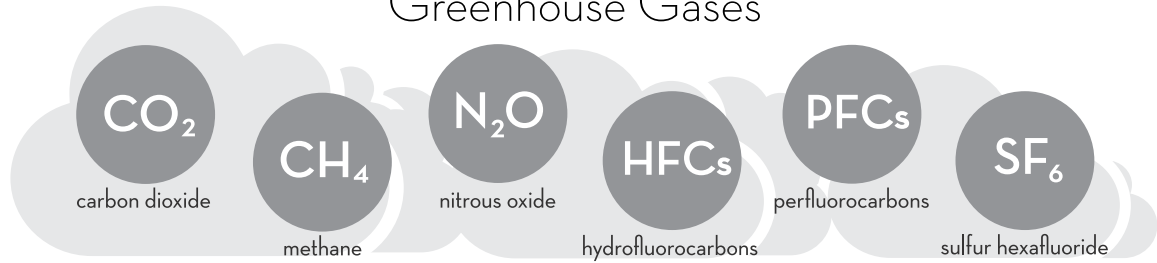
MTCO₂e
 A metric ton of carbon dioxide equivalent (MTCO₂e) is a standardized unit of measure for carbon emissions. By standardizing, emissions can be compared across sectors and greenhouse gas emissions with different impacts.



University of Minnesota Twin Cities Greenhouse Gas Emissions



Greenhouse Gases



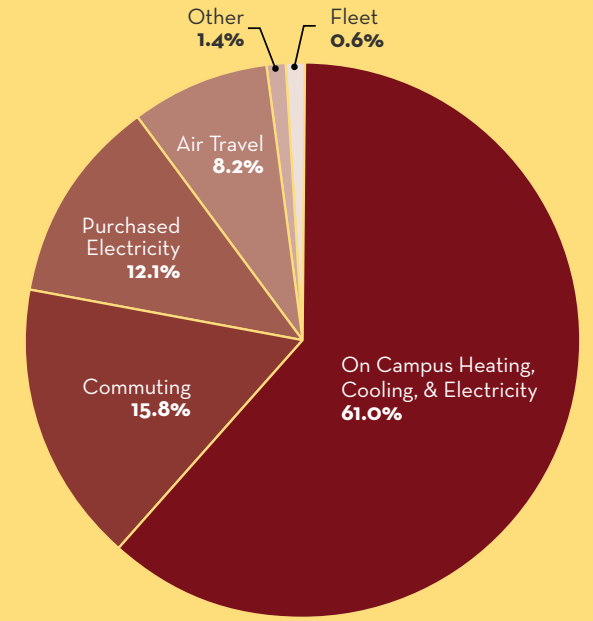
* in scope for the Climate Action Plan

Current Emissions

Emissions are categorized into different scope categories that align with an international protocol for tracking and reporting.

- **Scope 1** emissions are from sources controlled or owned by an organization.
- **Scope 2** emissions are associated with the purchase of electricity, steam, heat, or cooling.
- **Scope 3** emissions are from assets not owned or controlled by the reporting organization but are part of the organization's value chain.

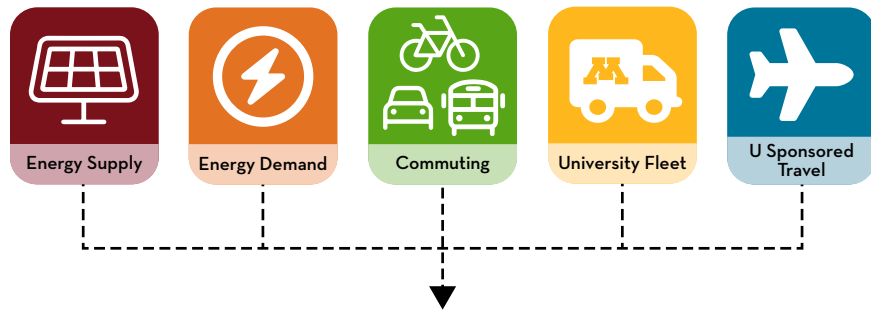
At the University of Minnesota, emissions are tracked across all scopes. However, data availability of several categories, particularly those in scope 3, are harder to obtain. In the future, the University aims to track all categories of emissions and to expand its climate action focus.



FY2022 - Emissions

Emissions Categories

The CAP covers five different emission categories or elements. Each emissions category has a vision and a set of goals with corresponding key performance indicators (KPIs) and prioritized strategies.



1. VISION
Sets the Course for the Next 10 Years

2. GOALS
Identifies Programmatic Areas of Work

3. KPIs
How We'll Track Success

4. STRATEGIES
What UMN Will Do to Get There

1. VISION

Aspirational statement for about the future of the University's carbon reduction efforts for each Emission Category

2. GOALS

Core programmatic areas of work that will collectively advance each Emission Category's Vision

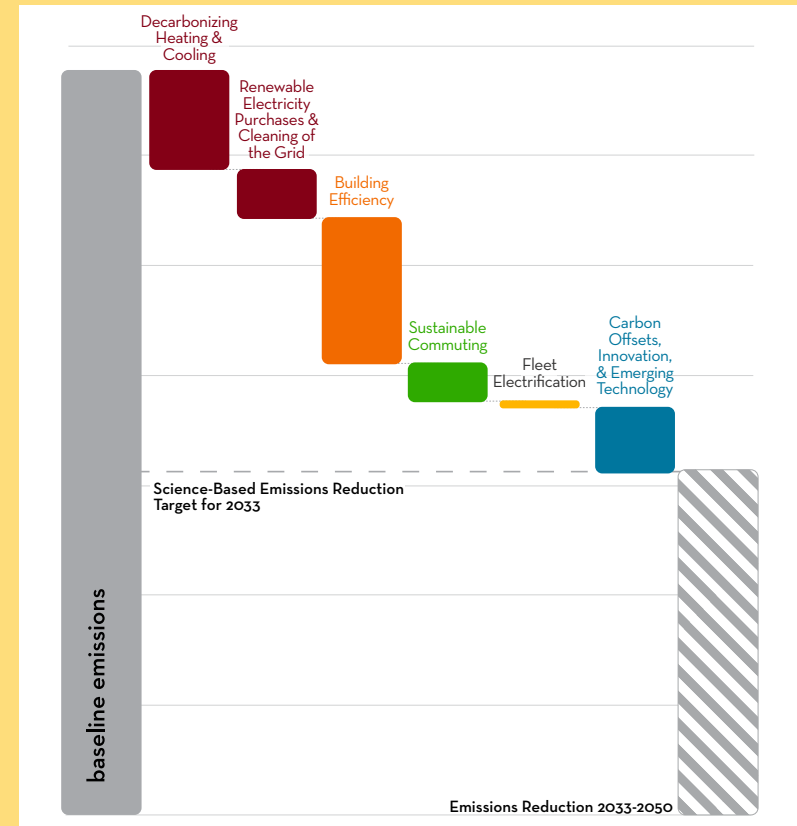
3. KEY PERFORMANCE INDICATORS (KPIs)

How progress towards the Goals will be quantitatively measured with a baseline and a final target

4. PRIORITIZED STRATEGIES

Infrastructure improvements, program development, policy, or other actions selected as a top priority to focus efforts and resources


2033 Emission Reduction Pathway



The diagram above estimates the University's baseline carbon emissions and how different actions will lead to a 60% emissions reduction over the next 10 years, in alignment with the IPCC recommendations to limit warming to 1.5°C (2021). About 40% of the University's remaining emissions will be eliminated between 2033-2050. The CAP also establishes the following targets:

- Directly eliminate carbon emissions from the campus energy plants and other emissions sources controlled or owned by the University (or scope 1 sources) by 2045
- Directly eliminate emissions from purchased electricity (or scope 2 sources) by 2033
- Become carbon neutral in commuting and air travel by 2050


2033 Goal Summary



Energy Supply

Vision: Reduce scope 1 and scope 2 emissions 60% by 2033 from the 2019 baseline


- › Increase renewable energy production on campus to 6MW by 2033 and 12MW by 2050, and increase renewable energy procurement to match 100% of purchased electricity by 2033
- › Reduce carbon emissions from thermal energy by 20% from the 2019 baseline by 2033, and 100% by 2045



Commuting

Vision: Reduce emissions from commuting by 40% from the 2022 baseline by 2033


- › Manage travel demand through support for hybrid work and housing opportunities near campus
- › Shift commuters from single occupancy vehicles to low- or zero-carbon transportation options, such as walking, biking, and transit
- › Increase low- or zero-emission vehicle use among drive alone commuters without other transport options



University Sponsored Travel

Vision: Reduce emissions from university sponsored travel


- › Increase procurement of carbon free or sustainable transportation modes
- › Increase utilization of carbon-reducing travel strategies
- › Develop a program for purchasing high quality offsets with co-benefits linked to the type of travel



Energy Demand

Vision: Reduce scope 1 and scope 2 emissions 60% by 2033 from the 2019 baseline

- › Accelerate Minnesota's B3 Sustainable Building 2030 design standards (SB 2030) and net zero operating carbon requirements for all new construction and major renovations
- › Reduce site energy use intensity (kbtu/ft2-yr) from existing buildings 35% by 2033 from the 2019 baseline, and reduce carbon intensity (MTCO_{2e}/1,000ft²-yr) to 0 by 2050
- › Optimize space utilization to decommission existing square footage



University Fleet

Vision: Reduce UFleet emissions by 70% by 2033 from the 2018-2022 average annual emissions

- › Transition internal combustion vehicles to vehicles or modes with zero tailpipe emissions
- › Reduce fuel and energy usage of the UFleet by reducing vehicle miles traveled (VMT) and improving fuel efficiency
- › Integrate carbon neutral goals into contracts with third-party providers who drive vehicles on campus

Catalytic Projects Identified in Each Section

Catalytic projects tap into existing spark and need, launching implementation for each emissions category.

Energy Supply

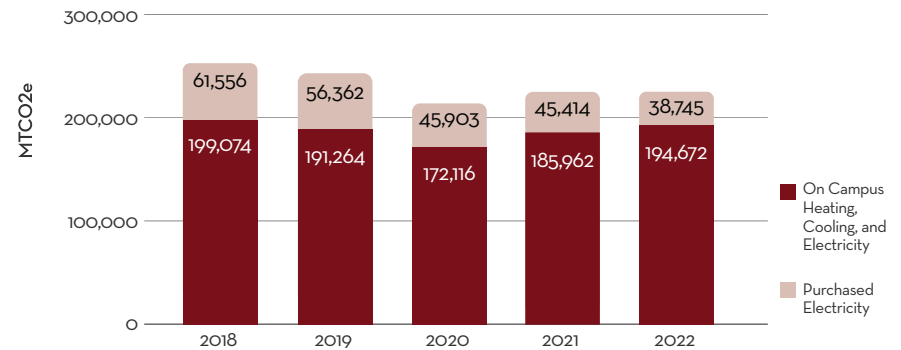
Energy supply emissions are primarily created by burning fossil fuels for heating, cooling, and electricity. Most of the heating and cooling of the University of Minnesota Twin Cities is generated by power plants on campus and supplied through a district system. The energy to make steam is generated on campus through the burning of mainly natural gas (97.5%), which is supported by coal (1.9%), and fuel oil (0.6%). The University also produces some of its own electricity during this process. Chilled water for cooling is created through equipment that uses either electricity or steam to power the process. In addition, the University purchases electricity and natural gas to support buildings and operations on campus that are off the district system. Electricity not produced on campus is purchased from Xcel Energy, which uses a mix of fossil fuels, nuclear, and renewable sources to generate power. The University engages in voluntary programs to purchase additional renewable energy, beyond what is provided in the Xcel grid-mix, to further reduce emissions from the power supply.

Climate action within energy supply focuses on transitioning to a carbon neutral energy supply coupled with storage (for example, renewable energy and thermal batteries). Energy supply strategies also focus on efficiency measures such as conversion of steam distribution to hot water, energy recovery at the plants, and chiller plant upgrades.



Emissions Tracked at UMN

On Campus Heating, Cooling, and Electricity and Purchased Electricity Emissions



- **61%** of overall emissions in 2022 came from power plants on campus producing energy for heating, cooling, and electricity
- **12%** of overall emissions in 2022 came from purchased electricity

The University tracks emissions from all of its power plants and chillers on the district energy system. The University also tracks emissions from purchased electricity and natural gas for buildings that are not served by the district system. In the future, emissions tracking can be improved by solidifying the campus boundary for the greenhouse gas inventory.

Current Status and Progress

- Greatly improved efficiencies of power generation through building the Combined Heat and Power Plant (CHP)
- Significantly reduced coal usage
- Installed solar PV on campus and entered into agreements to purchase renewable energy off campus

What's the Challenge?



Reliability and resiliency of new technology



Increased cooling demand as temperature rises



Balancing system needs



Cost effectiveness and appropriate rate setting



Quantifying thermal energy can be difficult



Decarbonization requires a total transformation of the system

What's the Vision and How to Get There?

Vision: Reduce scope 1 and scope 2 emissions 60% by 2033 from the 2019 baseline

Catalytic Project: On Campus Solar

In conjunction with ongoing building projects, increase on campus solar through installing arrays on rooftops and parking lots.

Goal 1

Increase renewable energy production on campus to 6MW by 2033 and 12MW by 2050, and increase renewable energy procurement to match 100% of purchased electricity by 2033

The University purchases renewable electricity through green tariffs and other purchase agreements that accounted for approximately 30% of all purchased electricity in FY22. This does not account for on-grid renewables attributable to the University's electric provider, Xcel Energy. The percentage of renewable

energy on Xcel Energy's grid is the same for all electricity customers and 34% of Xcel Energy's grid energy mix in 2021 was certified renewable (Xcel Energy, n.d.). Note, that purchased electricity does not include the electricity produced on campus by the CHP, but it does include the approximately 2 MW of onsite solar electricity generation. For the purposes of the CAP, the University is assuming that the grid will decarbonize by 2040 as required by state legislation. In the interim, the University will invest in renewable electricity sources to match what is purchased from the grid to meet the University's science-based target goal and to support the massive transition of the electric grid. In addition, the University will expand on campus renewable electricity.

KEY PERFORMANCE INDICATORS	TODAY	2033
% of carbon-free purchased electricity in annual MWh	30% (FY22)	100%
MW (DC) of solar on campus	1.97 MW (FY22)	6MW

STRATEGY

- 1.1 Increase on campus solar on surface parking, parking structures, and new rooftops
- 1.2 Explore green tariffs, virtual power purchase agreements (vPPAs), or power purchase agreements (PPAs) to procure renewable energy that provides additional social and environmental benefit with phase-out plans as Xcel Energy becomes carbon neutral
- 1.3 Install electric battery storage on campus to increase resiliency and address the possible intermittence of renewable energy
- 1.4 Upgrade the campus electric distribution grid to enable grid-interactive buildings and integrate battery storage

Goal 2

Reduce carbon emissions from thermal energy by 20% from the 2019 baseline by 2033, and 100% by 2045 (additional to reductions from demand goals)

Thermal energy systems transfer units of heat to areas that need to be warmed or away from areas that need to be cooled. Existing thermal energy systems on campus can significantly reduce emissions through efficiencies and by building storage for heat. The energy source for thermal energy production must also transition from fossil fuels to electricity produced from renewable and zero-emission sources or from zero- or low- emission fuels such as hydrogen or renewable natural gas.

"The traditional model of sourcing energy to optimize first capital cost savings and convenient access - typically focused on building power plants on the outskirts of primary campus activities and feeding buildings developed over time - is not viable given the climate commitments needed for a resilient future."

- Twin Cities Campus Plan, 2021



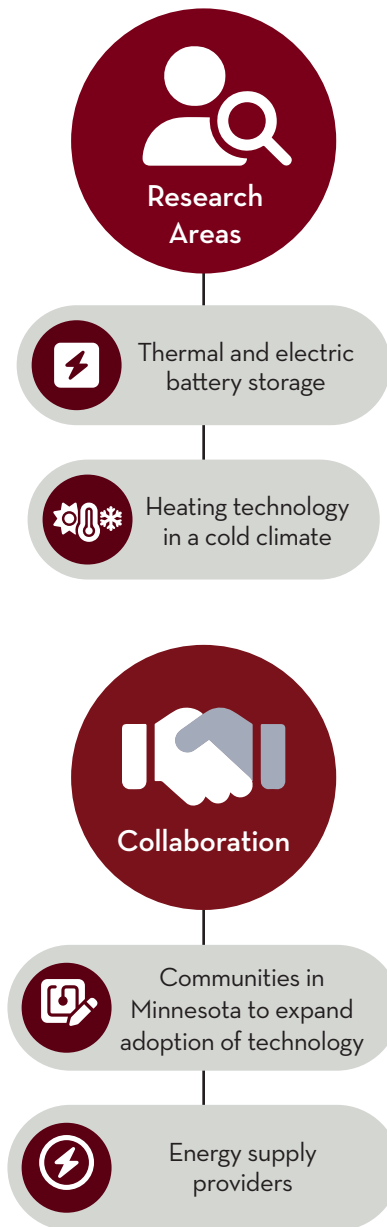
KEY PERFORMANCE INDICATORS	TODAY	2033
Carbon emissions from thermal energy (MTCO _{2e})	~140,000 (2019)	~80,000*

**The total reductions in thermal energy will be approximately 60,000 MTCO_{2e}, but only 28,000 MTCO_{2e} will be attributable to this energy supply goal. The remaining emissions reductions are expected to be realized through energy demand goals.*

STRATEGY

- 2.1 Eliminate installation of localized fossil fuel combustion equipment in buildings
- 2.2 Strategically convert steam heat to low or medium-temperature water distribution systems
- 2.3 Decarbonize sub-districts with a suite of thermal and electric energy alternatives (ground source heat pumps, air-source heat pumps, other electric heating sources, sewage heat recovery, etc.)
- 2.4 Deploy thermal battery energy opportunities
- 2.5 Determine an energy supply alternative by 2025, in concert with the Energy and Utility Plan
- 2.6 Develop budgeting practices that enable decision making on life-cycle cost metrics including both capital and operating budget impacts
- 2.7 Support academic research on electric and thermal battery storage and carbon-free cold-climate heating
- 2.8 Develop a change management strategy to train and transition employees to new technology

Future Research and Collaboration



Definitions

Combined Heat and Power (CHP) Plant

Also known as a cogeneration (cogen) plant, a CHP plant concurrently produces electricity and heat from a single source of energy. Efficiencies are produced through recovering heat from the process itself.

Thermal Energy Storage

A physical structure used to store and release heating or cooling water.

Thermal Energy

Thermal energy is the creation and distribution of heating and cooling within a system.

Renewable Energy

Renewable energy is generated from sources or processes that are continuously replenished.

Renewable Energy Certificates (RECs)

RECs act as an accounting or tracking mechanism for solar, wind, and other green energies as they flow into the power grid. They are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource.

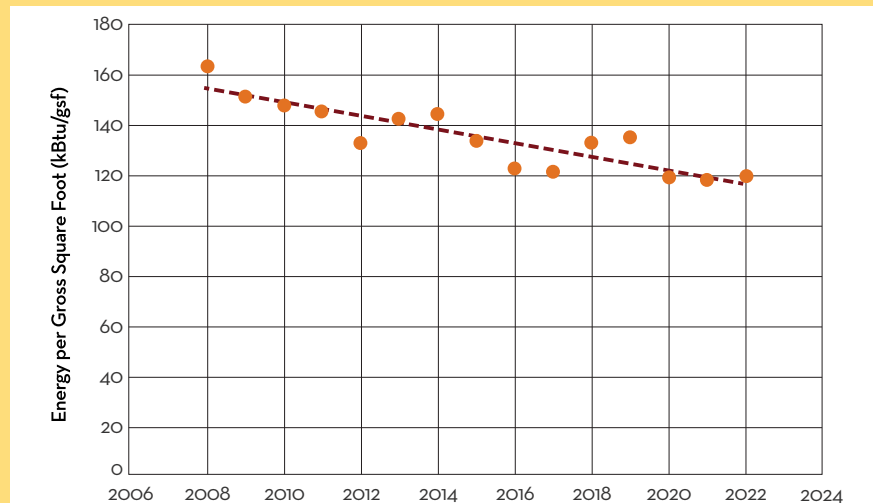


Energy Demand

Energy demand refers to the amount of energy used on campus, primarily by buildings. To achieve the University's climate goals, buildings will need to be high-performing and regenerative, for both the University community and the environment. Energy demand strategies focus on improving energy efficiency through physical improvements and also consider the people, practices, and policy measures such as behavior changes, space utilization, and design/operation standards.

Emissions Tracked at UMN







Emissions related to energy demand are closely linked to energy supply. When less energy is used, less supply is needed. Over time, the University has been able to decrease energy use by approximately 6% while square footage or space has grown by approximately 28%.



Current Status and Progress

- ▶ Extensive building recommissioning program (adjusting fan schedules, installing room occupancy sensors, upgrading HVAC equipment)
- ▶ Laboratory energy efficiency programs
- ▶ Window, lighting, and appliance replacements
- ▶ Large-scale renovations that reduced energy demand
- ▶ Decommissioned 500,000 gross square ft of University space on campus

What's the Challenge?

-  Funding for energy efficiency measures in new construction, renovations, and upgrades
-  Multi-use buildings are functional but cause greater demand
-  Users may not always use technology as intended
-  Difficult to implement new technology in older buildings
-  Older buildings present health issues (such as mold) associated with building envelope sealing
-  Staff capacity

What's the Vision and How to Get There?

Vision: Reduce scope 1 and scope 2 emissions 60% by 2033 from the 2019 baseline

Catalytic Project: Digital Controls to Manage Energy in Real-time

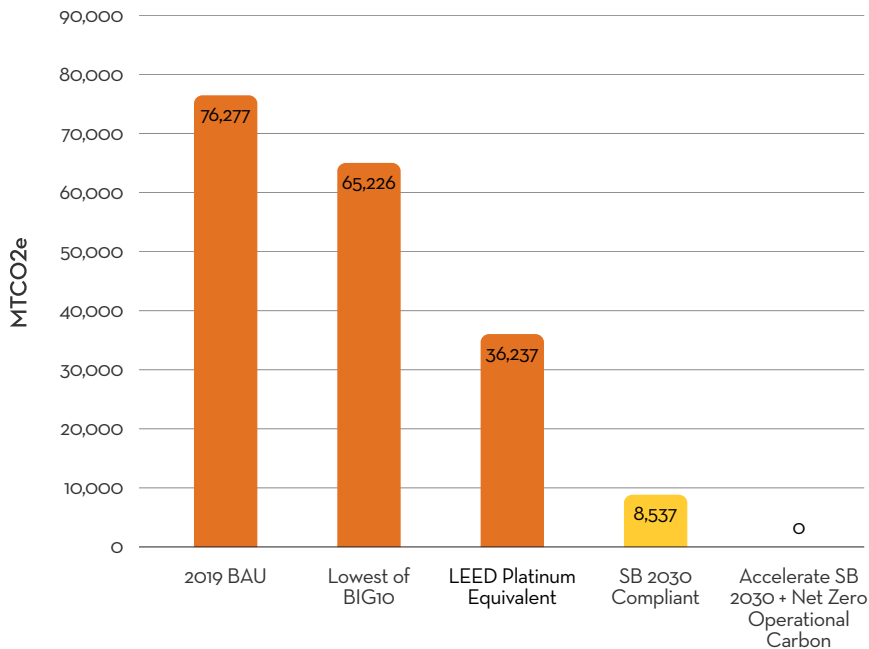
Building heating, ventilation, and air conditioning are part of a complex system that works together to keep a building at the right temperature and indoor air quality. Older controls can be updated to newer and digitally connected controls to enable more effective, real-time management of building climate to produce energy savings. This type of upgrade can be completed throughout campus, particularly in buildings already sited for renovation.

Goal 1

Accelerate Minnesota's B3 Sustainable Building 2030 design standards (SB 2030) and net zero operating carbon requirements for all new construction and major renovations

The University currently applies the energy and carbon emissions performance targets established by the Minnesota B3 Sustainable Building 2030 Energy Standards (b3mn.org/2030energystandard) for all new construction and major renovations, which was developed by the UMN Center for Sustainable Building Research. The standard is based on Architecture 2030 and sets targets for buildings to become more energy efficient and less carbon intensive in their operations. As an example, buildings constructed today under the standard must be 80% more energy efficient and less than a comparable building constructed in the baseline year of 2003. The University will accelerate the implementation of the 2030 Energy Standard, implementing a zero-carbon standard in new construction for building energy use. Emissions from major renovation projects are captured under Goal 2 in the Energy Demand section.

Estimated Potential Emissions Impact of Planned Campus Growth



The Twin Cities Campus Plan (2021) projects 9 million square feet of growth of different building uses and different carbon intensities. The graph to the left shows the projected annual emissions at buildout for different scenarios: 1) business as usual or the carbon intensity of buildings on campus today 2) matching the lowest carbon intensity for buildings in the Big10 3) designing to LEED Platinum status 4) meeting SB2030 compliance, assuming half of the projected growth will occur before 2030 and the other half will occur between 2030 and 2050 5) accelerating SB2030 requirements and meeting net zero operational carbon on all projected growth.

KEY PERFORMANCE INDICATORS	TODAY	2033
% of new construction projects achieving net zero operating carbon status	0%	100%

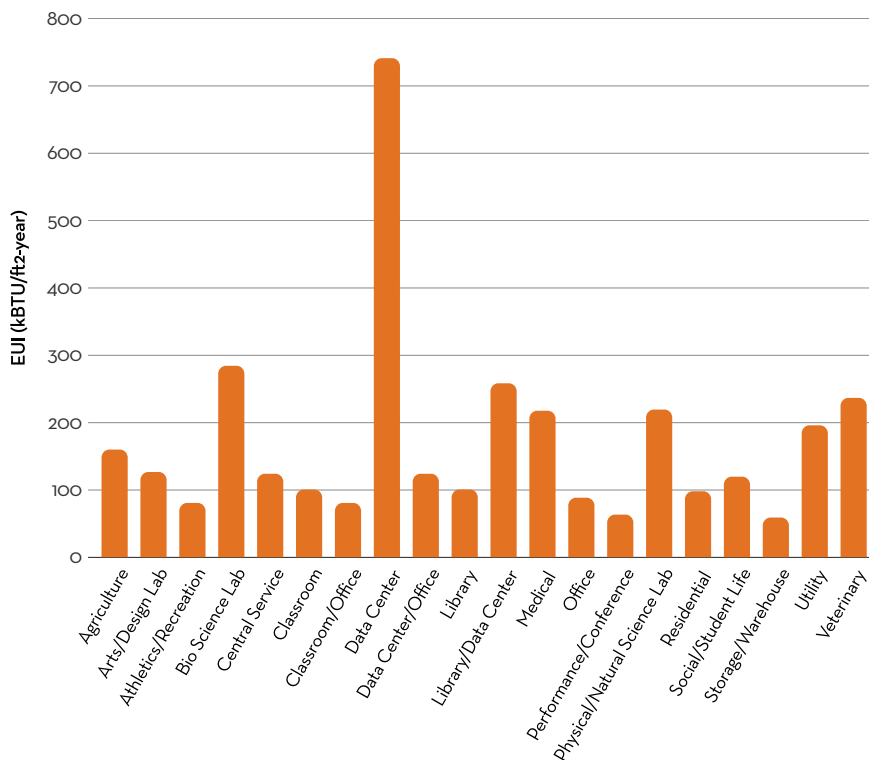
STRATEGY
1.1 Increase staffing and establish proper funding mechanisms to prioritize net zero operating carbon building design within budget dedications
1.2 Explore the option of third-party certification programs for new construction that complement the B3/SB2030 programs
1.3 Establish a University working group to evaluate and manage embodied carbon impacts of new construction
1.4 Update or develop new University procedures, training, and standards for capital planning, procurement, design and construction, engineering, commissioning, operations, and maintenance of net zero operating carbon buildings
1.5 Include SB 2030 and net zero operating carbon requirements in all University RFPs for new construction projects

Goal 2

Reduce site energy use intensity (kbtu/ft2-yr) from existing buildings 35% by 2033 from the 2019 baseline, and reduce carbon intensity (MTCO₂e/1,000ft2-yr) to 0 by 2050

Energy use intensity (EUI) is the way the University profiles the energy efficiency of the buildings on campus. Different types of buildings on campus will use various amounts of energy and detailed energy dashboards for specific buildings can be found on the University’s Energy Management website. For example, laboratories on campus use the greatest amount of energy per square foot due to storing lab equipment, refrigeration, etc.

Energy Use Intensity (EUI) by Building Type



KEY PERFORMANCE INDICATORS	TODAY	2033
Energy use intensity (kbtu/ft2-yr)	152.2 (FY19)	98.9
Carbon intensity (MTCO ₂ e/1,000 ft2-yr)	10.1 (FY19)*	6.2

*Based on a subset of over 200+ buildings on the Twin Cities campus. Details on methodology will be provided under a separate cover.

STRATEGY
2.1 Increase funding and personnel as required to implement additional commissioning and energy efficiency upgrades
2.2 Develop project threshold definitions and standards for major renovations to achieve SB 2030 and net zero operating carbon (new construction goals)
2.3 Deploy energy efficiency measures identified for each archetype of building to achieve the target Energy Use Intensity per building typology
2.4 Develop a robust continuous commissioning process to ensure buildings continue to operate efficiently
2.5 Increase retro-commissions on campus and target key buildings with high energy usage for building type
2.6 Expand the University-wide Demand Response and Load Management Program
2.7 Participate in third-party behavior change campaigns

"The Campus Plan envisions significant reinvestment in existing buildings in the campus cores. However, when campus needs cannot be accommodated through renovation, critical decisions about growth must consider resilience and mitigation, land use impacts, and the capacity of supporting utilities and infrastructure (energy, water, waste vegetation, etc)."

- Twin Cities Campus Plan, 2021

Goal 3

Optimize space utilization to decommission existing square footage

Since the 2011 CAP, the University has already decommissioned buildings equivalent to 500,000 gross square feet (GSF). Overall, reducing the GSF of buildings on campus reduces the campus energy footprint, especially the inefficient older buildings. With more people engaging in hybrid working/learning and buildings having less utilization, shared goals can be achieved for optimizing space usage. On average, office space has a carbon intensity of 5.7 tonnes of CO₂e per 1000 square feet (MTCO₂e/1000ft²). Using these estimates, one million square feet of office space would reduce campus emissions by 5,700 MTCO₂e, which is greater than the amount of emissions produced by the University Fleet.

KEY PERFORMANCE INDICATORS	TODAY	2033
GSF decommissioned	N/A	TBD

**The Twin Cities Campus Plan (2021) identifies 3 million sq ft of space to decommission by 2050. The emissions reduction projections for the CAP include decommissioning an additional 2 million sq ft. Final targets should be set with the Work. With Flexibility Executive Team. If a total of 5 million sq ft cannot be decommissioned, other areas of emissions will need to reduce even further to account for the change.*

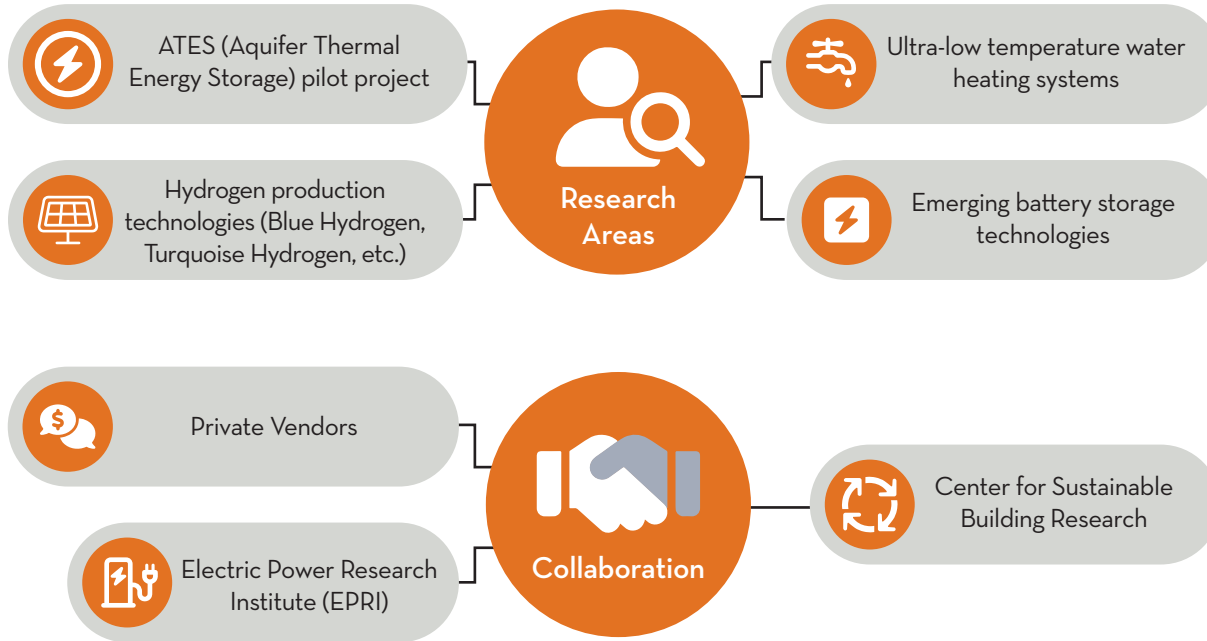
STRATEGY
3.1 Complete a space optimization study and use energy use intensity as a criterion for decommissioning
3.2 Evaluate the use of flexible office space, hybrid and remote learning, multi-function flexible classrooms, and centralized scheduling to reduce square footage needs on campus
3.3 Engage with University academic stakeholders to develop space utilization plans
3.4 Decommission buildings based on space optimization study
3.5 Decommission buildings as identified in the Twin Cities Campus Plan



“As hybrid models of campus use take root, whether for teaching and learning, research, or service, it may be possible to slow the rate of new development by shifting how and where such activities occur, and focus capital investment on demolition and redevelopment of existing land and infrastructure in the campus cores.”

- Twin Cities Campus Plan , 2021

Future Research and Collaboration



Definitions

Retrocommissioning

A systematic process to identify and improve building efficiency and performance.

Commissioning

A systematic process of ensuring that a building performs in accordance with the design intent, contract documents, and the owner's operational needs.

Decommissioning

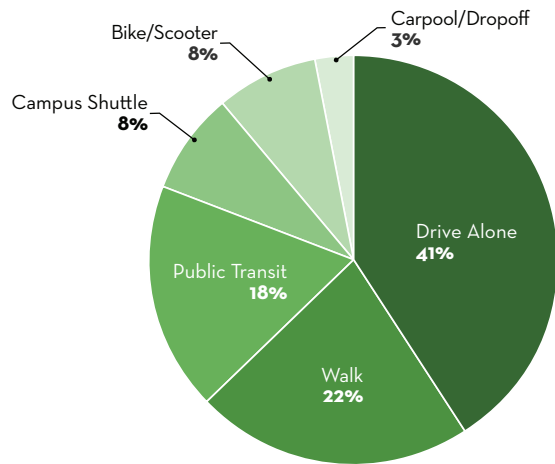
The process of shutting down a building and/or removing it from operation or use.



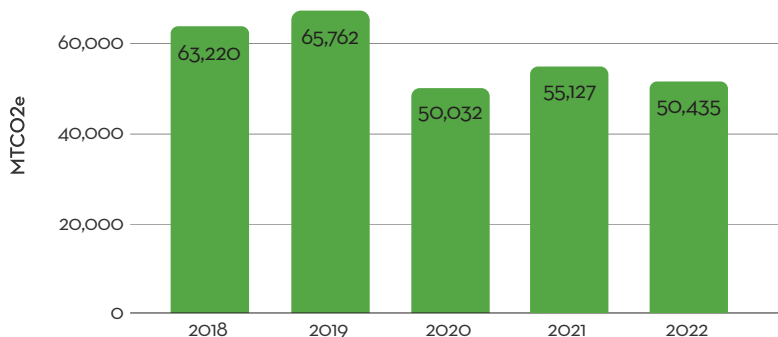
Commuting

Commuting is considered travel to and from the University for school or work as a part of regular activities. This does not include students moving to the Twin Cities area for the school year to a campus address or traveling back and forth from a home address and a campus address during academic breaks. This also does not include attendees traveling to events on campus. Commuting results in emissions as cars, buses, trains, and other forms of transportation burn fossil fuels like gas and diesel. Emissions from commuting can be reduced by traveling less and switching to sustainable modes of transportation, such as walking, biking, transit, and EVs.

Transportation Mode Share of UMN Commuters (Fall 2022)



Emissions Tracked at UMN



Commuting Emissions

Carbon emissions are calculated and influenced by the following variables, which relate to the amount of gallons of fossil fuels burned.

- › Number of commuters
- › Average miles traveled by mode
- › Percentage of mode share
- › Commuting trips per week
- › Number of weeks commuting
- › Percentage of hybrid workers and learners

Current Status and Progress

- › Developed a Twin Cities Campus Bicycle Plan (2019) to set goals and strategies towards developing and implementing bicycle-friendly infrastructure. Recognized as a Platinum Level Bike Friendly University, and Business by the League of American Bicyclists
- › Provided on campus electric vehicle (EV) charging infrastructure
- › Established the Universal Transit Pass providing full-time students unlimited rides on transit services within the Twin Cities metro area
- › Supported hybrid workers through resources and guidance such as *Work With Flexibility* to support a flexible work environment
- › Encouraged commuters to carpool through the Gopher RideShare app
- › Reduced the number of cars on campus and increased access to EVs via car-sharing services

What's the Challenge?



Transit Program Awareness



Housing On/ Near Campus



Vehicle Availability



EV Adoption Hesitancy



Real and Perceived Sense of Personal Safety

What's the Vision and How to Get There?

While there are many variables to consider when developing a sustainable transport system, the CAP organizes commuting emissions reduction into two different elements: lowering the total amount of miles that commuters travel to campus and switching commuters from higher carbon intensive transportation modes such as single occupancy vehicles with internal combustion engines (SOV-ICE) to more sustainable modes of transportation such as walking, biking, carpooling, public transportation, and single occupancy electric vehicles (SOV-EV).

Vision: Reduce emissions from commuting by 40% from the 2022 baseline by 2033

Catalytic Project: Education and Communication

Transportation Demand Management (TDM) Survey by Parking and Transportation (PTS) demonstrated a lack of awareness of multimodal incentives and programs available to the University community. Developing new educational content and distributing the information through new communication channels and tactics may provide information and encourage commuters to switch to a low- or zero-carbon alternative.

"To decrease reliance on single-occupancy auto use, the recommendations of the Campus Plan recommends continued investment to expand the network of accessible pathways, safe year-round bicycle facilities, and appealing transit options."

- Twin Cities Campus Plan , 2021

Goal 1

Manage travel demand through support for hybrid work and housing opportunities near campus

Commuting mode choice is strongly linked to housing location, economics, and available infrastructure/systems. For example, commuters closer to campus tend to walk, bike, and take transit. Supporting housing close to campus could lead to a reduction of emissions in both mode shift and vehicle miles traveled.

Hybrid work also reduces vehicle miles traveled by eliminating commutes altogether. The 2022 TDM Survey by PTS found that 5% of the campus population never travel to campus and 19% of the campus population does not travel to campus on any typical weekday.

KEY PERFORMANCE INDICATORS	TODAY	2033
Percent of hybrid workers	18%	20%
Percent of individuals living within 5 miles of campus	41.0%	41.8%
Vehicle miles traveled (VMT)	TBD (2024)	TBD

STRATEGY
1.1 Ensure hybrid working and learning accessibility and support by strengthening hybrid work/instruction policies and resources
1.2 Increase the desirability of living in on campus/near-campus neighborhoods by increasing safety and building community cohesion
1.3 Improve education and awareness of housing options and related transportation choices
1.4 Increase and improve access to affordable housing options on or near campus for students and staff

Goal 2

Shift commuters from single occupancy vehicles to low- or zero-carbon transportation options, such as walking, biking, shared mobility, and transit

The 2022 TDM Survey demonstrated that there is potential to shift commuters from SOVs to other modes. For example, the survey found that many commuters were unaware of certain programs supported by the University and local and regional partners and that many SOV commuters had other options available to them.

The survey also asked respondents what would incentivize them to switch to a different transportation mode. The top five most influential incentives correspond with public transit:

- More direct transit services
- More frequent transit services
- Greater discount for Metropass for staff and faculty
- More comfortable bus stops
- Personalized information about transit options

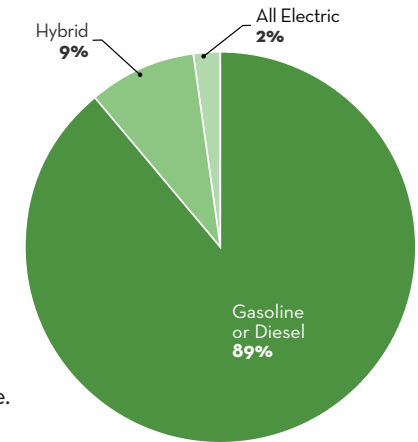
KEY PERFORMANCE INDICATORS	TODAY	2033
Percent of commutes in a SOV-ICE	Faculty: 58% Staff: 43% Student: 23%	Faculty: 44% Staff: 22% Student: 16%

STRATEGY
2.1 Improve safety and infrastructure for walking, biking, and transit
2.2 Advocate for optimal transit services to and around campus
2.3 Develop incentives for low to zero-carbon transportation options
2.4 Improve education and awareness of different transportation programs

Goal 3

Increase low- or zero-emission vehicle use among drive alone commuters without other transport options

The University will likely always have commuters that travel by car and can support low- or zero-emissions vehicle use. Right now plug-in hybrid (PHEV) and EV adoption is the most available technology to reduce the car commuter footprint. In 2022, approximately 11% of drivers commuted with a hybrid or EV.

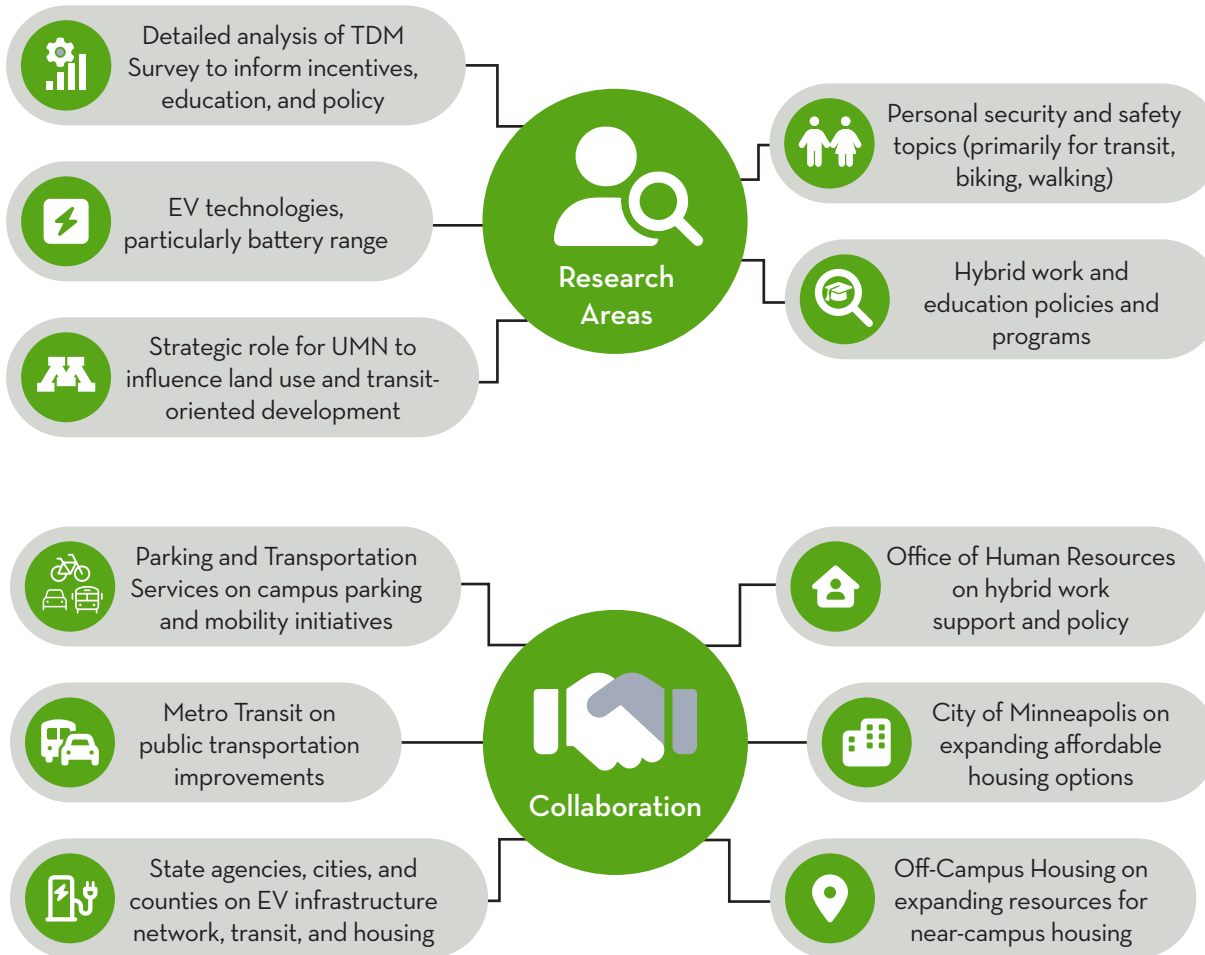


Average Commuter Vehicle Engine Type (Fall 2022)

KEY PERFORMANCE INDICATORS	TODAY	2033
Percent of commuter vehicles with ICE engines	Faculty: 75% Staff: 89% Student: 96%	Faculty: 60% Staff: 71% Student: 91%

STRATEGY
3.1 Develop parking permit and charging policies or fee structures that are equitable and promote EV adoption
3.2 Increase electrical vehicle charging infrastructure on campus for commuters and on campus residents
3.3 Support academic research on low to zero-emission vehicle related policies and technologies that will facilitate greater adoption
3.4 Provide leadership, through advocacy and partnerships, in increasing off-campus EV infrastructure

Future Research and Collaboration



Definitions

Sustainable Transportation Modes

Low-carbon travel options such as biking, walking, public transit, carpooling, and low to zero-carbon vehicles.

Hybrid Work

Hybrid work refers to working or attending classes from a location other than an employer's office or an in-person classroom.

Single Occupancy Vehicles (SOV) Trip

A trip by an individual alone in a car, truck, or van.

Transportation Demand Management (TDM)

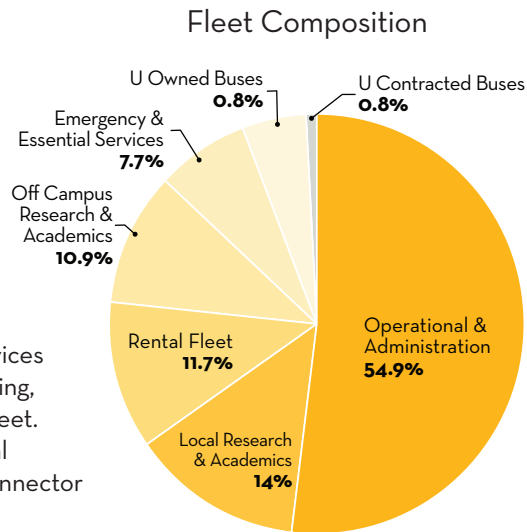
Policies and programs that influence modal shifts in transportation (Bond and Steiner, 2006).

University Fleet

The University fleet (UFleet) refers primarily to emissions from travel using University-owned vehicles and secondarily travel contracts to supplement fleet travel. The roughly 519 University vehicles (including University contracted buses) have different uses, including:

- Research
- Operations
- Rental
- Emergency Response
- Transit

Parking and Transportation Services (PTS) is responsible for purchasing, leasing, and maintaining the UFleet. PTS also administers contractual agreements for the Campus Connector and other operations.



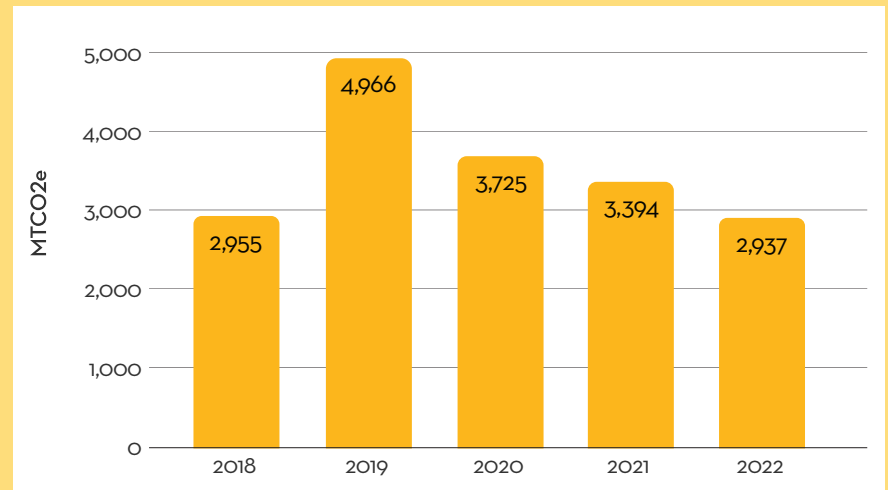
Current Status and Progress

- Increased use of flex fuel vehicles or vehicles with a certain percentage of biofuel
- Purchased electric vehicles and hybrids across a variety of vehicle types
- Installed 47 charging plugs in 27 locations across the Twin Cities campus for public and fleet charging
- Reviewed UMarket logistics to centralize package distribution and increase deliveries made on foot

Emissions Tracked at UMN

UFleet emissions are calculated based on the gallons of fossil fuels burned (diesel and gasoline) of vehicles owned by the University and by Campus Connectors. Emissions are not currently tracked for other contract agreements supporting UFleet operations or off-road vehicles. The vehicle fleet primarily runs on gasoline and the Campus Connectors or bus fleet primarily runs on diesel.

UFleet Emissions (2018-2022)



The average emissions over the last five years (2018-2022) is 3,595 MTCO_{2e}.

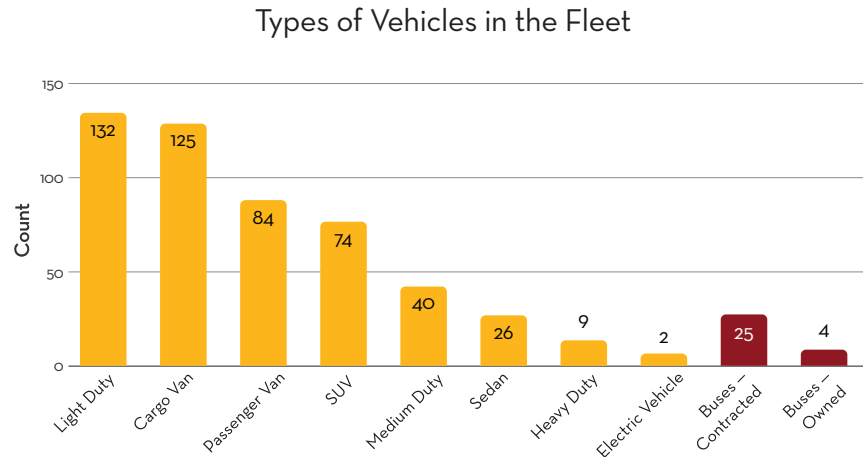
What's the Challenge?

- Range Anxiety
- Electrical Grid Demand
- Vehicle Availability
- Charging Infrastructure Deployment
- Cold Weather Performance



What's the Vision and How to Get There?

Vision: Reduce UFleet emissions by 70% by 2033 from the 2018-2022 average annual emissions



Catalytic Project: Install Electric Charging Hubs

The University will establish a working group to define charging needs and identify a pathway to implementing charging hubs across campus. The Working Group will also identify rate structures and coordinate with others to discuss commuter charging needs. The electrical needs will be closely coordinated with Energy Management.

Goal 1

Transition internal combustion vehicles to vehicles or modes with zero tailpipe emissions

In 2022, electric vehicles (EVs) are the most widely available and trusted technology to reduce emissions, but several other known technologies are in development. The University will continue to review emerging technology and its application to the UFleet.

KEY PERFORMANCE INDICATORS	TODAY	2033
% vehicles in the vehicle fleet and campus connector fleet that are EVs, PHEVs, or non-emitting	1% (2022)	70%

STRATEGY
1.1 Develop policy and guidelines for purchasing EVs as a first choice followed by PHEVs with allowances and exemptions for purchasing hybrids and internal combustion engine (ICE) vehicles sequentially
1.2 Plan and install EV charging powered by renewable energy in hubs on campus
1.3 Develop financial structures for departments to adopt EVs and install charging infrastructure at off-campus locations, such as research facilities in remote locations
1.4 Develop education about non-ICE vehicles including driving instructions and the benefits of EVs, such as air quality

Goal 2

Reduce fuel and energy usage of the UFleet by reducing vehicle miles traveled (VMT) and improving fuel efficiency

In addition to eliminating fossil fuel usage, reducing the amount of travel, improving vehicle fuel efficiency, and using smaller duty vehicles can all reduce emissions in the short term. Vehicle efficiency will continue to be important as the fleet electrifies to reduce demand on the electric grid.

KEY PERFORMANCE INDICATORS	TODAY	2033
Miles per gallon of ICE vehicles	Bus: 7.511 Vehicle: 20.98 (Avg. 2020-2022)	TBD
Miles per kWh of EVs	TBD (2024)*	TBD*
Miles traveled	Bus: 477,122 Vehicles: 2,855,482 (Avg. 2020- 2022)	TBD*

**will be determined upon completion of the fleet decarbonization and efficiency study (Strategy 2.1)*

STRATEGY
2.1 Complete a fleet decarbonization and efficiency study to be updated periodically to account for emerging technology and eco-routing
2.2 Rightsize the number of vehicles within the fleet inventory and promote vehicle sharing and other modes of transportation
2.3 Optimize vehicle duty and class for primary operations to maximize fuel or energy efficiency

Case Study: Data-driven Vehicle Electrification

Facilities Management uses a large share of the UFleet. Between 2022 and 2023, close to 200 vehicles assigned to Facilities Management were geolocated and tracked to determine fit for transitioning to an EV. The majority of the vehicles studied were found to have an electric vehicle fit when accounting for the total cost of ownership and miles traveled. This type of pilot study will be critical to not only transitioning these vehicles but the study serves as an example of how this can be replicated for the rest of the fleet.

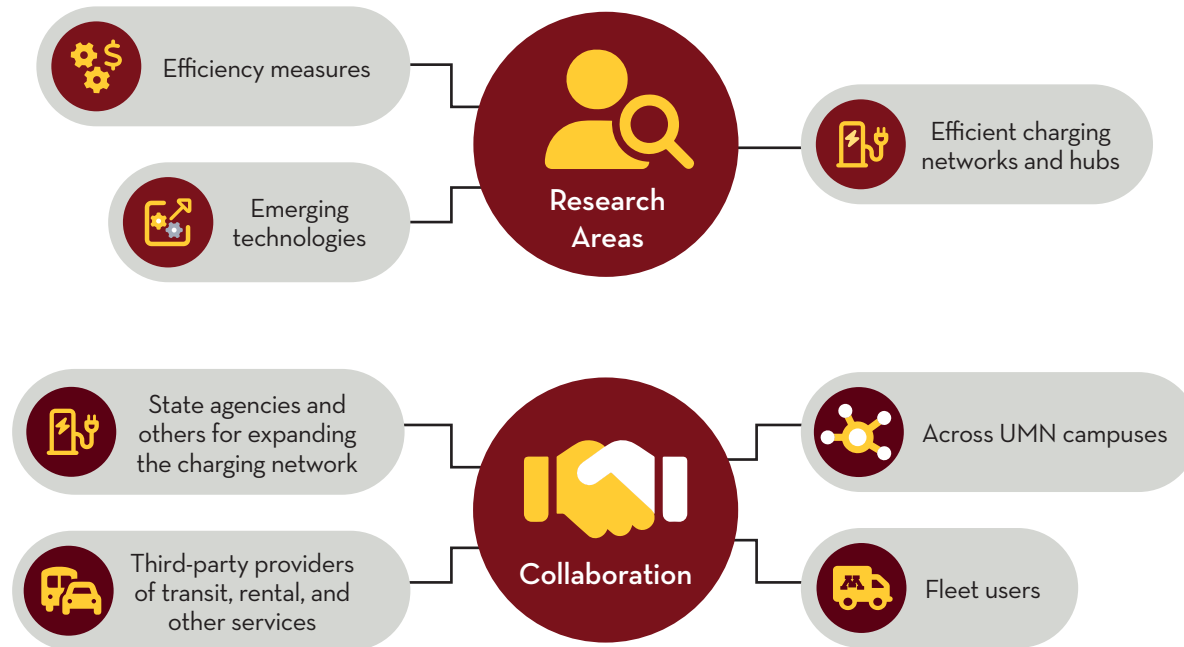
Goal 3

Integrate carbon neutral goals into contracts with third-party providers who drive vehicles on campus

KEY PERFORMANCE INDICATORS	TODAY	2033
Existence of a program to integrate decarbonization into contracts	No (2023)	Yes

STRATEGY
3.1 Work with current contract vendors to review existing operations and opportunities to transition to zero or low-carbon emission options
3.2 Develop mechanisms to include requirements for non-ICE options and emissions reduction goals in RFPs and contracts with third-party vendors
3.3 Request carbon emission data from partners and third-party providers

Future Research and Collaboration



Definitions

Electric Vehicles (EV)

Vehicles with battery packs to power an electric motor.

Plug-in Hybrid Electric Vehicle (PHEV)

Vehicles with battery packs to power an electric motor, as well as another fuel, such as gasoline or diesel, to power an internal combustion engine or other propulsion source.

Internal Combustion Vehicles (ICE)

A vehicle that burns a fuel, such as gasoline or diesel, in an internal combustion engine to provide the energy that moves the vehicle.



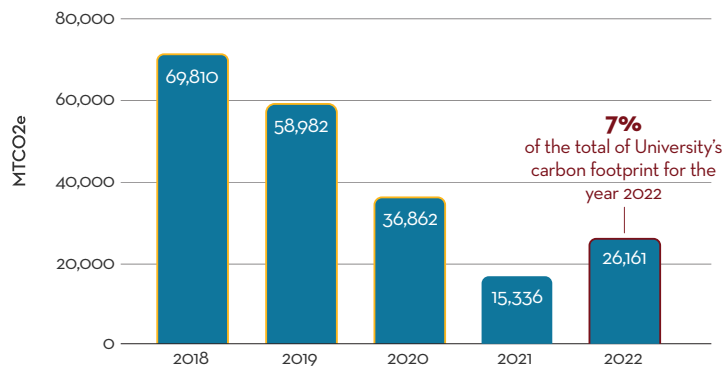
University Sponsored Travel

Travel is essential to the University's mission. Emissions from university sponsored travel covers emissions from third-party vendors associated with air and ground transportation. Emissions can be reduced by choosing a different travel mode, the uptake of more sustainable sources of fuel, reducing the amount of travel where equal hybrid options are possible, and lastly buying offsets.

The use of sustainable jet fuel, hydrogen, and electrification options are emerging, however, technology is still lacking to be used at scale. Because of the University's reliance on industry travel, a large portion of the emissions in this sector will need to be offset (instead of reduced or transitioned to alternatives) within the next 10 years and then be reevaluated.

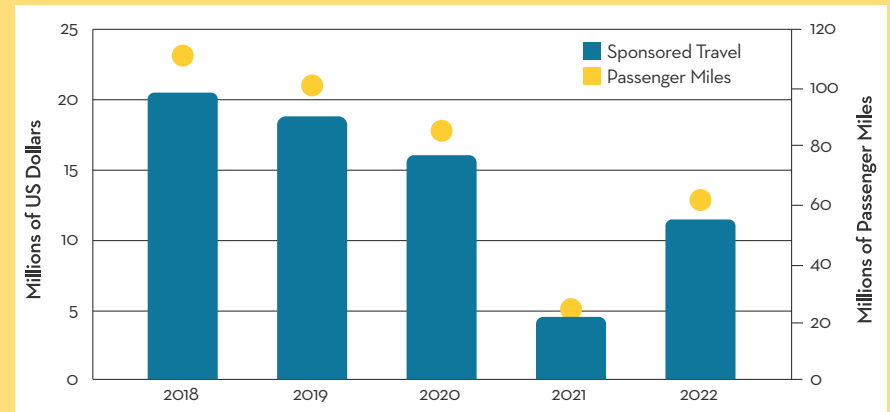
Emissions Tracked at UMN

U Sponsored Air Travel Emissions (2018-2022)



11% of the U's carbon footprint was attributed to University Sponsored Travel on average for the five fiscal years pre-pandemic (2016-2020)

Only air travel emissions are partially reported at this time. For example, study abroad has not historically been tracked because students purchase air travel independently. Other types of air travel are only moderately tracked through University purchasing systems. In the absence of robust, detailed data, the dollar amounts for travel are instead converted into passenger miles and emissions. In the future, passenger miles, reasons for travel, and other data can be collected to improve the understanding of university sponsored travel emissions and better inform climate action going forward. Data gathering, including emissions related to ground transportation, is another area of improvement.



Study Abroad Travel

The majority of study abroad travel is purchased independently by the student traveling and is not tracked within the University's purchasing systems. Based on the number of students that traveled and the continent they traveled to, study abroad travel may add approximately 12,350 MTCO_{2e} to the 2019 emissions.

Current Status and Progress

The University started tracking emissions from air travel in 2008. The previous CAP did not address university sponsored travel. Offsets have been explored, but no action has historically been taken to reduce emissions from this sector.

What's the Challenge?

- Sustainable aviation fuel is in the early stages of development
- Carbon offset price projections are unknown and can be challenging to navigate
- Much of the University's Sponsored Travel is fixed, serving the University Mission, and cannot be reduced
- Other alternatives for more sustainable travel (such as rail) are an option but less likely between the Twin Cities and other destinations around the US
- Booking through a central hub or portal is not mandatory, which limits the ability to collect comprehensive data and drive narrowly-focused purchasing requirements

What's the Vision and How to Get There?

The University has not set a numeric emission reduction vision for university sponsored travel. The emissions reduction vision will be revisited after establishing a more robust data collection system over the next couple of years. During this time, the effects of the pandemic and other variables (increase in student recruitment travel, increasing size of the athletics network) will also be better understood. Lastly, carbon offset cost projections varied widely and without a better understanding of the financial implications, a reasonable carbon offset commitment could not be estimated at this time

Vision: Reduce emissions from University sponsored travel

Catalytic Project: Pilot Offsetting Program for Study Abroad

The University will establish a pilot air travel offset program for study abroad participation following the lead of other universities around the world.



Goal 1

Increase procurement of carbon free or sustainable transportation modes

The University has several existing transportation contracts related to travel and may explore adding contracts to procure sustainable transportation options. In addition, procurement policies could be updated to include requirements or guidance for selecting travel options from vendors progressing towards their own climate goals. Lastly, annual reporting of emissions from third-party vendors would provide additional information about where there are opportunities for improvement.

KEY PERFORMANCE INDICATORS	TODAY	2033
Existence of a system to decarbonize contracts	No (2023)	Yes
Existence of travel policies with decarbonization considerations	No (2023)	Yes

STRATEGY
1.1 Require selecting air travel with a provider(s) that offsets emissions and/or has implemented sustainability/climate plans, unless deemed infeasible through a formal process (establish agreements to ensure emissions reductions are attributable to UMN's travel if necessary)
1.2 Establish ground transportation procurement policies that favor low-carbon transportation modes (EVs, trains)
1.3 Work with current contract vendors to implement options that direct employees to select low-emission choices at time of booking
1.4 Establish guidelines for staff and faculty to rent EVs and utilize public transport (including choosing accommodation based on access to transit and/or charging network) at final destinations
1.5 Incorporate incentives for procuring biofuels/renewable fuels for transportation modes into policies and contracts to increase/create new markets (biobased economy, biojet fuel, supporting emerging markets)

Goal 2

Increase utilization of carbon-reducing travel strategies

Emissions can be reduced from travel by selecting modes or itineraries with lower emissions or by reducing travel altogether. For example, swapping a train ride for a flight or renting an EV or walking at your destination over a vehicle that burns fossil fuels.

KEY PERFORMANCE INDICATORS	TODAY	2033
MTCO ₂ - documented miles prior to the application of offsets	58,982 (2019)	10% reduction
MTCO ₂ - undocumented miles* prior to the application of offsets	TBD (2025)*	10% reduction

*Undocumented travel miles refers to all ground transportation, individual study abroad, and other air travel that is not properly coded

STRATEGY
2.1 Require sustainable modes of travel (trains and coaches) where available for U-organized programming for distances that take five hours of driving or less
2.2 Incentivize hybrid formats for UMN conferences held on campus and incentivize online professional development
2.3 Incentivize purchase of direct flights by subsidizing increased cost compared to layover journeys for units where budget is the overriding consideration
2.4 Provide support and education for booking zero to low-carbon travel tailored to travel type
2.5 Fund and support research on biofuels and other renewable fuels for transportation modes

Goal 3

Develop a program for purchasing high quality offsets with co-benefits linked to the type of travel

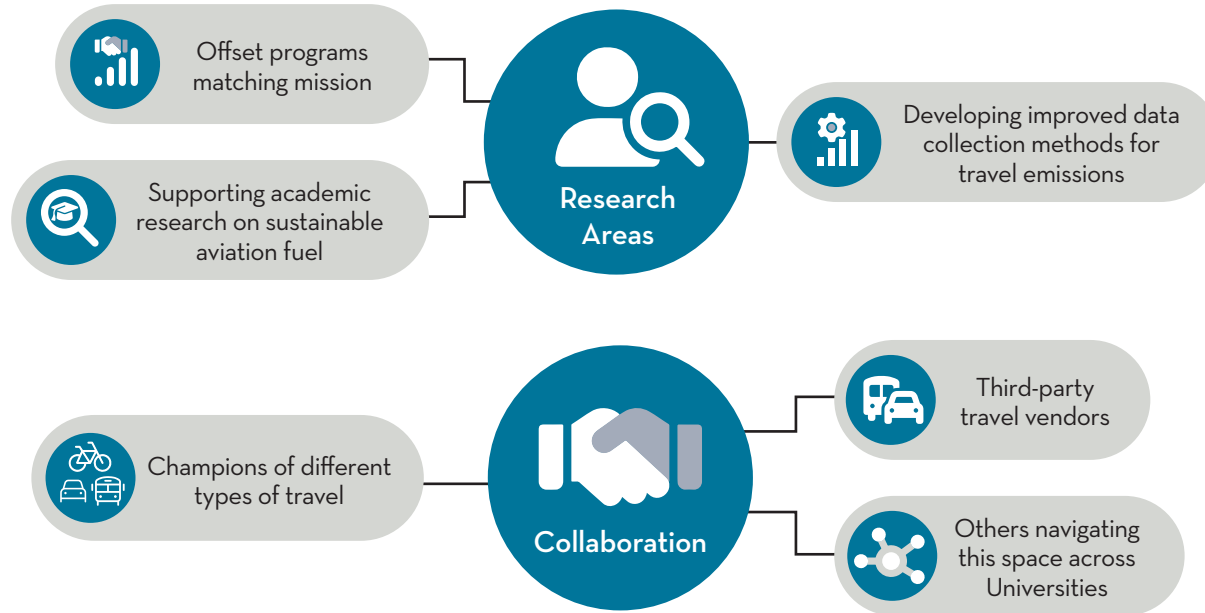
Offset programs are offered at a variety of price points and quality. Offset programs that are permanent, transparent, and verified tend to be of higher quality. Offset programs can also have local and programmatic co-benefits. For the purposes of this goal, the types of travel at the University are:

- › Athletics
- › Study abroad
- › Research and research presentations
- › Conference attendance, professional development, and training
- › Administrative (recruitment/donor relations/official visits)
- › Other

KEY PERFORMANCE INDICATORS	TODAY	2033
# of programmatic travel areas with an offset program with directly related benefits and targets	0 out of 6 (2023)	6 out of 6

STRATEGY
3.1 Establish a central pool of funds to offset the increased cost of sustainable travel
3.2 Update policies to allow carbon offsets as an allowable expense at the University and advocate for change in federal policy to make carbon tax/offsets an allowable expense on grants
3.3 Establish offset programs, policies, and targets by travel type

Future Research and Collaboration



Definitions

Carbon Offset

A reduction or elimination of greenhouse gas emissions in one location used to offset or make up for emissions produced elsewhere.

Sustainable Aviation Fuel

A fuel made from renewable biomass and waste resources that has the potential to deliver the performance of petroleum-based jet fuel but with a fraction of its carbon footprint (Department of Energy).



"An experience abroad is often the single most important and rewarding activity a student engages in during their academic career."

-Learning Abroad Center





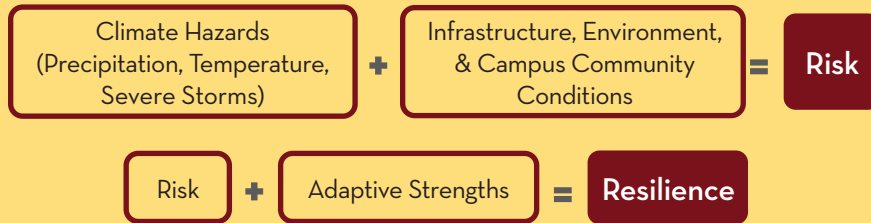


Climate Adaptation

3

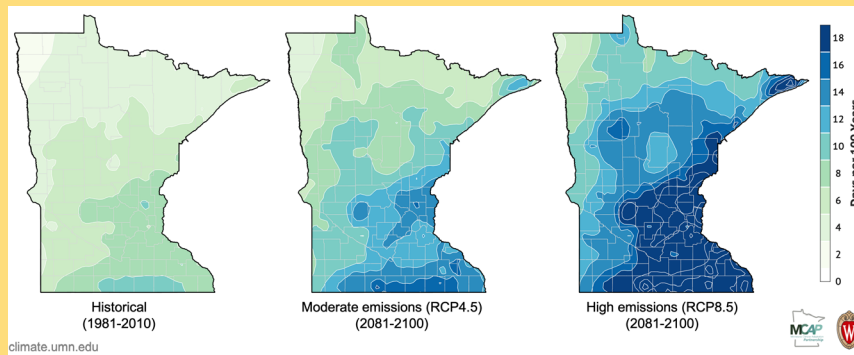
Overarching Approach

Climate adaptation planning at the University is at the very beginning stages. As a part of the Climate Action Plan, the University completed an initial assessment of the risks, vulnerabilities, and strengths across different types of infrastructure, environmental, and campus community assets. The next step will be to further understand how the University assets will be impacted under specific climate scenarios and how action can be taken to shore up and build the resilience of these assets.



Climate Hazards

Average Number of Days per 100 Years When Daily Rainfall Exceeds 4 Inches



UMN Climate Adaptation Partnership, 2023a

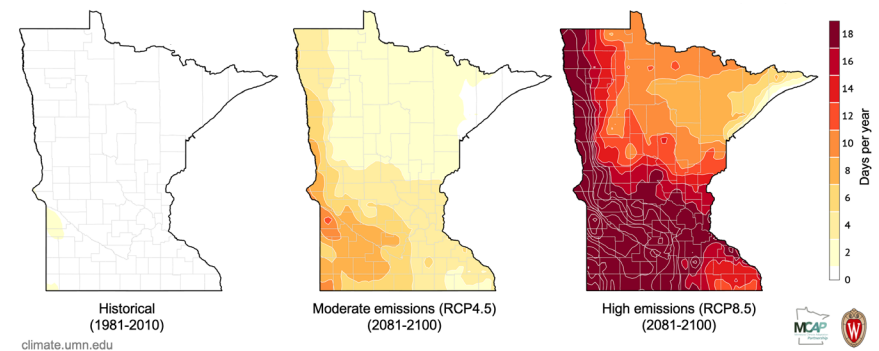
Precipitation (Drought, Flooding, Snowpack)

Minnesota has already experienced increased precipitation, with the greatest increases occurring during spring and fall and with many annual precipitation

records set during the 2010s (Easterling et al., 2017; DNR, 2010). Winter and spring precipitation (snow and rain) are projected to increase up to 30% by the end of the century across the Midwest (Easterling et al., 2017). Heavy precipitation events have already become more frequent and occasionally more extreme, and climate projections indicate continued increases in the frequency and intensity of heavy precipitation in the future. Climate scientists project that Minnesota will face an increase in the length of some dry spells, which when paired with the likely heat extremes in the decades ahead, may increase drought severity beyond levels recently experienced in Minnesota. Minnesota's future climate is projected to include historic extremes of both precipitation and drought.

Temperature (Seasonal Changes, Heat Exposure)

Temperatures across Minnesota have already increased by an average of 3.0°F since the late 1800s, with the largest changes in temperature being recorded during winter and at night. Climate projections indicate the state will continue to warm in all seasons (Liess et al., 2022), with shorter winters, fewer cold waves, longer growing seasons, and increased summer heat extremes (Vose et al., 2017). Depending on the intensity of global greenhouse gas emissions, the Twin Cities could experience anywhere from four to fourteen days over 100°F annually (UMN Climate Adaptation Partnership, 2023b). Furthermore, an increase in winter temperatures elongates the frost-free season and causes greater problems in pest control, ice thickness, and infrastructure with increased freeze-thaw days (UMN Climate Adaptation Partnership, 2023c). Heat stress is projected to increase as a result of increased summer temperatures, increased humidity, and increased dew points. Generally, relief from extreme heat events comes at night, but overnight temperatures have also been warming in the state.



Average Number of Days Per Year When the Daily High Exceeds 100°F

UMN Climate Adaptation Partnership, 2023b

Severe Storms (Tornadoes, Hail, Thunderstorms, Winds)

The Twin Cities region is in an active region for tornadoes, large hail, and damaging thunderstorm winds, and long-term analysis has shown that major, destructive, and even deadly severe storm outbreaks recur within some parts of the metropolitan area every three years on average (Blumenfeld, 2010). Severe weather databases are sensitive to changes in population, technology, and reporting procedures, making it difficult to identify changes in the frequency or intensity of severe storm events over time or to link any observed changes with increased global temperatures. In 2017, three tornadoes struck Minnesota on March 6, marking the earliest date for tornadoes on record. In 2021, over 20 tornadoes occurred on December 15 marking the latest such event on record, by nearly a month. These record-early and late events match research indicating that a warmer climate has expanded severe weather seasons nationally (Kossin et al., 2017). Additionally, though rising global temperatures may be decreasing the number of days with tornadoes, they appear to be increasing the number of tornadoes on those days, leading to more and even larger “outbreaks.” Climate projections indicate that hail and damaging thunderstorms may become more frequent and/or more intense through the 21st century (Kossin et al., 2017).

Assets

The Resilience and Adaptation Working Group selected and analyzed assets within the campus purview. The University has a responsibility to oversee **infrastructure systems** (including energy networks), care for the **living environment** on campus, and to support the **campus community**. The current condition of these assets is an essential indicator of adaptability and resilience. Assets in need of repair or care that face the greatest impacts of climate change will be prioritized in future analysis and action. Assets in excellent condition are a demonstration of where the University's adaptive strengths lie.



Infrastructure

Asset	Description/Condition
Building Envelope	Outer shell of buildings including the general facade. Recommended envelope replacements (windows, roofs, etc) are upwards of \$750M in the next decade.
Building Research/Laboratory Equipment	Indoor research facilities such as: laboratories, freezer storage, chemical storage, film processing, cold rooms, and more. Conditions are variable depending on the space with some HVAC, humidity, and mold concerns.
Grey Stormwater Infrastructure	Engineered system of drains and pipes collecting rain and snowmelt from impervious surfaces and conveying it to local water bodies. The condition is well tracked and managed.
Severe Storm/Tornado Shelters	Building structure designated for use during a severe storm. Generally in good condition but may lack adequate capacity.
Hardscapes/Impervious Surfaces	Hardscapes are parking lots, streets, sidewalks, and plazas on campus. Impervious surfaces don't allow water to pass through the material, which includes most hardscapes as well as building roofs. 77% meet the “very good to excellent” condition rating.
Archives	The Archives refers to Andersen Library's collection of historical documents, data, photographs, publications, and websites. Building is in Good condition (Facilities Condition Assessment, 2023). Fire prevention and moisture control systems are being updated.
Communications/IT Network	Communications infrastructure includes the data center as well as communication towers and any IT systems. The mechanical support for the main data center is aging and lacking adequate backup/redundancy.

Energy Systems

Asset	Description/Condition
Electric Distribution	System of underground electrical wires, transformers, substations, and other network components on campus. Condition is variable but campus buildings do have 13.8kV of redundancy.
Steam Distribution	Pipe located in 9-miles of underground tunnels. Conditions are deteriorating faster than the pace of repairs.
Chilled Water Distribution	System of pipes, cooling tanks, and chillers that are responsible for distributing chilled water to buildings on campus. The majority of the system was built within the last 30 years and is fairly resilient.
Emergency Generators	Back up power sources fueled with diesel located throughout campus. Inventory is aging and many generators and transfer switches are obsolete.
Chilled Water Generation	17 central cooling plants that feed into six geographically separated networks. Conditions vary from new to reaching end of life.
Steam Generation	Two power plants on the Minneapolis campus and one plant on the St. Paul campus. One newer facility exists in Minneapolis but the St. Paul plant is aging.
Power Generation	Electric on-site power generation resides at the newly built Minneapolis UMN co-generation plant.
On-site Fuels	Fuel tanks for vehicles and back-up power sources. The condition is variable but almost all tanks are at or near end of life, and there is not a sufficient enough supply of fuel to generators for long-term blackouts.

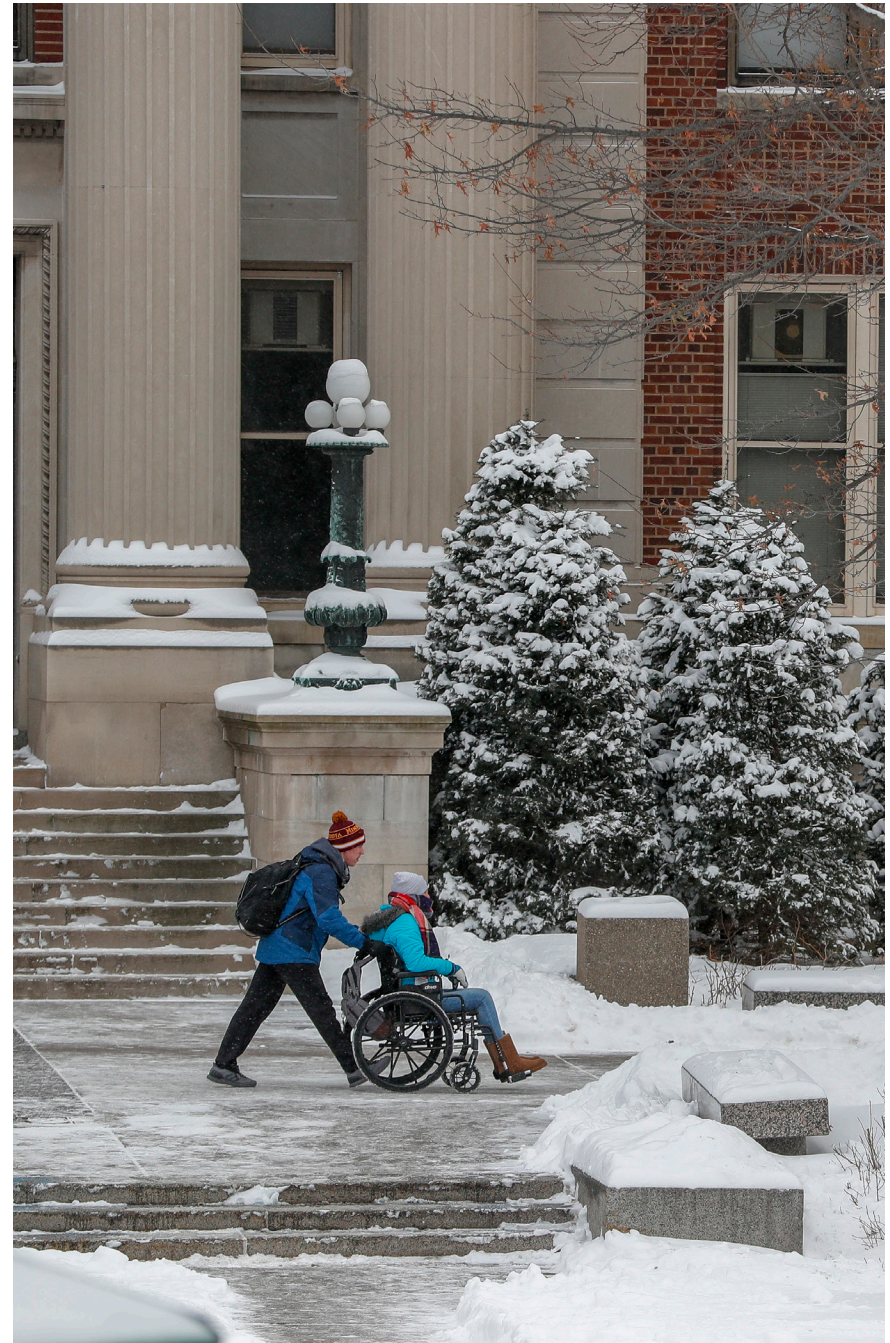
Environment

Asset	Description/Condition
Drinking Water	Surface water is the main water source, along with wells, for the Twin Cities campus with drinking water meeting all applicable industry standards.
River Banks/Slope	Existing on both the East Bank and West Bank campuses, running along East River Parkway and West River Parkway with minimal land in the 100 year floodplain. A gorge area that is near/touching campus is prone to landslides.
Tree Canopy	7.8% of campus is shaded with trees. There are 11,359 total trees and 75% are healthy. Campus regularly experiences a slight annual net loss of trees.
Green Space	Green space comprises 64% of campus land and has a Good condition rating.
Campus Agriculture Lands/ Research Gardens	Campus farm and research gardens on campus. Conditions are variable. The campus neighborhood increasingly experiences flooding due to poor drainage.
Air Quality	Air quality as measured by the quantity of the following pollutants: fine particles (PM2.5), ozone, sulfur dioxide, nitrogen dioxide, and carbon monoxide (Minnesota Pollution Control Agency, n.d.). Listed as improving, with 75% of days having a “good” Air Quality Index rating.

Campus Community

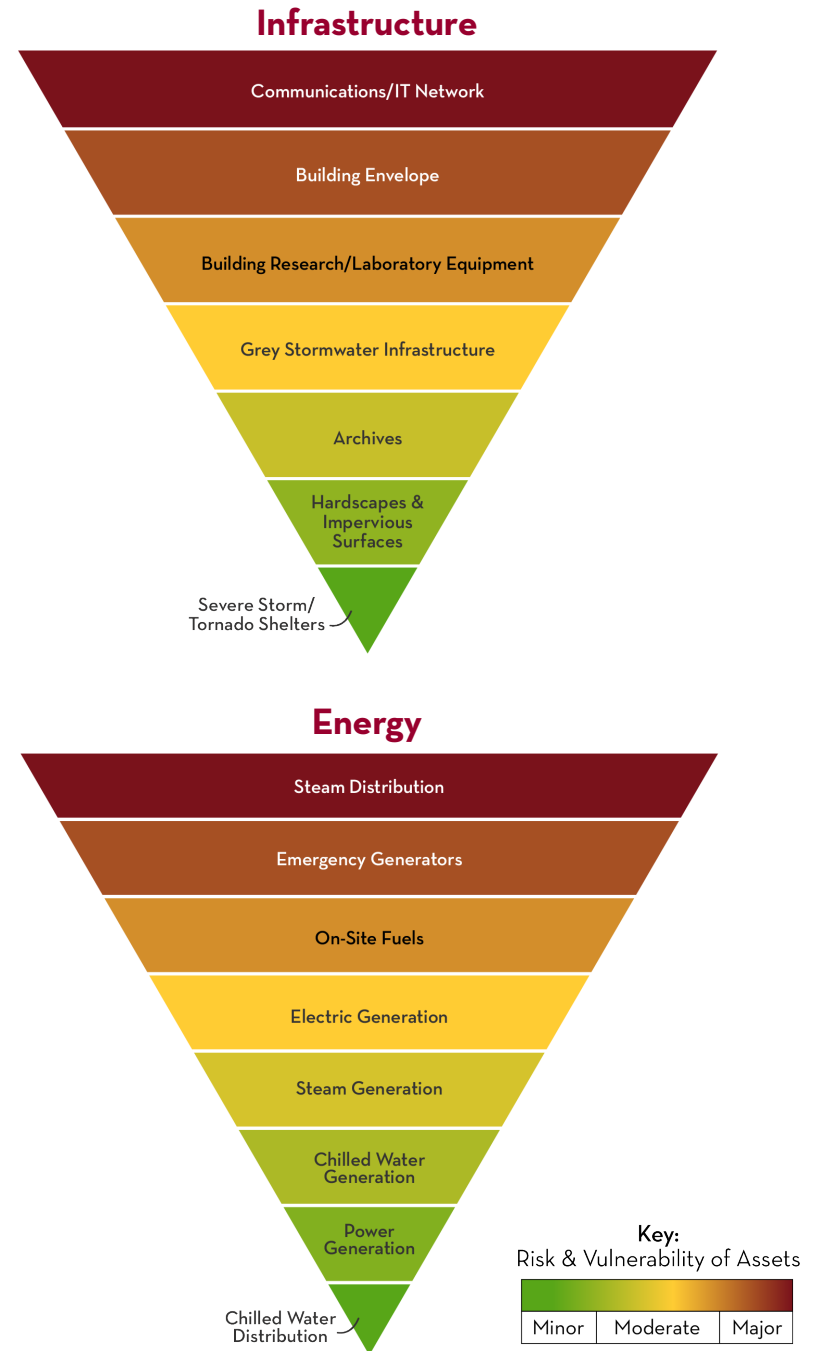
The people within the campus community are paramount to the University. In the same way that condition ratings reflect the ability of infrastructure or the natural environment to adapt to climate change, there are conditions within the campus community that can cause populations experiencing certain circumstances to be more vulnerable. The University has the responsibility to support the campus community in the same way it cares for assets. Many of the campus conditions that reduce resiliency are systemically reinforced.

Asset	Description/Condition
Populations with Financial Vulnerabilities	22% of students eligible for PELL grants, the 19% of employees that make less than the Twin Cities' living wage, and systemically marginalized communities.
Populations with Health Vulnerabilities	Hospital patients, daycare and child program participants (youth under 5), the elderly (population over 65), people with pre-existing health conditions are considered, as well as systemically marginalized communities.
Populations with Accessibility Barriers	Mobility issues, language gaps, low social connectivity (international students, first-year and first generation students, new staff/faculty) constitute those with barriers to accessibility. 25% of students are first generation students, and upwards of 4,000 students are registered with the disability resource center.
Populations Exposed to the Elements	Essential workers (on-site 100% of the time) and employees who work outside are more exposed to the elements.
Hybrid Workers and Learners	These are employees who are not deemed essential and have a greater degree of flexibility with their work. Students with access to online learning are also within this category.
All Others	These are members of the campus community that are not deemed vulnerable or in a particular work/learn group.

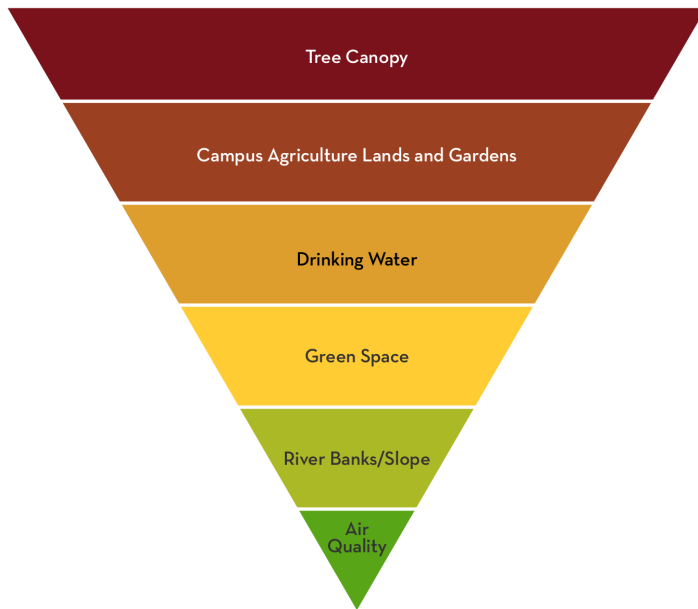


Risk and Vulnerability Assessment

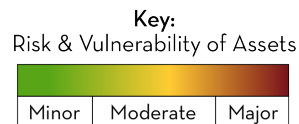
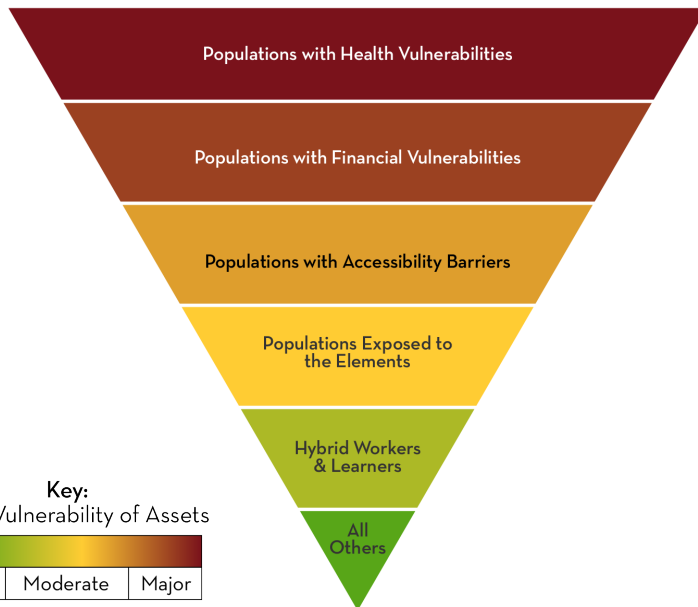
Campus experts shared information on asset condition and vulnerability to three climate hazards (variable precipitation, variable temperature, and severe storms) through surveys and meetings. The risk and vulnerability assessment graphics in this section represent the cumulative consideration of the assets' condition plus the vulnerability of the asset to each climate hazard. In the risk and vulnerability assessment graphics, green does not necessarily mean no vulnerability or risk, but rather that the asset is less vulnerable in relation to the other assets analyzed.



Environment



Campus Community



Adaptive Strengths

The assets' strengths were also assessed through multiple rounds of collecting data and input from experts and stakeholders. The initial findings highlight research and campus green spaces as strengths that will aid the University's resilience. The University's strength in research lies in the quality of the research facilities and research capacity. In particular, the University has the capacity to continue to educate ourselves and our peers on climate change while looking for advancing climate mitigation and adaptation solutions through research. Campus green spaces, particularly trees, contribute to health, air quality, and the buffering of the urban heat island effect. Additional areas of notable strength were the availability of data for decision making, the University's comprehensive understanding of its assets, the expertise of staff, the rigor of maintenance, and the redundancy of systems.

Next Steps

The risk, vulnerability, and strength assessment is the first of its kind at the University of Minnesota Twin Cities. Further work needs to be completed to fully understand the University's detailed risks and to develop strategies to reduce vulnerability and fortify strengths. Specific climate scenarios will be developed for each hazard, and primary and secondary impacts of individual assets will be analyzed. Climate adaptation planning will then continue with the Working Group, campus experts, and the campus community to develop strategies to build resilience.







Implementation Support

4

Cross-Cutting Initiatives

During the planning process, common themes and strategies, with broader impacts and considerations, emerged across Working Groups. These cross-cutting opportunities have the ability to advance one or more aspects of the CAP and are critical to achieving mitigation and adaptation goals and strategies.



Develop a Culture of Sustainability on Campus and in Communications

Climate action can't be the domain of only a few specialists across the institution. Given the urgency for action and the scale of the challenge, this undertaking needs to engage across the University community and the insights gained need to extend broadly into the larger society. While, stakeholders across the institution are eager to participate in

this work, they often lack an understanding of how to become involved. Strategies to address this gap between interest and action, and foster a culture of climate protection at the University include:

- › Amplify the ongoing diversity, equity, and inclusion work of the University
- › Increase the visibility of the importance of climate action with senior leadership
- › Develop a strategic engagement plan with targeted messages for different audiences across the campus community
- › Communicate opportunities for the campus community to be part of implementation
- › Seek to understand shared values and opportunities with internal and external partners
- › Partner with other University departments to share climate action achievements
- › Share climate action progress to support recruitment, onboarding, and retention of students and employees
- › Identify pilot projects to learn and share findings with others around the state
- › Advocate for support at the legislature and with other key partners

Enhance Climate Action in Curriculum and Research

Climate literacy and proficiency in climate solutions are required competencies in many organizations today. As the climate crisis progresses, these skills will become increasingly relevant. By integrating climate change into students' curricular experience and building on existing strengths in climate-related

research, the University can enhance its service to stakeholders. In addition, by coupling the climate action happening on campus with research and teaching, knowledge gaps in climate solutions can be identified, explored, and addressed to advance University mitigation and adaptation goals while building a living laboratory that enriches student and faculty experience. Strategies to bring about this integration include:

- › Enhance and expand research and teaching on climate mitigation and adaptation
- › Pursue opportunities to make campus a living laboratory
- › Advance implementation of the CAP through research and teaching
- › Increase faculty tools and support integrating climate action into research and teaching
- › Support internal grant opportunities to encourage research and curricular innovation



Pursue Carbon Dioxide Removal

All models prepared by the Intergovernmental Panel on Climate Change (IPCC) show the need for some carbon dioxide removal from the atmosphere in order to limit warming to 1.5°C. Some categories of emissions attributable to the University, like air travel, are expected to be difficult to directly decarbonize in the foreseeable future. In addition, the CAP does not account for many upstream and downstream emissions, referred to as scope 3 emissions, associated with University activity. The University can play an important leadership role in driving scientific understanding and practice of effective carbon

dioxide removal programs. Strategies to bring about this work include:

- › Charge a task force to research and make recommendations on the best use and sourcing of carbon insetting, offsetting, and carbon removal credits
- › Identify sources of funding to procure carbon credits
- › Engage with and learn from academic expertise related to carbon dioxide removal and sequestration or utilization

Carbon Pricing

A carbon price, sometimes referred to as the Social Cost of Carbon (SCC), is a unit cost that can be applied to the direct cost of burning fossil fuels. Carbon pricing attempts to quantify the cost of climate change to society, such as crop loss due to drought, increased health care costs from heat waves, and loss of property from flooding. Quantifying the SCC daylight impacts from climate change that are often disproportionately born by the most vulnerable, and helps shift the burden for the damage from greenhouse gas emissions back to those who are responsible for it and who can avoid it.

While there is a growing consensus that carbon pricing has an important role in the transition to a decarbonized economy, economists and multiple levels of government have debated what the carbon price is, how to calculate it, and how to use it. The Biden Administration set a price on carbon, and some states, including Minnesota, have set a range for the cost of carbon. Several universities and businesses are also implementing a carbon price mechanism as a proxy in capital planning choices, attaching it to the cost of airfare, and several other ways.

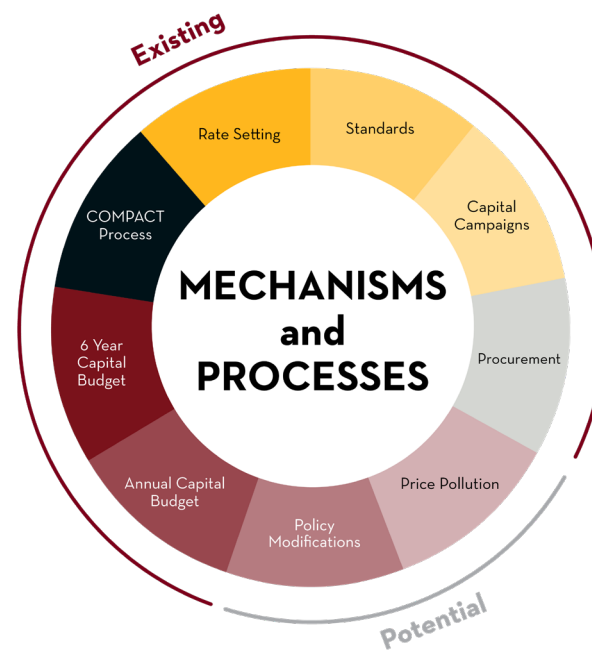
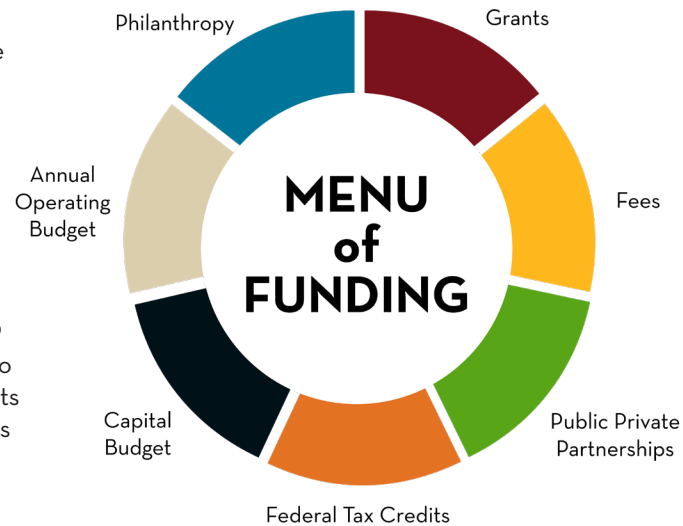
The University of Minnesota System can support climate action planning work by creating a task force to establish a price on carbon and delineate its use.

Develop a Funding and Finance Approach to Advance Goals

Funding to accomplish the goals of the CAP will take a blend of familiar resources and innovative means. Grants, Inflation Reduction Act (IRA) funds, and existing external resources will help move initiatives forward, but internal funds will also need to be appropriately allocated to achieve the necessary changes required to meet the University's carbon neutrality and resiliency commitments.

Developing a direct implementation cost of the CAP at this time would have a large margin of error and do a disservice to the long-term implementation. Markets and technology are always evolving and interventions may become more or less financially appealing over time. The total cost of ownership (TCO) should be one of several criteria for strategy evaluation going forward. An informed total cost of ownership not only recognizes the upfront price, but also ongoing costs, return on investment, as well as the impact choices have on future avoided costs and impacts of climate change. The TCO should also be compared to the business as usual, which has a cost too. Strategies to develop funding and finance approaches to support climate action include:

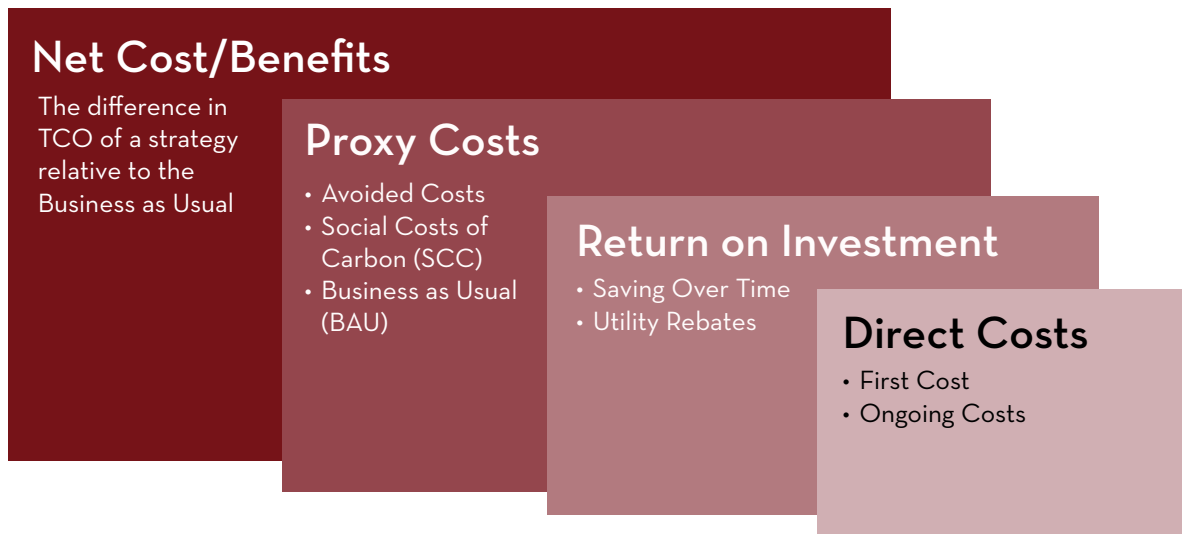
- Create and revise financial tools, resources, and processes to enable the objectives identified in the CAP
- Identify and pursue grants and incentives aligned with objectives
- Create a task force to make recommendations on the use and value of a carbon price
- Increase capacity, tools, and support to implement strategies
- Utilize a Total Cost of Ownership framework for decision making



Inflation Reduction Act

The Inflation Reduction Act (IRA) passed into law in August 2022 and provides nearly \$400 billion in funding over the next decade to enable climate action. Importantly, the law includes provisions for non-profit entities, like the University, to receive direct payment from the US Treasury through tax credits for installing many of the technologies referenced in the CAP, including solar and wind energy, energy storage, geothermal, and electric vehicles. The IRA and other federal funds can reduce costs of implementing climate mitigation and resilience actions substantially, but the University must act swiftly as many of the benefits expire after 10 years and some of the projects have long development cycles.

Total Cost of Ownership (TCO)



Plan Implementation

The Working Groups will develop implementation blueprints to support the strategies identified to reduce carbon emissions. The blueprints will identify detailed pathways to completion including implementation steps, champions, partners, a timeline for completing each step, and other pertinent information specific to the strategy.

In addition, building upon the climate hazard risk and vulnerability assessment, the Resilience and Adaptation Working Group will refine key areas to focus on through reviewing specific climate hazard scenarios and developing strategies to address specific vulnerabilities and fortify strengths.

The Twin Cities Sustainability Committee will be responsible for annually reviewing the progress of the CAP. Champions identified in the blueprints will be asked to present progress updates. Key performance indicators will be collected and reviewed on a biennial basis by the Office of Sustainability, reported to senior leadership and the Board, and posted to the website. As information on progress is shared and new information or technology emerges, the CAP will be updated to reflect strategic pivot points over time.

"A key strategy to accomplish this ambitious (net-zero carbon) goal is to ensure that early scoping on capital projects remains open to emerging technologies, and allocates budgets to include investments in sustainability measures as essential, not optional, project components."

- Twin Cities Campus Plan, 2021

Acknowledgements

The CAP was made possible by the contributions and commitment of dozens of people across the institution. We are grateful for their generosity of time and skill, and the sincerity they brought to the work.

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A special thanks to all who participated in the town hall, workshops, surveys, open house, and other meetings. Your advocacy and input has been invaluable.




We are
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Appendix A

Definitions

See the full appendices online at:
z.umn.edu/CAPappendix





Appendix B

Engagement Summaries

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Driven to
Discover



Appendix C

Future Questions



UNIVERSITY OF MINN



MINNESOTA

Appendix D

Citations

PROGRESS REPORT:

BUILDING A FULLY SUSTAINABLE FUTURE

2022-2023



UNIVERSITY OF MINNESOTA

Driven to Discover[®]

Crookston Duluth Morris Rochester Twin Cities

MPact 2025: MNtersections

We serve the state and impact the world.

Inspired by Minnesota to improve people and places at world-class levels.

Over the past year, the University reached significant milestones and built its capacity to realize the MPact 2025 goal to **Build a Fully Sustainable Future**. This report provides highlights of sustainability work, milestones, and accomplishments that are furthering our commitment to this critical issue for Minnesota and the world.

PROGRESS CARD: Sustainability Leadership

We are committed to demonstrating state and worldwide leadership in sustainability and environmental research, teaching, and convening power. We measure our progress on this goal through the following metrics systems.

INCREASE TIMES HIGHER ED SUSTAINABILITY DEVELOPMENT GOAL RANKING



In its inaugural submission, the University of Minnesota received a [Times Higher Education Impact Rankings](#) score of **80.4 out of 100**. The University of Minnesota ranked **#16 in the world** and **#5 in the US** for its work related to combating hunger and ranked **#2 in the US** and **tied for #57 in the world** for its work related to promoting good health and well-being.

[The Sustainable Development Goals \(SDG\) Initiative](#) brings together partners across the University to achieve MNtersections goals 3.1 (Health), 3.2 (Sustainability), and 3.3 (Natural Resources and Agro-Food Systems). Our work is aligned with SDGs 2 (Zero Hunger), 3 (Good Health and Well Being) and 13 (Climate Action), and demonstrates the University's commitment to climate action, clean water, and land ecosystems.

PURSUE GOLD STARS® RATING



The University of Minnesota Morris and the University of Minnesota Twin Cities have already received Gold ratings on the [Sustainability Tracking, Assessment & Rating System™ \(STARS®\)](#), demonstrating sustainability performance in research, curricular, co-curricular, operations, planning, and administrative categories. Aligning with MPact 2025, **each campus in the system will pursue a Gold rating on the STARS tool by 2025.**

ESTABLISH NEXT GENERATION CLIMATE ACTION PLANS



The **Twin Cities** and **Duluth** campuses are visioning the next 10 years of climate action, campus investment & development, and carbon neutrality goals on their respective campuses with the **completion of new Climate Action Plans this year**. Rochester, Crookston, and Morris Climate Action Plans will be complete by mid-2025. Each campus' Climate Action Plan will identify actions to **eliminate our greenhouse gas emissions, make the University more resilient, and address climate change** through teaching, research, and outreach.

Governance



Sustainability is relevant to every aspect of the institution. Achieving our aspirations requires us to work in new ways, to think in systems, and to integrate work across locations, functions, and units. The **new Chief Sustainability Officer and Sustainability Project Manager positions** were created to provide **strategic leadership across the system** and we have established **sustainability committees at the system and campus levels**. The committees have guided and accelerated our sustainability work, and provided leadership in the development of climate action plans.

Highlights: Climate Change

The Intergovernmental Panel on Climate Change has identified the need for significant, sustained, and urgent emissions reductions by 2030 to avert the worst effects of global warming. Since 2008 the University has been a signatory to the Climate Leadership Commitments, is actively working to reduce emissions from campus to zero, and is integrating climate protection into its research, teaching, and outreach.

Morris Model Recognized Nationally



The Morris Model partnership between UMN Morris, the city of Morris, UMN West Central Research and Outreach Center, Stevens County and other partners, was featured in the New York Times in July 2022. The award-winning Morris Model team has established ambitious goals for reducing energy consumption 30% by 2030, producing 80% of the county's electricity locally by 2030, and eliminating landfill waste by 2025. [Learn more](#)

Impact Goal Grants support collaborative, creative sustainability solutions



The 2022 Impact Goal Grants supported collaborative and creative sustainability solutions. These grants help advance diverse ideas towards our shared vision of a future where people and the planet prosper together- a future of carbon neutrality, sustainable land use, and clean drinking water for all. The Institute on the Environment Impact Goals were designed to drive progress in areas where solutions have been slow to develop or have been prevented. [Learn more](#)

Center for Renewable Energy Storage Technology Launched



UMN Morris and UMN West Central Research and Outreach Center launched the UMN Center for Renewable Energy Storage Technologies, called CREST. Clean energy and energy storage are important now and will grow in importance in the years ahead. Inaugural funding to support the program comes from the UMN 2022 Impact Goals grant program coordinated by the UMN Institute on the Environment. [Learn more](#)

Rochester Students Mentor Ecoliteracy School



UMN Rochester and the Ecoliteracy SCHOOL connect concepts of ecoliteracy to students while forming an environment and health connection. Rochester students can take this class as a directed study that offers a semester-long leadership role to plan and facilitate a field experience for others. This builds skills of collaboration, project-based applied learning, use of evidence based public health processes, and leadership and development. [Learn more](#)

Highlights: Clean Water

Water is one of Minnesota's most precious resources and is sacred to indigenous communities across the state. Unfortunately, many water resources, including those in Minnesota, are imperiled. Through operational improvements in campus facilities, scholarship, and engagement, we are advancing water stewardship across the state and beyond.

Nutrient and Water Management



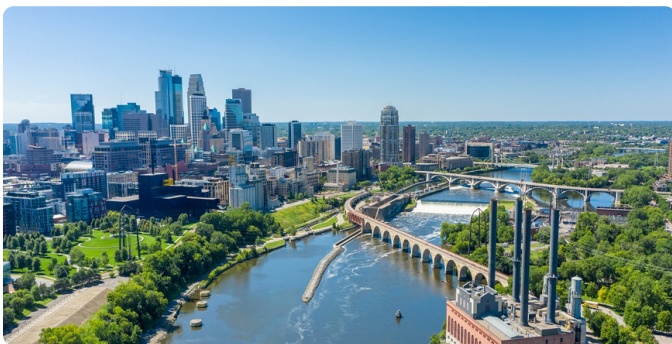
Crookston's Northwest Research and Outreach Center has a Nutrient and Water Management program dedicated to finding mutually beneficial solutions for growers and downstream users of ecosystems, aiming to improve agricultural sustainability while maintaining grower profitability and minimizing environmental impacts. This research helps farmers find effective water and nutrient management strategies while building the resiliency of agriculture throughout the region. [Learn more](#)

NRRI Receives \$3M for Great Lakes Monitoring



The UMN Natural Resources Research Institute was awarded \$3 million from the EPA to fund monitoring of the bottom of the food chain in the Great Lakes as part of the Great Lakes Restoration Initiative to restore and protect this important freshwater resource and the chemical, physical and biological integrity. [Learn more](#)

UMN Included in National Water Management Partnership



Support of \$360 million over the next five years will allow the University to provide valuable partnership translating water research into operations to improve water management. This partnership creates unique opportunities to collaborate with NOAA to conduct impactful research that will improve the nation's ability to effectively manage water resources given climate variability and change. [Learn more](#)

Students Partner with State Environmental Quality Board



In 2021, UMN Institute on the Environment and UMN Morris partnered with the State of Minnesota Environmental Quality Board (EQB) to amplify youth voices in environmental decision making. The team developed the Minnesota Emerging Environmental Leaders (EELs) program with 12 college students from across the state and co-developed a program including a conversation with state environmental leaders. [Learn more](#)

Highlights: Land Ecosystems

Sustainable use of and relationship with terrestrial ecosystems is critical to our future prosperity. The Earth's biodiversity is declining at an alarming rate, agriculture has significant land use and emissions impacts, and human encroachment on wild areas can be a factor in zoonotic diseases. The University is partnering with businesses and communities to develop and deploy solutions to these challenges.

Global Problem with Local Solutions



Crookston's Sustainability Coordinator, Katy Chapman, and Lindsay Peace (NW Research & Outreach Center) secured a grant from the MN Department of Agriculture on Farming Practices for Improved Soil Health. The scope was to find more sustainable agricultural practices while improving soil health and longevity to make soil more viable and improve the food being harvested. [Learn more](#)

School of Public Health Recognized for Sustainability in Curriculum



The UMN School of Public Health is recognized for sustainability in the healthcare management curriculum, which focuses on connections between the effects of climate change and human health and how to respond. Creating sustainable policies and practices in healthcare organizations can make a big difference in improving the health of our environments and communities. [Learn more](#)

Morris and Stevens County Partner on Composting Program



UMN Morris, the city of Morris, and Stevens County partnered to launch a new county wide composting program. Last year, UMN Morris reached a goal of one million pounds of organic material diverted from the landfill. Now, UMN Morris alum Sydney Bauer, '19, coordinates the program on behalf of Stevens County. UMN Morris' composting program has been a model for other organizations across the state. [Learn more](#)

New Program in Childhood Nature Studies



UMD Professor Julie Ernst's research suggests that nature preschools support children's curiosity, creativity, empathy, and resilience. The Childhood Nature Studies program was created with a unique lens, geared toward creating socially just and ecologically sustainable communities. Supporting children's curiosity, creativity, empathy, and resilience is key for building a healthy future. [Learn more](#)

Highlights: Equity and Partnerships

Sustainability is about more than the environment. The wellbeing of people and communities is central to the work of sustainability, and data shows that people of color and the poor are more likely to be subject to environmental harms. Equity, inclusion, and anti-racism is vital to the University's sustainability work.

Crookston Launches Transdisciplinary Engagements with Contemporary Indigenous Thinkers



Courtesy of gwenwesterman.com

UMN Crookston launched the "Transdisciplinary Engagements with Contemporary Indigenous Thinkers" program that includes a series of events, activities, and discussions to showcase Indigenous culture and the environment. The insights that come from Indigenous thinking are valuable across a number of disciplines. This program helps to respect and raise awareness of Indigenous cultures and create spaces for Indigenous writers, thinkers, and students. [Learn more](#)

Community Heating Feasibility Study Funded by RSDP and CURA



The Lower Sioux Indian Community Housing Authority partnered with Southwest Regional Sustainable Development Partnership (RSDP), Clean Energy Resource Teams (CERTs), and the Center for Urban and Regional Affairs (CURA) to study community heating options, in order to consider environmentally friendly and economical alternatives. The project clarified the costs, benefits and overall feasibility of equipping homes with air source heat pumps as compared to extending a natural gas line.

Sowing Seeds of Change



Graduate student Tiffany LaShae, along with other colleagues, led a daylong Farmers Against Racism workshop. The workshop educated people on the violent and traumatic history of agriculture in the US and the stark reality that only 2% of farmers in the US are Black. LaShae aims to support the success of BIPOC communities in the agriculture industry. She plans to continue leading antiracism workshops in the predominantly white spaces of agriculture and higher education while uplifting BIPOC farmers and stewards of the land. [Learn more](#)

Diversifying the Conversation on Clean Energy Leadership



In 2022, UMN Morris and University of Minnesota Clean Energy Resource Teams (CERTs) launched a clean energy curriculum for students. Throughout the spring semester, the partnership engaged a student cohort with a range of clean energy professionals. The team also learned about clean energy in the Morris community, including a tour of Morris Public Library which utilizes geothermal energy and a solar rooftop array. [Learn more](#)

Highlights: Student Success

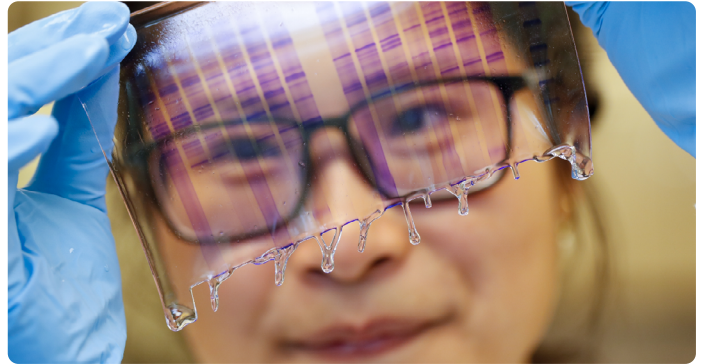
As demonstrated in the examples above, many students are pursuing degrees, conducting research, and participating in projects related to sustainability. They are also deeply passionate about sustainability and are using their collective voice to champion swifter and bolder action on and off campus.

Buckthorn Removal Project Makes Way for Rain Garden and Pollinator Park



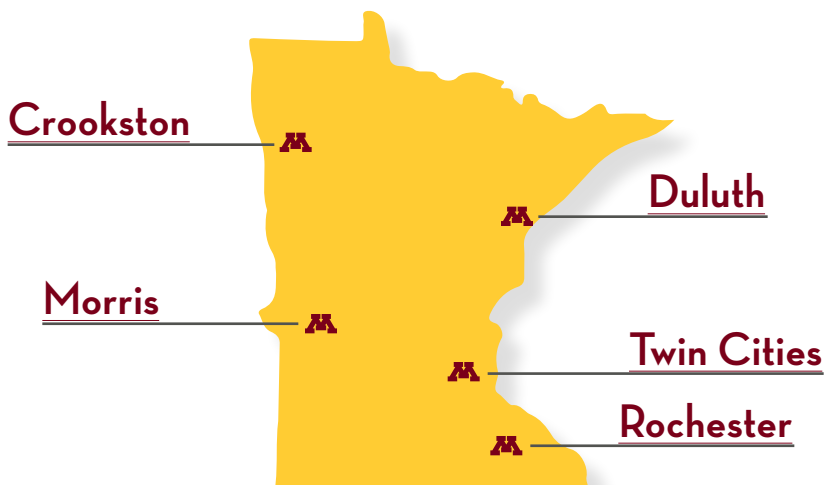
University of Minnesota Duluth students worked to remove the harmful invasive species buckthorn to make room for a rain garden and pollinator park, recognizing how the pollinator park will align with UMD's new Climate Action Plan. Emma Johnson, Environmental Science student, noted the importance of taking the knowledge and skills acquired in the classroom and applying those tools to create a meaningful change in this world. [Learn more](#)

The Next Generation of Plant-Based Ingredients



As our society becomes more health conscious and concerned with the environment, plant proteins are gaining popularity. The UMN Plant Protein Innovation Center (PPIC) focuses on challenges and opportunities identified by the food industry while also addressing global concerns about sustainable food production. The challenge is making plant proteins behave the way consumers are used to with meat products. The students and researchers at PPIC are driving innovation in the field. [Learn more](#)

LEARN MORE ABOUT SUSTAINABILITY



[Institute on the Environment](#)

[Extension/RSDP](#)

[UMN Centers and Institutes](#)

MPact 2025: Sustainability Update

Shane Stennes, Chief Sustainability Officer

Dr. Heidi Roop, Assistant Professor, CFANS & Extension

Finance & Operations Committee

May 11, 2023

SENIOR VICE PRESIDENT FOR FINANCE AND OPERATIONS

World Class Services for a World Class University



University Services

We Make the University Work

MPact 2025

Build a fully sustainable future

- Demonstrate state and worldwide leadership in sustainability and environmental teaching, research, and convening power.
- Develop system leadership and governance coordination for sustainability initiatives.
- Establish next-generation systemwide Climate Action Plan



Advancing Sustainability



- Integrating sustainability into learning experiences for all students
- Orienting research for impact
- Addressing inequality
- Fostering critical partnerships
 - Community
 - Government
 - Private Sector
 - Cross-Sector

Assessing Our Impact

- Sustainable Tracking, Assessment Rating System
 - Duluth, Morris, Twin Cities Gold Rated
- Times Higher Education Impact Rankings
 - Top 300 world wide
 - 16th on Zero Hunger
 - 57th on Good Health



Building Capacity

- Student support
 - Experiential opportunities
 - Leadership development
- MPact Awards
 - 2 awards distributed in FY 2022
 - Anticipating 8 awards in FY 2023
- Organizational structure
 - Systemwide committee
 - Twin Cities committee



MPact 2025

Build a fully sustainable future

- Demonstrate state and worldwide leadership in sustainability and environmental teaching, research, and convening power.
- Develop system leadership and governance coordination for sustainability initiatives.
- ***Establish next-generation systemwide Climate Action Plan***



Climate Planning in Context

- Campus Plan
- **Climate Plan**
- Utility and Energy Plan





Climate Change in Minnesota

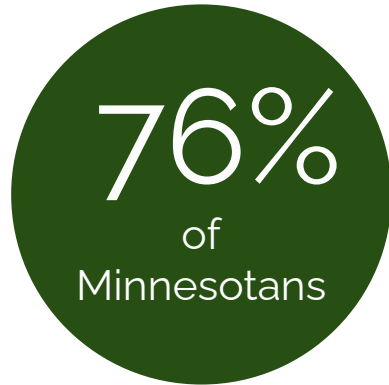


Dr. Heidi Roop

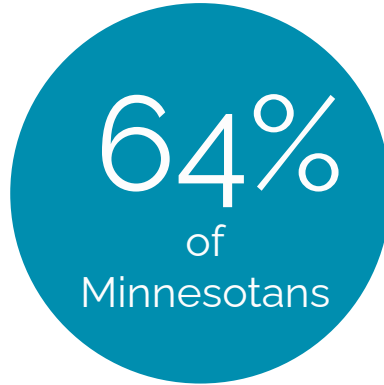
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Director, University of Minnesota Climate Adaptation Partnership

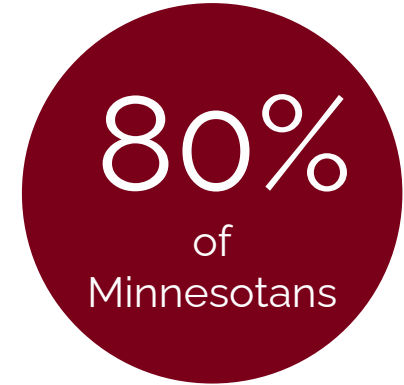
Minnesotans are concerned & want to see action



are concerned about climate change. **80%** of the UMN community said climate change is extremely or very important to them.



think we **should prepare for climate change** by preserving & conserving our state's **grasslands, forests, and wetlands.**



think **higher education institutions** are responsible for researching and discovering solutions to climate change in MN.

Source: UMN MCAP, CFANS, Caravan Climate Opinion Poll, Sept. 2022; TC CAP, 2023

Climate Change - State of the Science

It's us.

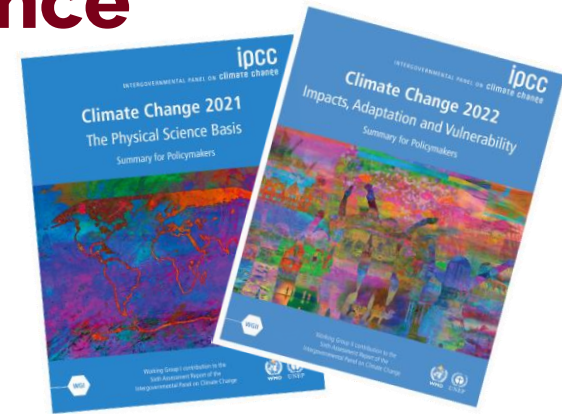
It's here.

We've committed to change.

The more we emit, the worse it gets.

We must reduce risks through adaptation.

We still choose, but there's no time to waste.



It's us.



It is unequivocal that human influence has warmed the atmosphere, ocean and land...

...and the rate of this warming is unprecedented in at least the last 2,000 years.

Data: IPCC, 2021; Photo: Mark Stone, 2019



UNIVERSITY OF MINNESOTA EXTENSION

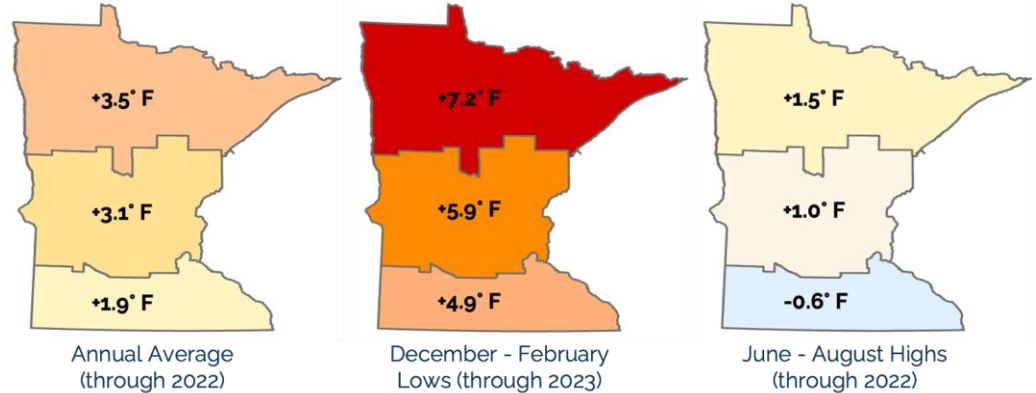
It's here.



Average global temperature has increased over 2.0°F since the late 1800's

Here means Minnesota.

Total temperature change since 1895



Minnesota's average annual temperature has increased by nearly 3°F since 1895

Images: NASA; Data: NASA, 2021 & MN DNR, 2023

Minnesota is getting warmer & wetter



10 wettest & warmest years on record all occurred after 1997



Observed 13% increase in the heaviest rainfall of the year

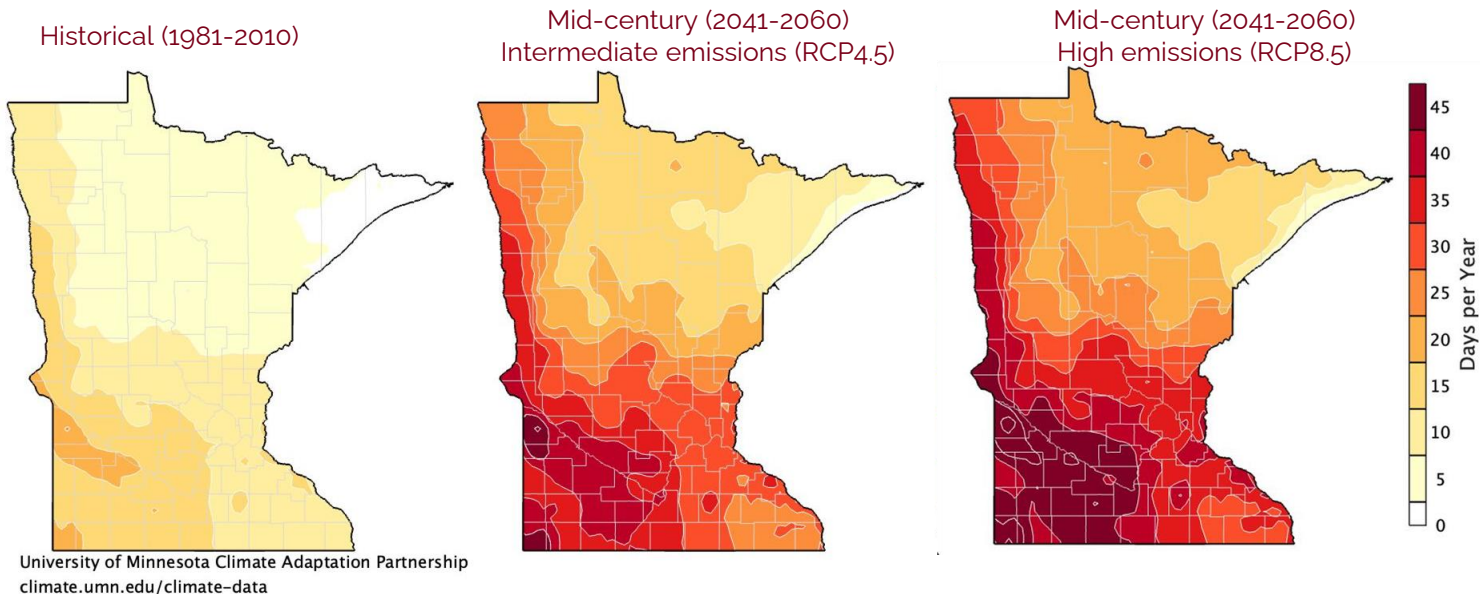


Growing season has lengthened by ~2 weeks since 1950

Data: MN DNR, NCA4 Midwest Chapter


Minnesota is projected to experience 5 to 25 more days per summer with maximum temperatures above 90°F by mid-century

Days per year warmer than 90°F



Extreme heat impacts human health, the economy, and creates material stress on roads and buildings, water systems, and other critical infrastructure.





Increasing precipitation has elevated overall flood risk, causing disruption to transportation, damage to property and infrastructure.



In the Midwest, **transitions from wet to dry extremes** are happening **more quickly** and **more frequently**.



Photo: UMN Extension; for more information visit www.drought.gov

Climate Change Needs No Passport



“Nearly all of the Mississippi River basin has seen below-normal rainfall since late August...**The timing is bad because barges are busy carrying recently harvested corn and soybeans up and down the river.**”

- Associated Press, October 6th, 2022

Weather and climate extremes are causing economic and societal impacts across national [and state] boundaries through **supply-chains, markets, and natural resource flows**...across the **water, energy and food sectors.**

Climate Change is Costly. Even more so with inaction.

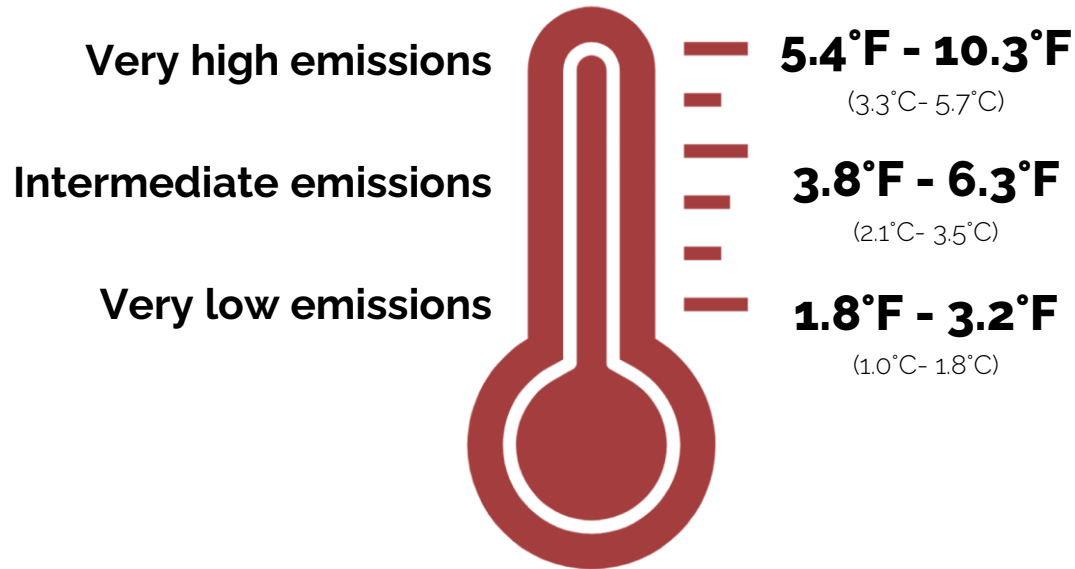
Under current policy pathways,
climate change could
reduce U.S. GDP by 3 to 10%
by the end of this century

**“The fiscal risk of
climate change is
immense.”**



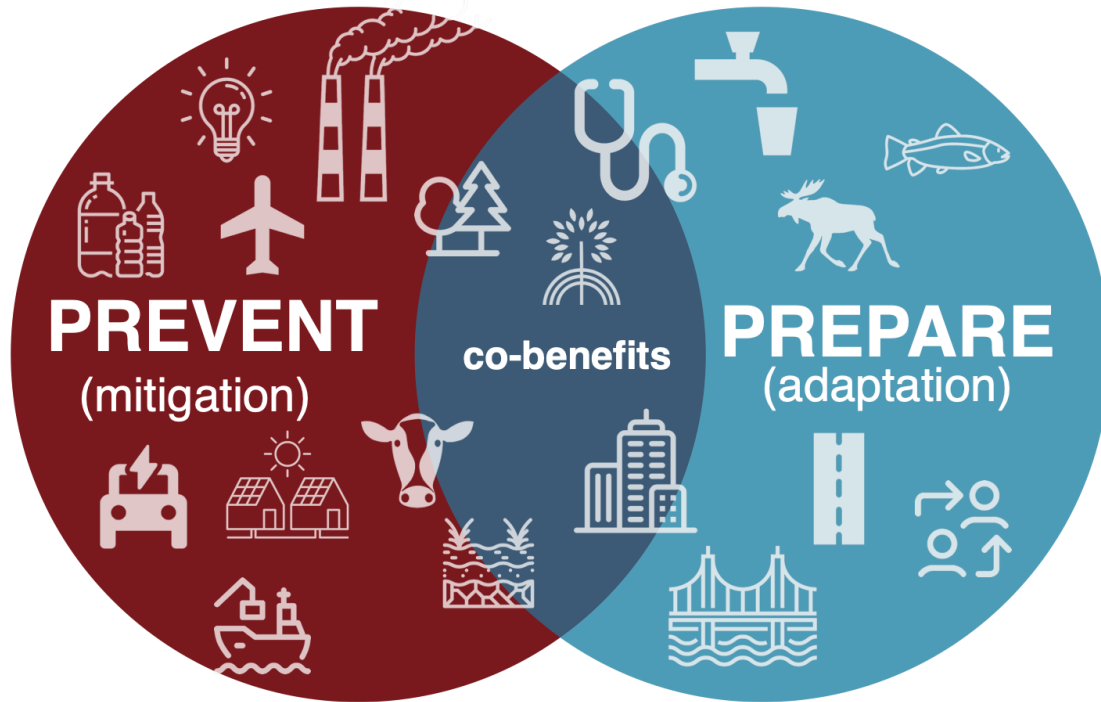
The more we emit, the worse it gets.

Compared to 1850–1900, global surface temperature averaged over 2081–2100 is very likely to be higher by:



Data: IPCC, 2021

Climate Risk Management - Prevention + Preparation



Effective climate risk reduction and management **requires investments & actions that address both mitigation *and* adaptation.**

There's no time to waste.



“Any further delay in concerted anticipatory global **action on adaptation and mitigation** will miss a **brief and rapidly closing window** of opportunity **to secure a liveable and sustainable future for all.**”

A Role for Higher Education & Hope

Local & State
Government

83%

Private Sector

81%

Who do
Minnesotans
feel are
responsible for
addressing
climate change
in our state?

Educational
Institutions

80%
to research &
discover solutions

Federal
Government

80%

62%

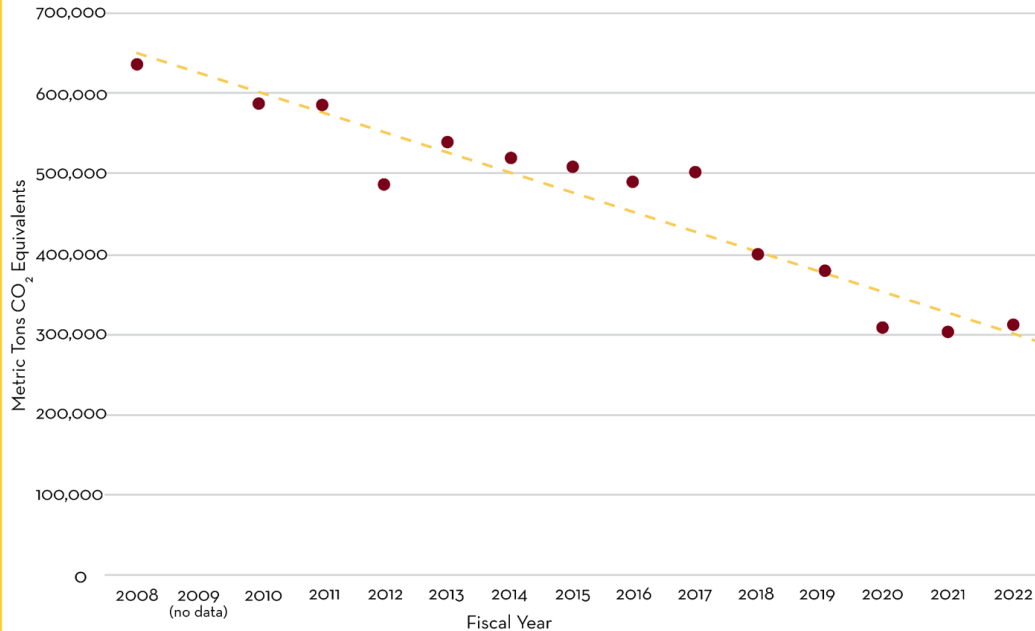
of Gen Zers in MN are hopeful society
will do enough to reduce the most severe
impacts of climate change

Source: UMN MCAP, CFANS, Caravan Climate Opinion Poll, Sept. 2022



A History of Climate Leadership

University of Minnesota Twin Cities Greenhouse Gas Emissions



**Emissions
decreased
over 50%
since 2008**



Engagement



By the numbers:

- 3 phases of outreach
- 5 events
- 20+ meetings with organizations or groups
- 2,100+ survey participants
- ~50 Working Group meetings across 5 topics



Twin Cities Climate Action Plan Elements

EMISSIONS REDUCTION



Heating & Cooling



Fleet



Air Travel

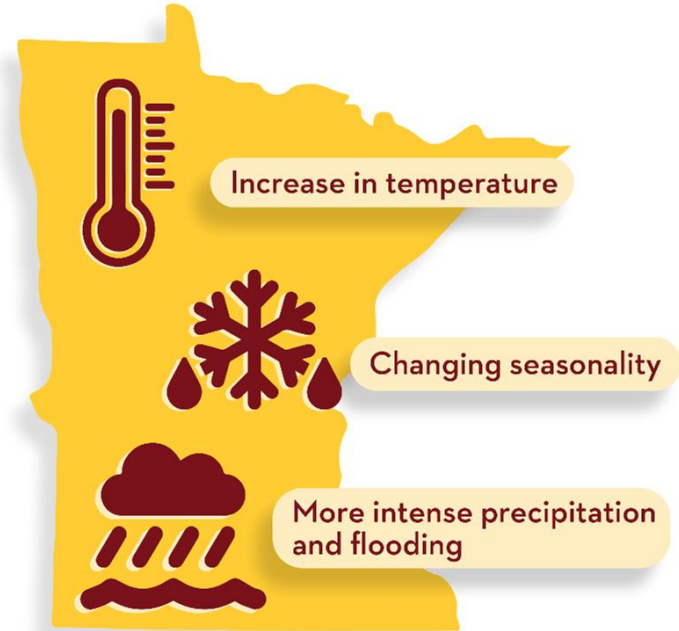


Electricity



Commuting

CLIMATE ADAPTATION



Increase in temperature

Changing seasonality

More intense precipitation and flooding

Goals at a Glance - Powering Discovery



Energy Supply

Vision: Reduce scope 1 and scope 2 emissions 60% by 2033 from the 2019 baseline

- Increase renewable energy production on campus to 6MW by 2033 and 12MW by 2050, and increase renewable energy procurement to match 100% of purchased electricity by 2033
- Reduce carbon emissions from thermal energy by 20% from the 2019 baseline by 2033, and 100% by 2045

Goals at a Glance - Powering Discovery



Energy Demand

Vision: Reduce scope 1 and scope 2 emissions 60% by 2033 from the 2019 baseline

- Accelerate Minnesota's B3 Sustainable Building 2030 design standards (SB 2030) and net zero operating carbon requirements for all new construction and major renovations
- Reduce site energy use intensity (kbtu/ft²-yr) from existing buildings 35% by 2033 from the 2019 baseline, and reduce carbon intensity (MTCO₂e/1,000ft²-yr) to 0 by 2050
- Optimize space utilization to decommission existing square footage

Goals at a Glance - Connecting People



Commuting



Vision: Reduce emissions from commuting by 40% from the 2022 baseline by 2033

- Manage travel demand through support for hybrid work and housing opportunities near campus
- Shift commuters from single occupancy vehicles to low or zero carbon transportation options, such as walking, biking, and transit
- Increase low or zero-emission vehicle use among drive alone commuters without other transport options

Goals at a Glance - Connecting People



University Fleet

Vision: Reduce UFleet emissions by 70% by 2033 from the 2018-2022 average annual emissions

- Transition internal combustion vehicles to vehicles or modes with zero tailpipe emissions
- Reduce fuel and energy usage of the UFleet by reducing vehicle miles traveled (VMT) and improving fuel efficiency
- Integrate carbon neutral goals into contracts with third-party providers who drive vehicles on campus

Goals at a Glance - Connecting People



University Sponsored Travel

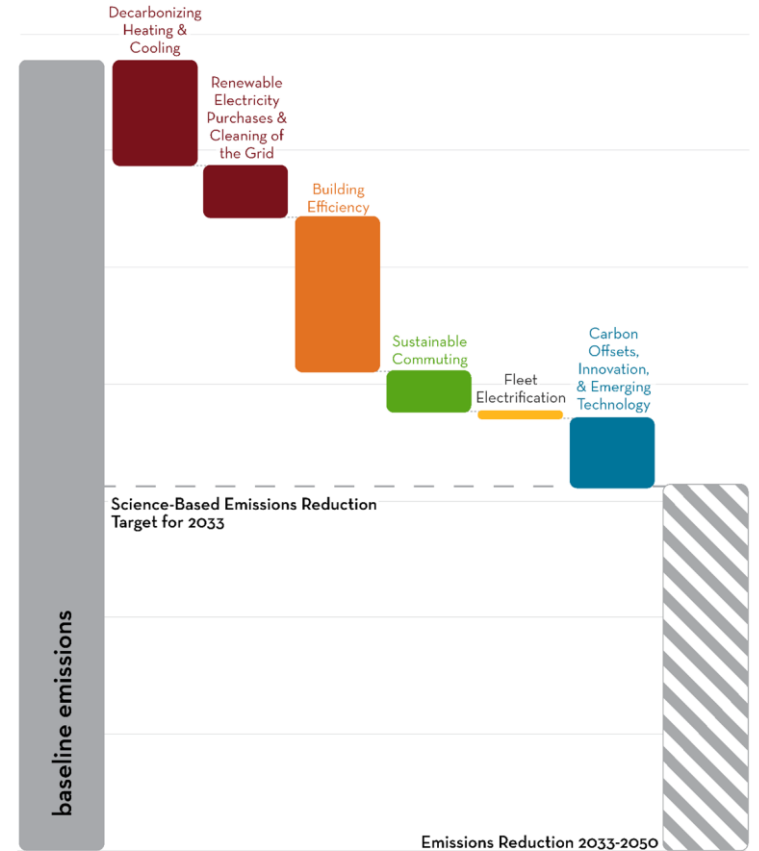
Vision: Reduce emissions from university sponsored travel

- Increase procurement of carbon free or sustainable transportation modes
- Increase utilization of carbon-reducing travel strategies
- Develop a program for purchasing high quality offsets with co-benefits linked to the type of travel

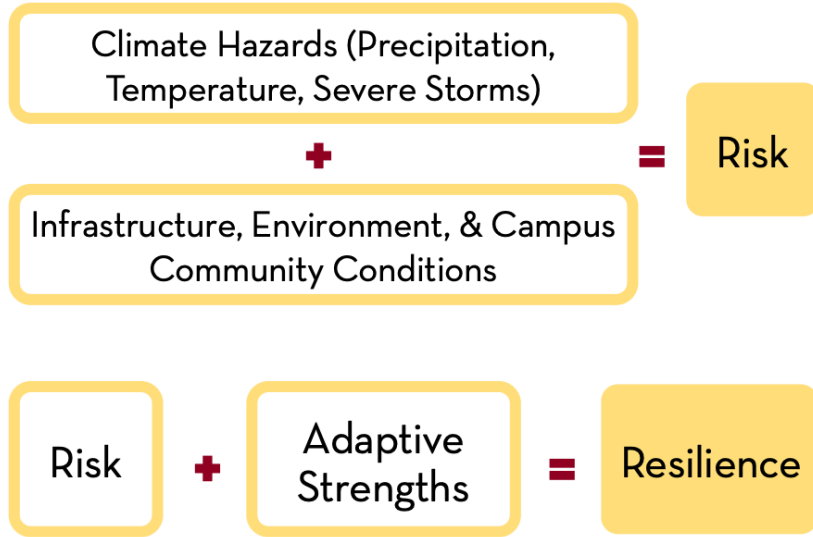
Our Vision

- **60%** emissions reduction by 2033 from 2019 baseline
- Eliminate emissions from purchased electricity by 2033
- Eliminate emissions from the campus energy plants and other scope 1 sources by 2045
- Become carbon neutral in commuting and air travel by 2050

2033 Emission Reduction Pathway



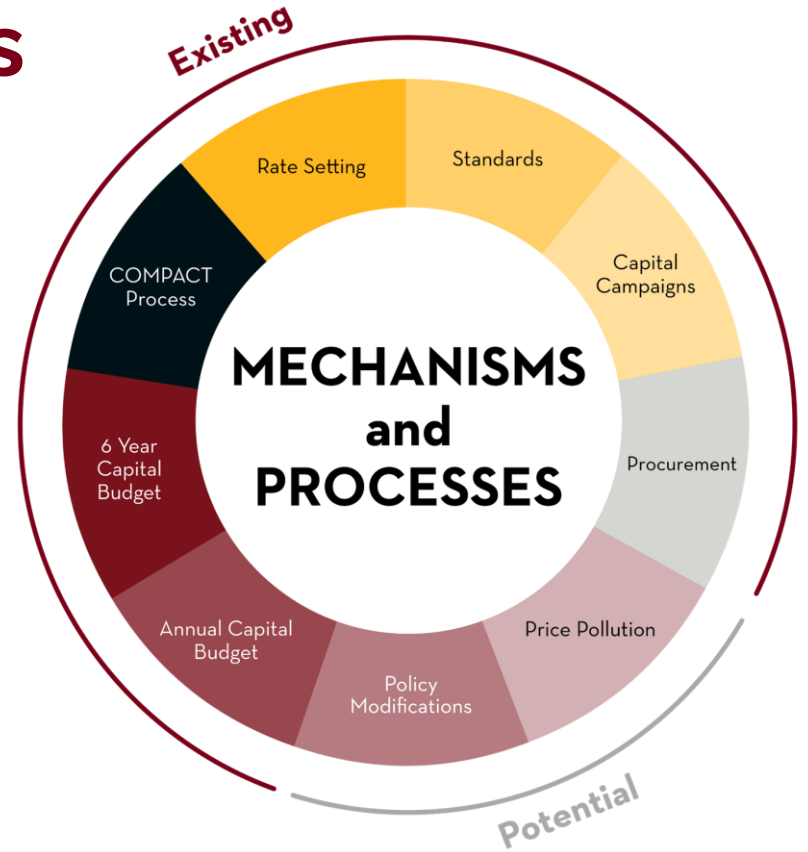
Adaptation and Resilience



- Prioritized Areas of Risk within Infrastructure, Environment, and Campus Community
- Pairing Strengths
- Scenario & Impacts Delineation

Cross-Cutting Initiatives

- Funding
- Curriculum and Research
- Carbon Offsets
- Campus Culture



Our Stakeholders Want Action



80% of respondents said climate change is extremely or very important to them personally



UNIVERSITY OF MINNESOTA

Driven to Discover®

Crookston Duluth Morris Rochester Twin Cities

The University of Minnesota is an equal opportunity educator and employer.



BOARD OF REGENTS DOCKET ITEM SUMMARY

Finance & Operations

May 11, 2023

AGENDA ITEM: Annual Workforce & Human Resources Strategy Report

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Kenneth Horstman, Vice President for Human Resources
Angel Uddin, Director, OHR Equity, Diversity, and Inclusion
Brandon Sullivan, Senior Director, Talent Strategy
Mary Rohman Kuhl, Senior Director, Total Rewards

PURPOSE & KEY POINTS

The purpose of this item is to provide the annual Workforce & Human Resources Strategy Report. This new report merges the report on Workforce and Total Compensation and the University Health Benefits Report. This year’s report will update the committee on the status of the University’s human resource strategic plan that supports workforce and total compensation to advance MPact 2025 Systemwide Strategic Plan (MPact 2025) initiatives.

This item will provide an overview of human resources’ strategic commitments to cultivate an inclusive culture, recruit and retain a diverse workforce, enhance service excellence, and promote balanced stewardship. A foundational strategy to advance both MPact 2025 and the human resources’ strategic commitments is equity, diversity, and inclusion. The Office of Human Resources (OHR) will share its equity, diversity, and inclusion model and how it is informing human resources approaches.

Talent strategy plays a key role in attracting, recruiting, engaging, retaining, and developing employees. An update on the market refinement project regarding faculty compensation for the Duluth campus will also be provided.

The discussion will also include key employment metrics, including headcount distribution, diversity headcount distribution, turnover rate, internal fill ratio, and the level of retirement risk by campus and employee group.

Together, these elements of the employee workplace experience allow the University to recruit and retain diverse faculty and staff, reduce disparities among underrepresented groups, increase job satisfaction and retention, and increase campus employment opportunities for all students.

Summary of Supplemental Materials

Included in the docket are the following supplemental materials, which provide an overview of the human resources activities and areas of focus as well as the required annual reporting data for compensation and benefits.

Office of Human Resources Summaries for Fiscal Year 2023 and Top Priorities for Fiscal Year 2024

OHR strategically leads and partners with our community to provide diverse workforce and organizational capabilities that drive excellence at the University. To provide broader context on the status of human resources, a summary of the strategic commitments and imperatives is provided along with highlights of the work of six centers of expertise within OHR: communications; employee and labor relations; equity, diversity, and inclusion; operations; talent strategy; and total rewards. In addition to key activities for the current fiscal year, top priorities for the upcoming fiscal year are identified.

Senior Leader Salary Data

Before 2016, the University prepared reports on senior leader salaries for review by the Board. However, data sources utilized for comparisons were not consistent from year to year and often did not have standard and preferred controls typically found within formal salary surveys. Beginning in 2016, OHR committed to purchasing and reporting data from a consistent set of surveys that met desired reporting standards. Survey data was pulled based on each campus location's peer institutions, which were deemed to be the relevant labor markets for senior leaders until fiscal year 2023, at which time the Carnegie Classification was deemed to be a more comprehensive and accurate labor market for senior leaders. These core and foundational practices allow the University to understand how senior leaders are paid relative to the market, and how that stance changes over time.

Faculty Salary Data

Benchmarking of faculty base salaries has historically been based on comparisons to peer institutions. Leadership for each campus had selected a list of peer institutions in collaboration with the Office for Institutional Data and Research that provided appropriate academic comparisons, which include compensation. Over time, OHR identified limitations of using peer groups for compensation analysis. Specifically, it was determined that peer groups did not encompass the complete relevant labor market for each campus. The labor market for faculty was far greater than the limited number of institutions in each peer group. Beginning in fiscal year 2023, a change was made after analysis of the limitations of the use of peer groups for compensation comparisons. For compensation comparison purposes, the institutions in the Carnegie Classification group for each campus are being used to compare salaries for faculty.

The current faculty salary report highlights the following:

- The market for faculty salaries for each University campus is defined by the Carnegie Classification system, which categorizes institutions based on a standard and stable framework. This approach includes institutions where the University draws faculty and senior leaders as well as the institutions that recruit current faculty and leaders.
- Market data for Crookston, Morris, Rochester, and the Twin Cities campuses was pulled from the 2021 American Association of University Professors (AAUP) Survey. Data is reported in aggregate rather than by each area of academic study, and without regard to academic rank (assistant professor, associate professor, and professor). Given this, caution

should be exercised when drawing conclusions from the following compa ratios (compa ratios indicate how employees are paid compared to the market median for their positions):

- Crookston faculty salaries have an overall compa ratio of 1.10.
- Morris faculty salaries have an overall compa ratio of .80.
- Twin Cities faculty salaries have an overall compa ratio of 1.02.
- There was insufficient data reported for Rochester. The University will connect with higher education institutions in Rochester's Carnegie Classification over the course of the next year to encourage their survey participation in order to address the lack of comparable data for Rochester.
- For the Duluth campus, a project was completed that included identifying and recording each faculty member's area of academic study, allowing for a more detailed compensation analysis. Data for this analysis was pulled from the College and University Professional Association for Human Resources (CUPA-HR) *Faculty in Higher Education Survey*. This report includes an overall compa ratio for Duluth faculty and overall compa ratios for five of the most prevalent academic disciplines present at the Duluth campus.
 - Duluth faculty salaries have an overall compa ratio of .94.

As mentioned above, caution should be taken when drawing conclusions for Crookston, Morris, and the Twin Cities because the proportion of faculty employed in each academic discipline at each institution, as well as academic rank, are not controlled for in this analysis.

Staff Compensation Data

Starting in 2009, with a significant effort commencing in 2013, OHR started a project to create job families for Professional Academic and Administrative (P&A) positions and Civil Service positions. The initial job family project categorized positions by the level of work being performed within 21 job families and the project was completed in 2015.

OHR immediately started the next phase of improvement by refining the job titles and market data featured within each family. Known as the market refinement project, this work added specialties within each family, allowing for formal benchmarking of salaries and workforce to the external market.

After consolidation, the University has a total of 20 job families. Among these, 16 are refined families that can be benchmarked to the external market. The refinement process involves:

- market research;
- the construction of an internal market database;
- consultation with leaders, campus and department human resources and working managers; and
- pre-implementation training on compensation philosophy, principles, and practice for all supervisors.

This work has been completed with an approach involving minimal costs. The four remaining job families that need to be refined are administration, education, libraries, and research.

Compa ratios indicate how employees are paid compared to the market median for their positions. An aggregate compa ratio for a job family will provide a high-level indicator of whether salaries within that family are competitive with the median salary in the external market. The consistent outcome from the refinement project is that University compa ratios are lower than previously estimated, based on new and more accurate pictures of what the external market is paying for University positions.

The following points provide an overview of the current staff salary report:

- Includes salary analysis for all staff positions that are housed in job families.
- The market is most typically defined as the Twin Cities metro, all organizations.
- The 16 job families that have undergone market refinements, the October 2022 salaries show:
 - An overall average compa ratio of .89, signaling salaries are, on average, 11 percent below the market median.
 - Compa ratios, by job family, range from .75 for Museums to .96 for Advancement.
- For four job families with non-refined market data, compa ratios range from .86 to .98. The market data for these families is not yet an accurate reflection of the market. Because of this, OHR does not recommend making strategic decisions regarding compensation for these five job families.

Impact of Benefits on Market Position

The benefits of an employer, both tangible and intangible, can significantly impact recruitment and retention. The University is known for the benefits provided through its employee medical plan and retirement plans. This report looks primarily at medical and retirement, as these two benefits make up the significant portion of the overall fringe rate for employment at the University. The incremental difference between the value of the University's medical and retirement plans, relative to that provided by other employers in the local market, can close the gap to market position. For staff, the market is other large local employers, public and private, and there is an incremental difference in medical and retirement that favors the University. For senior leaders and faculty, for which the relevant market is national higher education peer institutions, the difference is negligible, due to the benefits offered in the higher education environment.

Staff

- The University's medical and retirement plans represent the largest components of the fringe rate.
- The University also provides \$2,922 more annually, in University-paid benefits, for an employee who is an average utilizer of the medical plan than what that employee would receive, on average, at other large Minnesota employers. This equates to 3.86 percent of the salary for employees with the University's average salary of \$75,784. However, some employees are lesser or greater utilizers of the medical plan in any given year, and many employees earn less or more than the University's average salary – all of which affects the percentage of value to each employee.
- In comparison to large local employers, the contribution made by the University to the Faculty Retirement Plan for comparable retirement plans represents an additional 3.89 percent.
- It should be noted that Civil Service employees have the Minnesota State Retirement System (MSRS) benefit as their main retirement benefit. This benefit provides a guaranteed retirement benefit and is comparable to other large public employers in Minnesota, given that MSRS also provides a defined benefit program to other public employers.

Senior Leaders and Faculty

- The University's contributions to retirement plans are slightly higher than the market average for higher education.
- There is a minimal incremental difference favoring the University's medical benefit compared to current peer institution market and so it does not represent a significant enough difference to add to the senior leader or faculty compa ratios. As a result, these plans do not result in any additional adjustment to total compensation levels relative to peers for senior leaders and faculty.

Limitations to Benefits Analysis

The information provided in this summary is meant to provide context for how base salary, with the inclusion of major benefits of medical and retirement, compares to the market. The aggregate compa ratios for faculty and staff and the aggregate percentile for senior leaders are high-level averages and do not represent the full experiences of the individual employees. Broad comparisons of benefits require assumptions and do not always account for the intricacies of a medical plan or a retirement plan. Additionally, it is a common practice for employers in the local market to offer bonuses or stock options for senior managers and senior leadership roles, which is not included in the analysis.

Intangibles

The University does provide intangible benefits that, while difficult to quantify, are meaningful to employees. A compelling mission that translates into meaningful work is critical to many who work at the University. In leadership training and development individual assessments, altruism is a high attribute for the average University employee. The collaborative environment and shared governance are also meaningful and provide a visible picture of collaboration. The intangibles are considered by employees when they reflect on their experience at the University and strengthen the University's competitive position to peers on public ranking platforms such as Glassdoor.

Current Economic Environment

At the time this report is submitted, the University is continuing to experience a tight labor market as well as a higher-than-average inflation rate of 6.6 percent for March 2022 through March 2023. Competitive compensation and benefits, and the experience that current faculty, staff, and students have in the University environment, are critically important in the University's effort to attract and retain talent.

BACKGROUND INFORMATION

The annual Workforce & Human Resources Strategy Report is required by the following Board of Regents Policies:

- *Employee Compensation and Recognition*
- *Employee Health Benefits*

Board of Regents Policy: *Employee Recruitment and Retention* governs the recruitment strategies and employee retention activities for the University. Section II of the policy includes guiding principles that foster the recruitment and retention of employees as follows:

- (a) The University commits to equal employment opportunity for all persons without regard to race, color, creed, religion, national origin, gender, age, marital status, disability, public assistance status, veteran status, sexual orientation, gender identity, or gender expression.
- (b) The University seeks to recruit, hire, and retain a diverse workforce with employees whose knowledge, skills, abilities, and service orientation support the University's standards of excellence.
- (c) The University strives to offer employees a compensation package that is competitive with peer institutions and other relevant labor markets.
- (d) The University, in developing workplace policies, services, and programs, seeks to understand and take into account the factors that affect job satisfaction and productivity.
- (e) The University fosters a positive workplace that is welcoming, inclusive, and respectful.

The Board previously discussed this topic at the following meetings:

- December 2022: *Compensation Data and Metrics: Senior Leader Employment Agreements*
- May 2022: *Annual Workforce & Human Resources Strategy Report*

Office of Human Resources

Creating the diverse workplace of the future where people are engaged, connected, thriving, and achieving.



Office of Human Resources
UNIVERSITY OF MINNESOTA
Driven to Discover®

The Office of Human Resources (OHR) strategically leads and partners with our community to provide the diverse workforce and organizational capabilities that drive excellence at the University.

The Office of Human Resources consists of the following centers of expertise:



Communications



Employee Labor Relations



Equity, Diversity & Inclusion



Operations



Talent Strategy



Total Rewards

Together, we develop value-driven and equitable programs, policies, and services. These outcomes are built through ongoing collaboration, shared governance, and collective bargaining. These experiences give us the ability to incorporate feedback, insights, and participation from the University of Minnesota human resource community, and the University system community including faculty, staff, and students.

Our work is focused on the HR strategic commitments that support workforce, talent, and community goals. OHR programs, services, and operations are aligned to the HR strategic commitments and are tied to measurable and attainable goals. This plan is anchored to support the systemwide MPact 2025 Systemwide Strategic Plan (MPact 2025) and PEAK objectives and goals.

Strategic Commitments

1. Cultivate an Inclusive Culture (MPact 2025 Commitment 4.1, 4.3)

Value Statement: We will promote a culture that values and celebrates diverse voices, offers space for safe and supportive contributions and discovery, and creates connectivity and belonging. We will model inclusive behavior through the design and delivery of services, programs, policies, and procedures.

2. Recruit, Create, and Retain a Growth-Oriented and Diverse Workforce (MPact 2025 Commitment 4.1, 4.3)

Value Statement: We commit to actively seeking to understand, accept, and value differences in our community. We will promote a workplace that proactively attracts, engages, and hires diverse talent and engages through creating pathways for contribution and advancement.

Strategic Imperatives

Define:

- Equity and inclusion within every aspect of human resources
- A re-imagined, integrated portfolio of services
- Strategic partnerships with campuses, colleges, and units
- Professionalism in HR skills, expertise, and practice to advance service delivery and provide reliable and accountable systemwide services

Simplify:

- Policies and procedures so they are clear and easy to understand
- Processes and management so they are streamlined



Strategic Commitments

3. Enhance Service Excellence (MPact 2025 Commitment 3.1)

Value Statement: We will drive operational excellence and efficacy through improved and simplified services and processes throughout our institution. We commit to providing more effective training opportunities and pathways for talent advancement as we create defined roles and responsibilities and commit to providing consistent, high-quality customer experience.

4. Promote Balanced Stewardship (MPact 2025 Commitment 5.3, 5.4)

Value Statement: We will promote a sustainable and fiscally responsible, high-performing, and inclusive people strategy for our institution. We will create a culture and community that fosters learning, creativity, and productivity, and provide support, direction, and resources to allow for a shared responsibility in the success of our institution's mission.

Strategic Imperatives

Empower:

- Forward-thinking leaders
- Planful talent development
- An employee value proposition that is clear and well communicated
- Proactive, responsible, and responsive human resources

Deliver:

- Excellent, high-quality service in core OHR business functions
- Improved business processes that support talent management
- Engaged advisors for organizational development and practice

KEY ACTIVITIES FOR FISCAL YEAR 2023 AND TOP PRIORITIES FOR FISCAL YEAR 2024

The following sections provide a summary view of ongoing work and projects currently and provide an outlook for the top priorities in front of us for 2024, for each area of OHR.

Communications



Office of Human Resources

UNIVERSITY OF MINNESOTA

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Marketing and communications support the many efforts of the Office of Human Resources by building awareness and trust through timely and transparent communications.

ENGAGE AND PROVIDE A COHESIVE EXPERIENCE



STUDENT WORKERS



FACULTY & STAFF



SUPERVISORS/ LEADERS



RETIREES



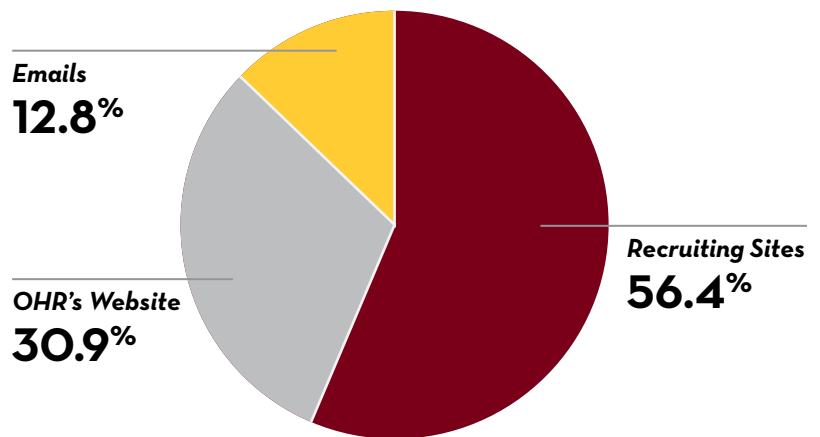
HR COMMUNITY

KEY ACTIVITIES FOR FISCAL YEAR 2023

OVERALL

- The Office of Human Resources launched a new website, hr.umn.edu, in July and data shows higher engagement compared to the old site. The new site makes timely news and events easier to find while expanding the content for equity, diversity, and inclusion.
- Communications uses a variety of channels to reach our audiences, including print, MyU, video, social media, and recruiting websites.
- Media coverage included approximately 50 articles in local media. Topics that generated the most coverage were labor relations (32%), employee recruitment (30%), student wages (14%), benefits (10%), employee wages (10%) and equity, diversity, and inclusion (4%).
- Communications supports all of the Office of Human Resources: Equity, Diversity, and Inclusion, Operations, Talent Strategy, and Total Rewards.

9.5 million impressions*



**Excludes media coverage*

Top 3 Videos by View

1.

What is Work Study?

2.

Pre-Retirement Planning

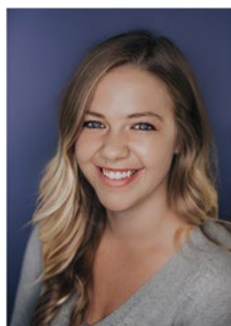
3.

Finding a Student Job

KEY ACTIVITIES FOR FISCAL YEAR 2023 (continued)

Engaging Job Seekers with Employee Stories

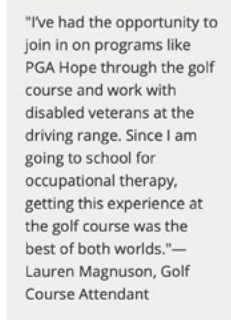
- In a very competitive hiring environment, OHR provides both broad employer branding activities and targeted support for colleges and units in partnership.
- Broader support includes providing branding assets to campuses, colleges, and units to adapt to support their hiring efforts through many channels. Additionally, OHR amplifies the social media job opportunities messages from campuses, colleges, and units.
- More targeted efforts in 2022 included advertising and marketing for in-person hiring events as well as partnering to support recruiting for University Services and the School of Veterinary Medicine. The partnerships used both paid and organic social media content that yielded:
 - » 60,592 impressions
 - » 3,947 in engagement (click on a post, reaction, comments).
 - » The cost per click was \$0.43 for the paid portion of the campaign.
 - » The content developed as part of these campaigns were shared internally as an employee pride campaign on MyU to elevate the appreciation of employees outside of research and teaching roles.



"I love working at the U because of the people I get to interact with every day!"—Cayla Bishop, OPS Crew, Orientation & Transition Experiences



"At my job, I help keep data safe by removing hard drives for old computers that we sell on sites like GovDeals. I get to see a lot of vintage tech too."—Davis Burden, ReUse Student IT Specialist



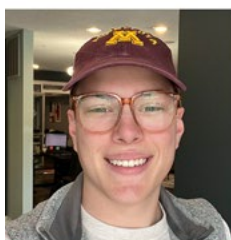
"I've had the opportunity to join in on programs like PGA Hope through the golf course and work with disabled veterans at the driving range. Since I am going to school for occupational therapy, getting this experience at the golf course was the best of both worlds."—Lauren Magnuson, Golf Course Attendant



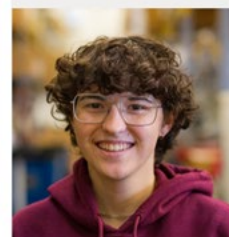
"Working for RecWell, specifically in intramurals, has given me confidence in my conflict resolution skills, which is something that is invaluable both in my career path and in life. As someone studying diplomacy, conflict resolution is something that I read, write, and learn about on a daily basis. But there is something very different about reading conflict resolution theory, and putting it into practice."—Hannah Riley, Senior Supervisor - Intramurals



"I love working at the U because of the gratitude and values that my job puts toward education. Working at the U has inspired and built my confidence in my abilities as a designer, student, and person."—Azalea Hallin-Graber, Fabrication Technician



"I was on staff during the Paralympic Swimming Olympic Trials. I got to meet incredibly inspiring athletes and members of the Olympic and Paralympic committees. It was a week I will never forget!"—Sawyer Dobson, Head Lifeguard



"I love my job, and what I love most about it is that it actively works to reduce waste. It's so fulfilling to know that my job plays a role in creating a more sustainable world."—Clara Davis, ReUse Student IT Specialist

Student stories are one part of the outreach to incoming and current students on the Twin Cities campus.

TOP PRIORITIES FOR FISCAL YEAR 2024

- Support change management for human resources services that transition to a centralized approach as part of the PEAK Initiative.
- Implement more advanced online recruitment approaches to better target candidates.
- Improve the online experience for website users through improved search engine optimization and content strategy.
- Engage in joint communications planning with University Relations as a result of the PEAK Initiative.

Employee & Labor Relations



Office of Human Resources

UNIVERSITY OF MINNESOTA

Driven to Discover®

Employee and Labor Relations (ELR) provides expert consultative services and solutions to foster respectful, inclusive, and effective work environments.

STRATEGIC OBJECTIVES



Foster a culture of community and belonging

through commitment and compliance to the University's values of integrity, diversity, equity, and inclusion in order to create a respectful workplace.



Advance human resources capabilities

to manage complex employee and labor relations issues.



Ensure compliance

with federal and state employment law and University policies.



Promote effective working relationships

with the University's labor-represented community.

KEY ACTIVITIES FOR FISCAL YEAR 2023

COVID-19 Vaccine Mandate

- Co-led the development and implementation of the University's COVID-19 vaccine mandate to keep the community safe and compliant with state and federal requirements
- Communicated and trained HR community on the COVID-19 mandate
- Partnered with HR leads to ensure systemwide compliance with the policy and processes



93%

of University employees are fully vaccinated*



1,500 vaccine exemption

requests processed by OHR



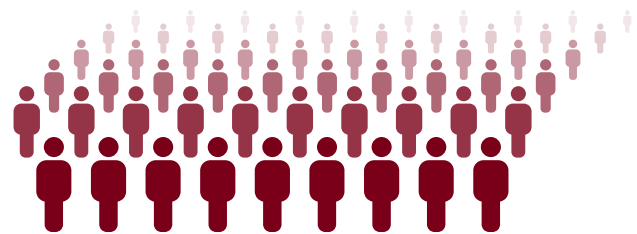
2.5%

of employees have an approved exemption while 3% are not compliant

*As of March 2023. Figures are approximate.

Human Resource Leader Development

- Developed an onboarding and mentor program for new HR leads across the system
- Redesigned and launched "HR at the U" training
- Developed and executed training programs for human resources professionals and managers, including supervising in a union environment and performance management



All new HR leads participated in the onboarding program

305 HR professionals and managers attended "HR at the U" and other Employee and Labor Relations trainings



KEY ACTIVITIES FOR FISCAL YEAR 2023 (continued)

Labor Relations

- Negotiated contracts with AFSCME Clerical, AFSCME Healthcare, AFSCME Technical, Teamsters, and Law Enforcement Labor Services
- Three-year agreements with each of the 5 unions provides stability and reflects the commitment of our union-represented employees and the University to our partnership.
- Current University labor contracts and number of employees (as of March 2023):

AFSCME: **2,094** | LELS: **57** | Printers (1B & 1M): **6** | Trades: **261**
 Teamsters: **1,345** | University Educational Association: **537**
 International Brotherhood of Electrical Workers (IBEW): **2**

81% of labor-represented employees had a new contract

negotiated and ratified: Teamsters and AFSCME (2022-25), and Law Enforcement Labor Services (2023-25)



15.5% of the University's workforce are labor-represented employees*

*As of March 2023; excludes student employees

PEAK Initiative

- Collaborated with University leaders on the workforce transition plan for PEAK Phase 1 campuses/colleges/units
- Consulted on several HR processes, including involuntary terminations, grievance process, and disparate impact

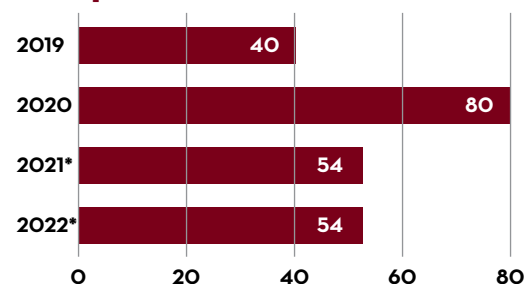


Expression of Interest process developed to provide opportunities for employees in operations centers and Common Good Services

UReport-Employment Compliance

- UReport provides anonymous reporting of violations of rules, regulations, and policies
- Employee and Labor Relations partners with the Office of Institutional Compliance and HR leads to research and resolve UReport concerns
- Participated in the request for proposal (RFP) process for a vendor to track reports and provide trending data

UReports Trends

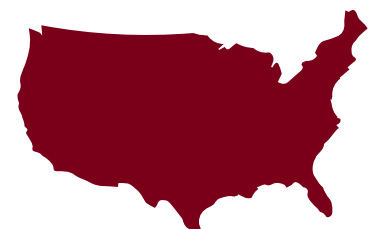


Note: In 2020, 25% of reports were related to COVID, COVID safety, and masks.

*Approximate

Work. With Flexibility.

- Collaborated with HR Leads to develop *Work. with Flexibility.* guidelines for University leaders
- Partnered with Payroll to ensure the University is registered to work in each state in order to support employee retention while ensuring compliance with state tax laws
- Managed the process to request to work out of state



University employees work in nearly all 50 states



TOP PRIORITIES FOR FISCAL YEAR 2024



- University Education Associations (UEA) contract negotiations to begin in spring of 2023
- Hold “meet and confer” meetings with unions as outlined in contracts
- Support PEAK Initiative Workforce Transition for Phase 1 campuses/colleges/units
- Provide ongoing training and development for the human resources community
- Review and ensure compliance with employment leave laws in states where University employees work
- Identify UReport trends and develop a request for proposal to identify a vendor to support a new software/tracking system for UReports

Equity, Diversity & Inclusion



Office of Human Resources

UNIVERSITY OF MINNESOTA

Driven to Discover®

Weaving equity and inclusion within every aspect of human resources is paramount to the success of every program, service, and employee engagement, and will foster a diverse workforce.

EQUITY, DIVERSITY, AND INCLUSION (EDI) FRAMEWORK

Equity + Inclusion = Diversity



EQUITY

Assuring access to tools and resources needed to achieve mutually agreed upon outcomes.



INCLUSION

Assuring that voices are not simply given a seat at the table and heard, but are valued in spaces where decisions are made on the behalf of community stakeholders.



DIVERSITY

Acknowledging and appreciating the intersectional identities and lived experiences one possesses.

KEY ACTIVITIES FOR FISCAL YEAR 2023

Building an EDI Team and Framework

- Expanded OHR's capacity; the first EDI Director (Angel Uddin) joined the unit in July 2022, complementing an existing EDI consultant.
- As a result of increasing demand for EDI support and guidance, OHR has restructured budgeted positions to provide additional roles to support the work.
- Worked with the OHR Communications team to develop and implement an EDI communications plan, including expanded website content and email strategy.
- Launched the OHR EDI Model in October of 2022 and socialized the model with stakeholders throughout the system and within the PEAK Initiative.

The model consists of four pillars:

- 1 Development and Retention
- 2 Culturally Competent Leadership
- 3 Systemic Barrier Mitigation
- 4 Diverse Talent Pipeline Development

75

Consulted with over 75 stakeholders

to develop OHR's EDI framework, including HR leads, EDI practitioners, and individual college and unit leaders.



Recognized Leadership

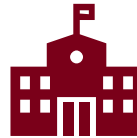
Minneapolis/St. Paul Business Journal recognized Angel Uddin as one of the celebrated 200 Black leaders in the Twin Cities region.



KEY ACTIVITIES FOR FISCAL YEAR 2023 (continued)

EDI Support & Guidance

- Met with HR leads and colleges and unit leadership to consult and evaluate EDI strategies to begin embedding the four pillars of the EDI Model throughout the University.
- Implemented a series of EDI Toolkits to facilitate dialogue with leadership teams across the University on a variety of EDI topics.
- Facilitated discussions using the *Do the Work, Anti-racists* workbook.



5 colleges and units participated in a facilitated Intercultural Development Inventory (IDI) assessment and debrief to evaluate aggregate and individual cultural competency.

3 additional units expressed interest in participating in the Intercultural Development Inventory.

PEAK Initiative

- Sits on the Executive Sponsor Advisory Committee to assure EDI is embedded into all the work associated with the PEAK Initiative.
- Partnered with two senior HR leads to meet with all HR leads to assess the level of knowledge and commitment needed to move the PEAK work forward.
- Proactively conducting a disparate impact analysis for units post-workforce transition to assure equity in the process.



Reduce Bias in Hiring

Unconscious bias is removed from PEAK position descriptions using research-based tools introduced by OHR's EDI practice.

University Employment EDI Analytics

- Launched a collaborative project with the Carlson Analytics Lab (CAL) to identify potential inequities in four major areas of an employee's journey: recruiting, compensation, mobility, and retention of BIPOC staff.
- Final findings presented to the project team at the end of the Spring 2023 semester and will be integrated into the OHR annual analytics work as a standard of practice.

25,000 anonymized employees

over five years were analyzed to identify inequities in compensation, mobility, and retention.

30,000 job postings

and anonymized applications over five years were analyzed to identify inequities in recruiting.

TOP PRIORITIES FOR FISCAL YEAR 2024

- As a result of the increasing demand for EDI support and guidance, OHR's additional roles will be filled and will begin supporting the work of the University.
- All IDI assessments will be administered again 18-24 months after the initial baseline assessment to determine individual progress.
- Incorporate CAL findings into a multi-discipline analysis consisting of data from the Employee Engagement Survey and Campus Climate Survey, as well as University EDI and employee relations data. Then, conduct root cause analysis and develop a strategy to mitigate bias in the four major areas of an employee's journey.
- Launch the "HR Inclusion in Practice" series of presentations for HR professionals across the system to highlight and learn from each other how to incorporate the EDI model's four pillars into their daily work.

Operations



Office of Human Resources

UNIVERSITY OF MINNESOTA

Driven to Discover®

Provides the foundation for service requests from employees, retirees, colleges, and units with a focus on customer service including processing payroll, maintaining workforce data, and building processes and infrastructure to support the PEAK Initiative.

KEY ACTIVITIES FOR FISCAL YEAR 2023

Payroll Services



- Processed about \$1.6 billion in payroll annually
- Oversaw payroll-related compliance processes:
 - » Managing tax treaties
 - » Foreign national employee tax support
 - » I-9 work authorization requirements
 - » Tax withholdings and state and federal tax submissions
- Filed quarterly and annual tax returns, including W-4 and W-2 forms and communications
- Recently took on international employment and is conducting a market assessment for vendor support options

\$2.2 billion

Total processed annual wages and other payments distributed by OHR

9,172

Processed off-cycle payments

94%

Payments made by direct deposit

Contact Center



- Responded to HR-related calls and emails from employees, retirees, employment agencies, and collegiate and administrative units across the University system
- Used Salesforce technology to support case and knowledge management and to measure work against a number of metrics
- Support is being enhanced by the PEAK Initiative's transition of services and staff from units to central OHR, including tier 2 escalation

52,452

Calls and emails in 2022

Top 5 Contact Topics

1. General benefits questions (5,777 contacts; 11% of volume)
2. Employment verifications (5,158; 10%)
3. Benefits Administration paperwork (2,621; 5%)
4. Open Enrollment (1,786; 3.4%)
5. Setting up direct deposit (1,653; 3.1%)

85%

of the team's time is spent on compliance-related efforts, including system upgrades, security enhancements, and required employee data management efforts



Human Resources Management System (HRMS)

- Maintains the University's PeopleSoft HR management system
- Completes approximately 100 projects per year and responds to over 600 priority efforts annually
- Supports other functions of HR and Finance with technology needs

KEY ACTIVITIES FOR FISCAL YEAR 2023 (continued)

Workforce Data Management

- Processes data updates into the PeopleSoft system
- Supports the President's Initiative to Prevent Sexual Misconduct (PIPSM) training module and processed over 13,000 enrollments into the systemwide program last year, with active, regular employees completion rate of 92%
- Is the focus of the PEAK centralized data entry activity moving from units to central OHR



50,000

Data entries processed per year

13,000

PIPSM enrollments processed systemwide

Training Services



- Manages all training for HR management system, including security and an extensive website specifically devoted to HRMS training
- Heavily involved in the PEAK project implementation to create and manage all job aids and online training for new, centralized operations centers
- Developed additional website content specifically for employees new to HRMS

Benefits Administration

- Ensures benefit program compliance and monitoring
- Reviews hundreds of transactions daily and processes new hires, job transfers, employee life events, and retiree enrollment
- Processed thousands of benefits enrollments during Open Enrollment in November
- Responded to thousands of inquiries about benefits

10,000+

Benefits enrollments processed during Open Enrollment

6,000+

Responses to benefits questions

HR Analytics

- Created online HR dashboards that allowed units across the University to instantly analyze their current and historical HR data and trends on topics such as:



- » Employee headcount
- » Salary data
- » Demographics
- » Turnover

- Collaborated on the MPact dashboard measures.
- Began a project to analyze data on hiring

52

HR analytical dashboards created

350

Defined data elements for streamlined reporting



KEY ACTIVITIES FOR FISCAL YEAR 2023 (continued)

Leave Administration



- Created in December 2022 as the first PEAK centralized service center across the system.
- Manages extended leaves of absence from one central team rather than multiple individual units
- Offered expertise in complex federal and University leave policies related to Family and Medical Leave Act (FMLA), medical, parental, personal, and Military service
- Developed success measures and continue to refine the service model as needed
- Gathered key lessons learned to be used in creating other PEAK service centers

1,000+

Leave of absence cases managed in first four months of operation

991

Emails received since December 1

773

Calls since December 1



Staffing Operations

- Created the newly formed PEAK team to centralize many hiring-related processes
- Planned full operations include the team providing services for job postings, corresponding with applicants, creating offer letters, and completing background checks promptly



Administration

- Managed Twin Cities campus Community Fund Drive campaign, a tradition for more than 90 years that raises money for local nonprofits
- Provided website updates, donation system vendor management; communicated goals; and reported weekly progress

\$932,000

Donations raised in 2022
Community Fund Drive

TOP PRIORITIES FOR FISCAL YEAR 2024

- Continue to design processes and infrastructure to support PEAK Initiative implementation, including new human resources operations centers to centralize many HR processes
- Fully implement the Staffing Operations Center to centralize many hiring processes
- Continue to refine Leave Administration processes
- Implement several PeopleSoft software updates from Oracle each year to improve functions and fix bugs
- Continue to create HR Analytics dashboards to help units analyze HR data, see trends, and plan for the future

Talent Strategy



Office of Human Resources

UNIVERSITY OF MINNESOTA

Driven to Discover®

Talent Strategy empowers University leaders in recruiting, hiring, engaging, developing, and retaining faculty, staff, and student employees using evidence-based approaches that support University strategies and priorities.

STRATEGIC OBJECTIVES



RECRUIT

Attract top talent



HIRE

Attain the best



ENGAGE

Foster commitment & dedication



RETAIN

Advance to new roles



DEVELOP

Build skills and coach for growth

KEY ACTIVITIES FOR FISCAL YEAR 2023

RECRUIT and HIRE

- Made significant progress on the key objective to provide full-cycle recruitment support for PEAK Initiative campuses, colleges, and units in Phase 1, which is expected to launch in FY24.
- Consulted on full-spectrum of recruitment, including senior management searches to community-based engagement and outreach.
- Supports leadership hires from external selection assessment to guidance in leadership hiring.
- Developed training and resources for supervisors on selection and hiring via on-demand resources.



Expanded software tools to attract a more diverse candidate pool.

ENGAGE and RETAIN

- Analysis of October's follow-up survey revealed several common themes in action reported by employees.
- Robust consultation and training in interpreting survey data and creating action plans while planning for the 2023 engagement survey.
- Key priorities for the current fiscal year:
 - » Engagement survey reporting
 - » Ongoing employee engagement input sessions and consultation
 - » Support of Campus Climate survey
 - » Continued supervisor development via training and resources

73% favorable

Commitment and dedication (for faculty and staff), slightly below the 77% goal for MPact. (2021 Employee Engagement Survey)



Faculty reported a slightly larger decline in engagement compared to staff.

Follow-up Survey

revealed top concerns to address:



Communication | Pay increases | Remote work
Workload distribution | Professional development
Diversity, Equity, and Inclusion initiatives



KEY ACTIVITIES FOR FISCAL YEAR 2023 (continued)

DEVELOP

- OHR supports leadership readiness. As a result, we've seen results from faculty leadership, consulting, executive coaching, University-wide leadership solutions promoting leadership, and supervisory skill improvement.
- Supervisor Training: 75% of supervisors have participated in one or more programs, across 39 colleges and units systemwide.
- University HR Leadership Development Program: 51% of colleges/units had at least one HR partner represented in the program and 21 participants in the 2022 cohort. These Participants are HR professionals with the potential to be HR Leads.
 - » 38% of participants are BIPOC (2022 cohort)
 - » 13 of 18 received promotions; 78% retained at the U (2020 cohort)
- University-wide leadership solutions promote leadership efficacy, employee mobility, and employee retention.



Academic Leadership

At the request of 11 deans, Talent Strategy conducted 19 cohorts to increase faculty readiness for leadership roles. All colleges that completed a program have requested additional cohorts.



Leadership Bench

Collaborated with senior leaders on 25 requests to help build their leadership. The top three needs were: 1) Identify potential future leaders; 2) Increase leadership readiness via assessments, coaching, and learning opportunities; and 3) Guide senior management in support of leaders as they transition into next-level roles.



Strong Partnerships

More than 92% of colleges and units partnered with Talent Strategy for organizational development support via initial intakes and consultations for FY23.*

“Leading on All Levels kept me here at UMN. I was considering leaving the University and am so glad I stayed. I went on to be awarded an Outstanding Service Award from the University, so I think UMN is glad I stayed too.”

- Staff member

TOP PRIORITIES FOR FISCAL YEAR 2024

RECRUIT AND HIRE:

- Launch end-to-end support for campuses, colleges, and units working through Phase 1 of the PEAK Initiative.
- Engage the 60+ members of the Talent Acquisition community of practice to gather input and share best practices to address issues and improve processes systemwide for better and more consistent recruitment experiences.

ENGAGE AND RETAIN:

- Grow faculty and staff participation in the 10th anniversary of the Employee Engagement Survey and encourage leaders to take more action.
- Enhance reporting for the 2023 survey to provide data-driven guidance to managers on which issues to prioritize for their team, department, or college.

DEVELOP:

- Retain employees with the interest and potential to be future leaders at all levels of the University.
- Expand partnerships with HR leads to design and implement performance management practices that support effective goal setting, ongoing feedback and coaching, and performance evaluation.
- Pilot advanced talent review and talent mobility practices focused on development and retention.
- Implement a new certificate course for supervisors to help them more effectively coach and develop employees.
- Launch the next iteration of the Academic Department Leadership Program to support department chairs and faculty leadership readiness.

Total Rewards



Office of Human Resources

UNIVERSITY OF MINNESOTA

Driven to Discover®

While money spent on salaries and benefits represents our greatest expenditure at the University, it is also a critical investment needed to recruit and retain a quality workforce that is able to fulfill the University's mission.



Perform external benchmarking and consult with supervisors, leaders, and the HR community on:
Compensation Design | Health Programs Design | Retirement & Financial Programs Design

KEY ACTIVITIES FOR FISCAL YEAR 2023

Work started related to the PEAK HR shared service transition, including policy documentation, implementation of technology, service level agreements, and a comprehensive knowledge base.

Compensation



- Transitioned to using Carnegie Classification to identify the market for faculty and the University's top 47 senior leader positions. This provides a larger market comparison group that is more representative of the full set of universities where our faculty and senior leaders could be employed.

- Performed the first comprehensive market analysis of faculty salaries at Duluth, identifying and recording areas of academic study for each Duluth faculty member. Market data will now be analyzed and updated annually for each area of study.
- Completed market refinements for the Museums and Student Services job families.
- Established a standard annual practice for updating postdoctoral salary floors based on a national benchmark.

26,777

current employees (or 22,602 full-time equivalents) as shown by the Headcount and FTE Dashboard Snapshot for November 2, 2022.

62%

of the total non-sponsored expenditures for FY22 were salary and fringe, which has been stable at 60%-63% of total annual budget for several years.

1,109

reclassification requests and 4,593 position approvals

Health Programs

- Completed a request for proposal (RFP) to accept bids for the University's pharmacy program and employee assistance program (EAP) provider. As a result, Lyra was implemented as the new enhanced EAP administrator while the pharmacy providers remained the same.
- Launched an RFP to accept bids for the University's medical and Wellbeing Program administrators. The process for these RFPs continued into CY23.
- Successfully implemented open enrollment for benefits in November 2022, including the launch of new communications to target existing FSA members and employees who saved an enrollment but didn't submit.
- Launched a new diabetes prevention and management program to eligible medical-enrolled employees.
- Worked with pharmacy and medical vendors to implement legislative requirements from the Consolidated Appropriations Act (CAA), No Surprises Act and Transparency Rule.

Over 39,500 total members on the University's medical plan (approximately 18,000 of which are employees).

20% greater total medical benefit value than the average medical benefit value provided at other Minnesota large employers.
Source: Willis Towers Watson 2021 Large MN Employers Benefits Benchmark Study

\$5.7 million total estimated pharmacy expense savings since 2018.

8.6% increase in behavioral health utilization on the University's medical plan from CY21 to CY22.



KEY ACTIVITIES FOR FISCAL YEAR 2023 (continued)

Retirement & Financial Programs



- Completed an initial review of retirement plans aimed at identifying equity, diversity, and inclusion (EDI) gaps related to plan offerings.
- Consulted one-on-one with employees experiencing pre-retirement, phased retirement, reclassification/job transfer, or non-renewal. These benefits consultations most commonly cover medical, dental, life insurance, retirement savings, and vacation payout.
- Collaborated with internal and external partners to provide relevant communications so all participants have an opportunity to improve financial knowledge and understand the actions that may advance their financial wellbeing.

Over 2,000 employees attended an educational Fidelity webinar and 1,139 met with Fidelity for a personalized consultation.

20.5% of eligible employees participated in the Optional Retirement Plan, and 10.5% participated in the 457 Deferred Compensation Plan in 2022.

709 appointments for one-on-one benefits consultations with employees.

TOP PRIORITIES FOR FISCAL YEAR 2024



COMPENSATION

- Complete market refinements for the Research job family, which includes roughly 3,000 employees.
- Start refinements for the Libraries job family.



HEALTH PROGRAMS

- After approval of the new vendors for the University's medical plan, move forward with implementation for calendar year 2024.
- Wellbeing Program and Health Savings Account (HSA) and Flexible Spending Account (FSA) administration. Plan and implement Open Enrollment. Redesign and expand the Wellbeing Program to develop a stronger culture of wellbeing.



RETIREMENT & FINANCIAL EDUCATION

- Complete RFP process to identify a financial counseling vendor.
- Ensure plan documents and administration meet regulatory requirements to align with updated federal legislation.
- Respond timely and accurately to internal and external audits.



UNIVERSITY OF MINNESOTA
**ANNUAL REPORT ON
TOTAL COMPENSATION**

**Prepared for May 2023 Board of Regents
Finance and Operations Committee Meeting**

Summary of Findings

The scope of the University of Minnesota’s Compensation Structure is outlined in the Regents Policy: *Employee Compensation and Recognition*, Section III (a). This policy instructs the University to develop “...**a compensation structure that, when combined with benefits and other rewards, is competitive relative to institutional peers and other appropriate labor markets and serves to attract and retain a high-performance workforce.**”

This report provides a picture of how the University’s total compensation compares to the market. An assessment is provided for senior leaders, faculty, and staff. Compensation for Labor-Represented groups is negotiated, as are some benefits, so this employee group is out of scope for this report.

The question of how our total compensation compares to the market is critically important. The University of Minnesota employs **26,777 employees**, or 22,602 full-time equivalents, as shown by the Headcount and FTE Dashboard Snapshot for November 2, 2022. **Salary and fringe represent 62%** of the spend of total non-sponsored expenditures for FY22, which has been stable at 60%–63% for several years. Salaries are estimated to account for **\$1.6 billion** for FY23 and benefits are estimated to account for another **\$533 million** (including FICA and Medicare taxes). While money spent on salaries and benefits represents our greatest expenditure at the University, it is also a critical investment that is needed to recruit and retain a quality workforce that is able to fulfill the University’s mission.

Identifying Correct Labor Markets & Survey Data

The first step when determining how the University’s total compensation compares to the market is to identify the correct labor market for our various employee groups. To do this effectively, we consider the organizations, industries, and geographic areas from which we hire employees and to which we lose our employees. The Board has identified all employers within the Twin Cities metro as the most relevant labor market for our Labor-Represented, Civil Service, and Academic Professional and Administrative (P&A) employees. The market for faculty and the University’s top 47 senior leader positions has been defined as higher education institutions of the same Carnegie Classification. This is the first year using Carnegie Classifications for faculty and senior leader total compensation comparisons. The new market definition provides a larger market comparison group that is more representative of the full set of universities where our faculty and senior leaders could be employed.

Our second step is to secure reputable data sources that tell us what these two markets are providing for salaries and benefits. The surveys selected for comparison must use professional and valid survey methodologies, focus on the markets in which the University competes for talent, and be conducted periodically for year-over-year comparisons.

This table summarizes each of the University employee groups, the relevant labor market for each, and the surveys selected for salary and benefit benchmarking. Further detail about these benchmarking surveys can be found in the report detail that follows this executive summary.

Employee Group	Market	Salary Benchmarking Surveys	Benefits Benchmarking Surveys
Civil Service and P&A	Twin Cities Metro, All Employers	30+ formal, third-party salary surveys purchased from groups such as Mercer, Willis Towers Watson, College and University Professionals Association for Human Resources (CUPA-HR), and Culpepper	<p>Medical Plan & Retirement Plan: Willis Towers Watson 2021 Large MN Employers Benefits Benchmark Study</p> <p>Medical Plan: Willis Towers Watson 2020 Medical Benefits Benchmarking Analysis</p>
Faculty	Higher Education, Like Carnegie Classification	<p>Twin Cities, Rochester, Morris & Crookston: American Association of University Professors (AAUP)</p> <p>Duluth: CUPA-HR Faculty in Higher Education</p>	<p>Medical Plan: LHD Benefit Advisors 2019 custom survey sponsored by Purdue</p> <p>Retirement Plan: Custom OHR survey that updated employer contribution data for LHD Benefit Advisors survey participants.</p>
Top 47 Senior Leaders	Higher Education, Like Carnegie Classification	<p>CUPA-HR Administrators in Higher Education</p> <p>CUPA-HR Executive Compensation and Benefits in Higher Education</p>	<p>Medical Plan: LHD Benefit Advisors 2019 custom survey sponsored by Purdue</p> <p>Retirement Plan: Custom OHR survey that updated employer contribution data for LHD Benefit Advisors survey participants.</p>

Assessment of Compensation

An organization’s pay stance compared to the market is measured using a compa-ratio (CR). This is an index that measures how an individual’s salary, or a group of salaries, compares to the market. A compa-ratio of 1.0 means the internal salaries are equal to the external market median. An organization can have a healthy overall compa-ratio but have pockets of employees or positions that are not paid to market. To know if an individual or group compa-ratio is competitive, it is necessary to know the skills and experience of the employees, as the degree of job mastery determines higher or lower payment relative to market median, and whether the position is at-risk in the current or future marketplace. For organization-wide analysis, companies typically assume a normal distribution of performance which would support an overall CR of 1.0.

Senior Leader Compensation

The University of Minnesota’s stated strategy is to be market-competitive for Senior Leader compensation. Assuming there is a normal distribution of performance among the Senior Leader group, one would expect salaries to be close to the market median or 50th percentile. The University’s Senior Leaders are paid, on average,

at the 45th percentile of the market for base compensation and at the 41st percentile of the market for total cash compensation. The Office of Human Resources is unable to report total remuneration statistics because this is no longer published by College and University Professionals Association for Human Resources (CUPA-HR).

Because of the change to Carnegie Classification as the definition of market, it is not recommended to compare this year’s senior leader percentile rankings against previous years’ rankings when a different market comparison was used. It is worth noting that the change to Carnegie Classification results in higher percentile rankings than when Peer Institutions were used for salary comparisons.

Faculty Compensation – Non-Refined Benchmarking

Assessment of faculty compensation against the market is limited because the University needs to complete market refinement studies for faculty in a similar manner as was performed for the University’s job families. Until that can be completed, we are only able to compare each campus location’s overall average faculty salary, regardless of area of academic study or mix of professor ranks, to the median faculty salary reported by other institutions. If some of the reporting institutions employ a greater percentage of faculty in disciplines that are generally higher paying, or employ a greater mix of full professors, that institution’s overall salaries for faculty will appear higher than that of the other peers.

For the past several years, the University has benchmarked these faculty salaries against data supplied by the American Association of University Professors (AAUP) survey. Peer Institutions were used in previous years as the relevant market for comparison but, beginning this year, the University is benchmarking using Carnegie Classification which better represents the true labor market for faculty and allows for a larger sample size for comparison. Faculty salaries reported in the 2021 AAUP survey shows the following compa-ratios:

Campus	Current Compa-Ratio: Using Median Carnegie Classification Salary from 2021 AAUP Survey	Last Year’s Compa-Ratio: Using Median Peer Institution Salary from 2020 AAUP Survey
Crookston	1.10	1.11
Duluth	See Refined Section Below	0.88
Morris	0.80	0.95
Rochester	Insufficient Data	0.92
Twin Cities	1.02	0.95
Overall Average	0.97	0.96

Because of the change from Peer Institutions to Carnegie Classification as the definition of market, we do not recommend analyzing the differences between this year’s faculty compa-ratios versus last year’s ratios. However, we are providing last year’s ratios to demonstrate the change in compa-ratios with the use of the new Carnegie Classification comparison groups.

Faculty Compensation—Refined Benchmarking

This past year, the University worked with Duluth faculty to complete market refinements for Duluth faculty salaries. The area of academic study was identified and recorded for each Duluth faculty member and annual market data will now be pulled annually for each area of study from the CUPA-HR Faculty in Higher Education survey, resulting in accurate compa-ratios for Duluth faculty. This analysis showed that Duluth faculty have an overall compa-ratio of .94.

Staff Compensation

The overall compa-ratio for all employees in refined job families is .89. This can be broken out separately by Civil Service versus P&A employees, with Civil Service having a .90 compa-ratio and P&A a bit lower at .88. The University has 21% of employees in refined job families paid within 5% of the market median, 9% that are paid more than 5% above market median and 70% that are paid more than 5% below market median. Extensive compa-ratio data, broken down by job family and specialties within job families, is provided in the detailed section of this report.

Assessment of Benefits

The Board of Regents Policy, *Employee Health Benefits*, guides decisions on strategy for the provision of health benefits at the University including: Encouraging a healthy and productive workforce; and providing a plan to employees, retirees, and families that offers choice and high quality. Benefits demonstrate care for employees as partners in their health, wellbeing, and future and is vital if we are to compete with the market to attract and retain employees.

The University's core benefit offerings include medical, retirement, vacation/holidays, dental, voluntary short-term and long-term disability for Civil Service and Labor-Represented employees, medical leave and disability for P&A and faculty, as well as life insurance, Regents Scholarship, wellbeing, financial counseling and an employee assistance program (EAP) for all employees who are benefit-eligible.

Benefit programs can be assessed from multiple angles, including cost, administrative efficiency, and effectiveness. This annual report explores the value to the employee of medical and retirement benefits given that they represent the largest portion of benefit and fringe costs as detailed in this chart of the University's fiscal year 2022 fringe rate:

Fringe Component	Academic Faculty / P&A / Police	Non-Academic Civil Service / AFSCME / Teamsters
Medical	14.8%	14.8%
Retirement	10.7%	6.3%
FICA	5.5%	5.5%
Vacation	1.6%	1.6%
Medicare	1.4%	1.4%
Internal Admin	0.5%	0.5%
Unemployment	0.5%	0.5%
Dental	0.4%	0.4%
Income Disability	0.4%	N/A*
Tuition	0.4%	0.4%
Worker's Comp	0.4%	0.4%
Life	0.2%	0.2%
Total Fringe Rate	36.8%	32.0%

*Voluntary benefit

Medical Plan

Employees who have been appointed to an eligible job classification where the appointment is 50% time or greater, and the appointment will last for three months or longer, are eligible to participate in the University's health programs, including the medical plan. Only employees who are in eligible job classifications with an appointment of 75% time or greater are eligible for the University's contributions toward the cost of medical and dental benefits.

For **Civil Service and P&A** employees, the University's medical plan provides 20% more in total benefit value as compared to other large Minnesota employers, which is the comparison market for these two employee groups. This equates to \$2,922 more in average annual value for these two employee groups. Assuming the average U of M salary of \$75,784 and using the medical plan representing the average employee utilization, a Civil Service or P&A employee would receive an incremental benefit equivalent to 3.86% of their annual salary through the University medical benefit, compared to large Minnesota employers.

For **senior Leaders and faculty**, there is almost no difference in the University's medical plan when compared to medical plans of higher education peer institutions nationally, which is the relevant market for these two employee groups.

Retirement Plan

Civil Service and non-faculty Labor-Represented staff participate in a defined benefit pension plan provided through the Minnesota State Retirement System (MSRS). Employees currently contribute 6% of their base salary to this plan and the University contributes 6.25% of the employee's base salary, which are the contribution rates mandated by the state legislature. The plan replaces 59.5% of pre-retirement income based on the employee's highest five years of salary with 35 years of service and a normal retirement age of 66 (excludes Social Security income). When compared to the Twin Cities large employer market, the retirement benefit for Civil Service and Labor-Represented employees is roughly even to the market.

P&A employees participate in a 401(a) Defined Contribution plan. Newly hired P&A employees contribute 5.5% of their base salary to this plan and the University contributes 10%. The market for P&A employees is composed of other large Twin Cities employers. When compared with the Twin Cities large employer marketplace, the University provides 3.89% more than companies that provide both a matching and non-matching component to their defined contribution plan.

Faculty participate in the same 401(a) Defined Contribution plan as P&A employees. Newly hired faculty contribute 5.5% of their base salary to this plan and the University contributes 10%. The labor market for faculty comprises national higher education institutions. OHR retirement services surveyed participants from a 2019 LHD Benefit Advisors 2019 survey sponsored by Purdue and found an average contribution rate of 8.82% and median of 9.65%. When compared to the higher education market, the University provides 1.18% in higher contributions than the market average.

Compensation & Benefits Combined

In summary, when considering the value provided to the employee through the U of M medical plan and retirement plans, it should be asked if other University offerings lead the market, and by how much, in order to determine if these gaps in total compensation need to be closed.

Refined Benchmarking

Employee Group	Salary Compa-Ratio	Points for Medical Plan	Points for Retirement Plan	Adjusted Compa-Ratio	Difference to Market
Civil Service	0.90	0.0386	0	0.94	-6%
P&A	0.88	0.0386	0.0389	0.96	-4%
Faculty - Duluth	0.94	None	0.0118	0.95	-5%
Senior Leaders	45th Percentile	None	0.0118	45th Percentile	-5 Percentile Points

Non-Refined Benchmarking

Employee Group	Salary Compa-Ratio	Points for Medical Plan	Points for Retirement Plan	Adjusted Compa-Ratio	Difference to Market
Faculty - Crookston, Morris, & Twin Cities	0.97	None	0.118	0.98	-2%

Limitations to This Analysis

The information provided in this summary is meant to provide a context for how the U of M base salary with the inclusion of major benefits of medical and retirement compares to the market. The aggregate compa-ratios for faculty and staff and the aggregate percentile for senior leaders are high level averages, and do not represent the actual situation of the individual employee. Broad comparisons of benefits require assumptions and do not always account for the intricacies of a medical plan or a retirement plan such as health plan utilization policies or retirement plan designs for things such as loans and distributions. Additionally, several Twin Cities employers offer bonuses or stock options for managers and higher-level roles, which are not included in our Civil Service and P&A analysis.

Total Rewards & Intangibles

The University of Minnesota does provide intangible benefits that, while difficult to quantify, are meaningful to employees. A compelling mission that translates into meaningful work is critical to many who work at the University. In leadership training and development individual assessments, altruism is a high attribute for the average University employee. The collaborative environment and shared governance are likewise meaningful and provide a visible picture of collaboration. The intangibles, while not easily measured, are considered by employees when they reflect on their experience at the University and strengthen our competitive position to peers in public ranking platforms such as Glass Door.

Recommended Strategies

The following actions are being taken or are recommended to better understand how University employees are compensated relative to the market, and to move our total compensation to a more competitive level.

- The University may want to consider a fiscal year 2024 market adjustment fund for each college/unit during the current budget process. Colleges and units would use this fund for salary adjustments for positions where salaries are lagging the market most significantly and are deemed most critical to University operations.
- It would be advisable to continue delivering a competitive merit increase pool as possible in the coming fiscal years to ensure pay levels remain competitive with those in the external market.
- OHR recommends an annual review of individual pay rates for all senior leaders.
- Market refinement work will continue for four remaining job families: Research, Libraries, Education, and Administration.
- OHR recommends an eventual compensation study be performed for faculty on the Crookston, Morris, Rochester, and Twin Cities campuses. This will provide detailed market data for each faculty discipline. Additionally, it will tell us which disciplines are most behind market so longer-term plans can be established for bringing these salaries closer to market.
- SECURE Act 2.0 will impact the University's Faculty Retirement Plan, Optional Retirement Plan and the 457 Deferred Compensation Plan. Some provisions of the Act are mandatory while many are optional. Once SECURE 2.0 has been fully reviewed, required and recommended amendments will be presented to the Regents for approval prior to implementing any changes with the University's recordkeeper.
- Redesign the Wellbeing Program with an emphasis on a strong educational foundation, meaningful programming, and leadership support to develop a stronger culture of wellbeing. In addition, the program will be expanded to non-benefit enrolled employees.
- Build on a newly launched diabetes prevention and management program. In 2022, the University partnered with the University's third party administrator, Medica, to implement Omada Health programs, which are personalized to help eligible employees and adult dependents proactively manage their health. We will continue to encourage participation and provide resources to employees to support general nutrition, metabolic syndrome, diabetes, and gut health.
- Educate and engage employees on Lyra, the University's new enhanced employee assistance program (EAP). Lyra helps to remove barriers to behavioral health care and offers greater provider availability and care modalities for children, teens, and adults.
- Continue to review medical utilization to identify additional resources for the treatment of medical conditions.
- Pursue multiple programming channels in managing the pharmacy benefit to help slow the increasing cost of specialty drugs. This will include shorter term vendor contracts, cost reduction strategies, and generic and biosimilar drug strategies.
- Continue to review medical plan design with peer institutions to ensure competitive and comprehensive coverage.

Annual Report on Senior Leader Compensation

The Office of Human Resources has recently completed the attached annual review of cash compensation for senior leadership positions within the University of Minnesota. This review was conducted to ensure the compensation provided to these individuals is in alignment with the stated objectives of the Board of Regents Policy on Compensation and Recognition.

Specifically, the Board of Regents policy states that:

- The University strives to achieve and maintain a compensation structure that, when combined with benefits and other rewards, is **competitive relative to institutional peers and other appropriate labor markets** and serves to attract and retain a high-performance workforce.
- The University seeks to reward meritorious performance and employee contribution to the success of the University through compensation and other forms of recognition.
- In the setting of initial salaries and subsequent pay adjustments, the University considers the work responsibilities, market, internal equity, experience and expertise, performance, and other criteria as appropriate.
- The University adheres to compensation and recognition practices that are fair and equitable in design, application, and delivery.

Definition of Market

The market in which the University competes for talented senior leaders varies by campus and is composed of national higher education institutions of comparable size and scope. The institutions selected for comparison are institutions in the Carnegie Classification identified for each campus.

Historically, Peer Groups were originally created for the purposes of benchmarking, strategic planning, public reporting, compensation analysis, and academic program review. Separate Peer Groups were identified for each campus by campus administrators, institutional research staff, and faculty who developed rationale/criteria for peer group selection with consultation from Institutional Analysis.

Over time, the Office of Human Resources identified limitations of using peer groups for compensation analysis. Specifically, it was determined that the Peer Groups did not encompass the complete relevant labor market for each campus. The labor market for senior leaders was far greater than the limited number of institutions in each Peer Group.

In addition, the size of each campus' Peer Group was too small to support adequate compensation comparisons. With such a small number of institutions in each group, salary surveys frequently had insufficient data to provide compensation information. This held true even for the Twin Cities campus.

Campus	Number of Peer Institutions
Crookston	11
Duluth	11
Morris	15
Rochester	9
Twin Cities	34

Beginning in fiscal year 2023, after thorough analysis of the limitations of the use of Peer Groups for compensation comparisons, a change was made. For compensation comparison purposes, the institutions in the Carnegie Classification group for each campus are being used to compare salaries for senior leaders.

Carnegie Classification is a framework for classifying colleges and universities in the United States that are represented in the National Center for Education Statistics Integrated Postsecondary Education Data System (IPEDS). Institutions are categorized based on number and types of degrees awarded, major field of study, as well as level of research activity. A list of the specific institutions in each comparison group may be accessed on the [Carnegie Classification website](#).

Using Carnegie Classification groups for compensation comparisons provides the following advantages:

- Sufficient sample or n-size in each comparison group
- Standardized and stable framework for classification
- Used widely through higher education for comparison purposes
- National scope contains institutions similar to each campus
- Inclusive of institutions where we draw faculty and senior leaders and/or the institutions to which we lose faculty and senior leaders

Campus	Carnegie Classification	Number of Institutions
Crookston	Baccalaureate Colleges: Diverse Fields	308
Duluth*	M1: Master’s Colleges & Universities-Larger Programs R2: Doctoral Universities-High Research Activity	325 133
Morris	Baccalaureate Colleges: Arts and Sciences Focus	225
Rochester**	Special Focus Four-Year: Other Health Professions Schools	243
Twin Cities	R1: Doctoral Universities-Very High Research Activity	146

*Duluth is classified as an M1 institution, but has some characteristics of an R2 University in the area of Research funding so it was determined that a blend of R2 and M1 salary information would be used for compensation comparison analysis.

***Rochester is in Special Focus Four-Year: Other Health Professions Schools Carnegie Classification however there was insufficient faculty data available this year.*

It is important to note that private sector businesses, the Minnesota State Colleges and Universities (MNSCU), and the state of Minnesota are not considered our comparison market for senior leader talent for the following reasons:

- Successful candidates for senior leader positions generally have a wealth of knowledge about the unique nature of business in higher education, including the U of M tripartite mission, the research conducted by the U of M, the role of faculty, and the culture of shared governance.
- Although the University may occasionally hire a senior leader from, or lose them to, the private sector, the practice is to not seek to match the pay of U of M senior leaders to the private sector, given the private sector’s ability to offer a wider array of compensation offerings.

Strategy and Scope

The total compensation strategy for senior leaders should be competitive, market driven, performance based, equitable, and transparent.

The board reserves the authority to appoint all individuals in the following positions and approve the terms of their employment:

- Chancellor
- Chief Auditor
- Dean
- Division I Director of Intercollegiate Athletics
- Executive Vice President and Provost
- General Counsel
- Senior Vice President for Finance and Operations
- University Librarian and Dean of Libraries
- Vice Chancellor for Academic Affairs
- Vice President
- Such other administrative positions as the Board may specify from time to time

The following positions have been included in the 2022 analysis of senior leader compensation:

Title	Incumbent
Associate Vice President & Dean International Programs	Meredith Mc Quaid
Chancellor Crookston	Mary Holz-Clause
Chancellor Duluth (Interim)	David McMillan
Chancellor Morris (Interim)	Janet Ericksen
Chancellor Rochester	Lori Carrell

Chief Auditor	Quinn Gaalswyk
Dean and Vice Provost Graduate Education	Scott Lanyon
Dean and Vice Provost Undergraduate Education	Robert Mc Master
Dean, Carlson School of Management	Sri Zaheer
Dean, College of Biological Sciences (Interim)	David Greenstein
Dean, College of Continuing and Professional Studies	Robert Stine
Dean, College of Design	Carol Strohecker
Dean, College of Education and Human Development	Michael Rodriguez
Dean, College of Liberal Arts	John Coleman
Dean, College of Science and Engineering	Andrew Alleyne
Dean, Hubert H. Humphrey School of Public Affairs	Nisha Botchwey
Dean, Law School	Garry Jenkins
Dean, School of Dentistry	Keith Mays
Dean, School of Nursing	Connie Delaney
Dean, School of Pharmacy	Lynda Welage
Dean, School of Public Health (Interim)	Timothy Beebe
Dean, School of Veterinary Medicine	Laura Molgaard
Dean, UMD College of Education and Human Service Professions	Jill Pinkney Pastrana
Dean, UMD College of Liberal Arts	Jeremy Youde
Dean, UMD Labovitz School of Business and Economics (Interim)	Praveen Aggarwal
Dean, UMD Swenson College of Science and Engineering	Wendy Reed
Dean, University Extension	Beverly Durgan
Dean, College of Food, Agricultural & Natural Resource Sciences	Brian Buhr
Division I Director of Intercollegiate Athletics	Mark Coyle
Executive Vice Chancellor for Academic Affairs, UMD (Interim)	Amy Hietapelto
Executive Vice President & Provost	Rachel Croson
General Counsel	Douglas Peterson
President	Joan Gabel
Senior Vice Chancellor for Academic Affairs, UMC	Rosemary Erickson Johnsen

Senior Vice President Finance & Operations	Myron Frans
University Librarian and Dean of Libraries	Lisa German
Vice Chancellor for Academic Affairs and Dean, UMM (Interim)	Peh Ng
Vice Chancellor for Academic Affairs and Innovation, UMR (Interim)	Molly Dingel
Vice President and Budget Director	Julie Tonneson
Vice President and Chief Information Officer	Bernard Gulachek
Vice President for Clinical Affairs & Dean of the Medical School	Jakub Tolar
Vice President for Equity & Diversity	Mercedes Ramirez Fernandez
Vice President for Student Affairs and Dean of Students	Calvin Phillips
Vice President Human Resources	Kenneth Horstman
Vice President Research	Shashank Priya
Vice President University and Government Relations (Interim)	Charles Tombarge & Ann Aronson
Vice President University Services (Interim)	Janelle Broesch

Surveys Used

Salary surveys are selected based on the following criteria:

- Professional and timely survey methodology which supports data integrity including: standard definitions, controlled data collection, and a thorough analysis of market data
- Adequate matches for the majority of our positions
- Comprehensive participant list, including our identified Carnegie comparison groups
- Strong knowledge of the industry and consistency allowing for year-over-year comparison

Data for our 2022 analysis was pulled from the following formal surveys:

- CUPA-HR Administrators in Higher Education Salary Survey
- CUPA-HR Executive Compensation and Benefits in Higher Education

The Chronicle of Higher Education and university websites were considered as possible data sources, but did not meet these criteria and were therefore not used. Total remuneration, which typically includes retirement and deferred compensation in addition to the standard components of base and incentive compensation, is not reported in the CUPA-HR surveys and is therefore unable to be reported.

All external market data was aged to July 1, 2023 using an aging assumption of 3.5%. This percentage represents the annual merit pool anticipated by higher education institutions nationally, and all industries locally and nationally, for calendar year 2023. Applying this aging factor to the external survey data represents the best estimate of salaries that will be paid in the market as of July 1, 2023.

Definition of Survey Terms

To ensure accurate comparisons of University of Minnesota data against the published salary surveys, the following definitions of base salary, total cash compensation, and total remuneration are used. These definitions are consistent with how these terms are defined and reported by the published salary surveys.

Base salary: The annual institutional base salary paid to incumbents, which includes increments, faculty administrative augmentations, academic administrative augmentations, and Regents’ Professorships. For this report, base salaries reported for U of M senior leaders were taken from the ninth payroll in fiscal year 2023.

Total cash compensation: The sum of base salary and bonus/incentive compensation. This does not include housing allowances or other perquisites (such as travel reimbursements, moving expenses, season tickets, etc.). Incentives and bonuses reported for U of M senior leaders reflect payments made in calendar year 2022. Housing allowances for campus presidents or chancellors and perquisites are excluded from total cash.

Total remuneration: The sum of total cash compensation, University retirement contributions, and deferred compensation. Retirement contributions and deferred compensation for U of M leaders reflect contributions made in calendar year 2022.

Overall Distribution & Findings

The compensation analysis for 2022 indicated that our senior leaders are paid, on average, at the 45th percentile of the market for base salary and 41st percentile for total cash compensation. These align with our stated strategy to provide market competitive salaries for our senior leaders. We do not recommend making percentile rankings comparisons from this year to previous years due to the transition from using Peer Institutions to Carnegie Classification as the market comparison.

The distribution of salaries is displayed in the tables below.

Base Salary			Total Cash Compensation		
	2021	2022		2021	2022
Overall Average Percentile Ranking	34th	45th	Overall Average Percentile Ranking	37th	41st
<25	44%	19%	<25	32%	24%
25-44	17%	27%	25-44	10%	16%
45-55	22%	22%	45-55	7%	16%
56-74	7%	24%	56-74	12%	11%
>75	5%	8%	>75	5%	8%
ISD	5%	0%	ISD	34%	24%

Please note that this is an overall percentile ranking, and the ranking of any given leader may be higher or lower. The data for each leader with their market position is listed below.

University of Minnesota

Annual Review of Senior Leader Compensation

U of M Salary data taken from 11/2/2022 Fiscal Year 2023 Fall Snapshot, updated as necessary throughout the year.
 Reported to Board of Regents May 2023.

Data reported in thousands.

U of MN Working Title	Base Salary from Surveys					Incumbent Data		Total Cash Comp from Surveys					Incumbent Data		Incumbent Data	
	10th%	25th%	50th%	75th%	90th%	Base	Percentile Ranking	10th%	25th%	50th%	75th%	90th%	Total Cash	Percentile Ranking	Base+ Incent+ Retire + Deferred	Percentile Ranking*
Associate Vice President & Dean International Programs	\$139.5	\$161.3	\$197.7	\$235.7	\$296.7	\$255.2	79.8	ISD	ISD	ISD	ISD	ISD	\$255.2	ISD	\$288.4	ISD
Chancellor Crookston	\$208.8	\$245.3	\$270.6	\$322.6	\$370.3	\$274.8	52.1	ISD	ISD	ISD	ISD	ISD	\$274.8	ISD	\$302.3	ISD
Chancellor Rochester	\$219.1	\$238.1	\$318.3	\$474.8	\$523.2	\$300.0	44.3	ISD	ISD	ISD	ISD	ISD	\$300.0	ISD	\$330.0	ISD
Chief Auditor	\$167.8	\$194.0	\$218.4	\$272.2	\$308.1	\$193.0	24.5	\$175.9	\$201.8	\$221.9	\$294.6	\$317.2	\$193.0	19.9	\$218.1	ISD
Dean and Vice Provost Graduate Education	\$217.8	\$245.2	\$275.4	\$310.1	\$349.4	\$231.9	17.7	\$231.1	\$256.8	\$284.2	\$320.0	\$354.1	\$231.9	10.5	\$262.0	ISD
Dean and Vice Provost Undergraduate Education	\$206.3	\$221.3	\$266.9	\$296.6	\$343.0	\$272.5	54.7	\$209.0	\$221.2	\$267.9	\$290.6	\$342.5	\$272.5	55.0	\$307.9	ISD
Dean, Carlson School of Management	\$341.1	\$396.0	\$458.4	\$534.1	\$640.0	\$596.0	83.8	\$352.3	\$401.5	\$468.8	\$543.9	\$663.5	\$596.0	81.5	\$635.6	ISD
Dean, College of Continuing and Professional Studies	\$211.6	\$266.8	\$299.3	\$328.0	\$377.4	\$227.9	14.4	\$215.8	\$279.7	\$299.4	\$314.3	\$355.6	\$227.9	12.8	\$257.5	ISD
Dean, College of Design	\$253.6	\$269.7	\$295.1	\$336.0	\$372.8	\$261.1	16.9	\$264.2	\$275.1	\$295.1	\$334.1	\$363.2	\$261.1	-10	\$287.2	ISD
Dean, College of Education and Human Development	\$240.5	\$262.5	\$299.1	\$362.6	\$457.3	\$270.4	30.4	\$249.0	\$261.1	\$291.7	\$345.8	\$400.3	\$270.4	32.6	\$305.6	ISD
Dean, College of Liberal Arts	\$258.5	\$305.6	\$356.9	\$401.3	\$460.1	\$317.0	30.6	\$275.2	\$315.3	\$359.1	\$399.7	\$430.8	\$317.0	26.0	\$347.5	ISD
Dean, College of Science and Engineering	\$320.2	\$359.5	\$392.5	\$432.7	\$472.6	\$405.0	57.8	\$333.7	\$370.0	\$394.3	\$437.5	\$479.0	\$405.0	56.2	\$435.5	ISD
Dean, Hubert H. Humphrey School of Public Affairs	\$259.1	\$290.6	\$333.5	\$377.3	\$446.3	\$301.2	31.1	\$257.9	\$291.8	\$343.8	\$377.4	\$444.6	\$301.2	29.5	\$331.3	ISD
Dean, Law School	\$321.3	\$367.1	\$396.0	\$441.2	\$540.6	\$412.3	59.0	\$330.8	\$375.2	\$400.1	\$440.6	\$583.7	\$412.3	57.5	\$442.8	ISD
Dean, School of Dentistry	\$349.5	\$380.2	\$433.2	\$464.6	\$554.2	\$320.0	-10	\$337.7	\$368.9	\$419.6	\$448.9	\$512.0	\$320.0	-10	\$350.5	ISD
Dean, School of Nursing	\$271.1	\$315.4	\$354.2	\$397.1	\$456.2	\$355.6	50.8	\$298.8	\$318.7	\$353.0	\$398.5	\$452.0	\$355.6	51.4	\$395.2	ISD
Dean, School of Pharmacy	\$300.3	\$338.8	\$372.0	\$388.5	\$420.5	\$333.5	22.9	\$301.1	\$345.2	\$373.7	\$388.7	\$418.4	\$333.5	21.0	\$364.0	ISD
Dean, School of Veterinary Medicine	\$298.0	\$331.5	\$348.6	\$367.1	\$374.2	\$332.8	26.9	\$285.9	\$333.7	\$349.1	\$366.4	\$372.9	\$332.8	24.7	\$372.5	ISD
Dean, UMD College of Education and Human Service Professions	\$139.3	\$165.9	\$186.3	\$210.7	\$238.0	\$167.5	26.9	ISD	ISD	ISD	ISD	ISD	\$167.5	ISD	\$184.2	ISD
Dean, UMD College of Liberal Arts	\$163.5	\$187.3	\$211.7	\$241.5	\$279.4	\$164.1	10.3	ISD	ISD	ISD	ISD	ISD	\$164.1	ISD	\$185.4	ISD
Dean, UMD Swenson College of Science and Engineering	\$188.7	\$214.6	\$248.9	\$286.9	\$327.4	\$231.8	37.5	ISD	ISD	ISD	ISD	ISD	\$231.8	ISD	\$255.0	ISD
Dean, University Extension	\$214.0	\$245.8	\$277.3	\$296.8	\$300.3	\$272.5	46.3	ISD	ISD	ISD	ISD	ISD	\$272.5	ISD	\$308.0	ISD
Dean, College of Food, Agricultural & Natural Resource Sciences	\$264.6	\$299.7	\$329.3	\$357.6	\$394.6	\$300.2	25.4	\$280.8	\$301.9	\$342.7	\$368.8	\$389.9	\$300.2	23.8	\$339.2	ISD

University of Minnesota

Annual Review of Senior Leader Compensation (continued)

Division 1 Director of Interscholastic Athletics - Big 10 Comparison	\$499.4	\$666.9	\$813.8	\$1,183.8	\$1,436.9	\$1,037.9	65.1	\$513.6	\$644.6	\$772.7	\$1,242.7	\$1,519.6	\$1,262.9	76.1	\$1,448.4	ISD
Executive Vice President & Provost	\$341.9	\$433.6	\$496.3	\$560.8	\$719.8	\$521.8	59.9	\$386.2	\$444.3	\$516.8	\$590.7	\$751.2	\$521.8	51.7	\$582.3	ISD
General Counsel	\$210.8	\$280.9	\$357.7	\$444.2	\$617.3	\$387.0	58.5	\$207.8	\$288.4	\$370.0	\$462.7	\$727.4	\$387.0	54.6	\$417.5	ISD
President	\$533.0	\$626.0	\$803.7	\$947.5	\$1,019.2	\$706.0	36.2	\$687.3	\$762.7	\$898.9	\$1,139.1	\$1,349.5	\$756.0	23.7	\$941.5	ISD
Senior Vice Chancellor for Academic Affairs, UMC	\$112.0	\$145.0	\$161.1	\$196.3	\$213.4	\$185.0	67.0	ISD	ISD	ISD	ISD	ISD	\$185.0	ISD	\$203.5	ISD
Senior Vice President Finance & Operations	\$290.6	\$355.9	\$428.3	\$472.3	\$640.6	\$420.6	47.3	\$304.3	\$372.6	\$440.8	\$475.9	\$717.1	\$420.6	42.6	\$531.1	ISD
University Librarian and Dean of Libraries	\$201.6	\$224.4	\$267.3	\$309.3	\$350.7	\$293.4	65.5	\$190.1	\$218.0	\$265.3	\$299.8	\$350.3	\$293.4	70.3	\$322.7	ISD
Vice President and Budget Director	\$142.2	\$174.6	\$211.6	\$266.6	\$300.9	\$249.2	67.1	ISD	ISD	ISD	ISD	ISD	\$249.2	ISD	\$281.6	ISD
Vice President and Chief Information Officer	\$232.1	\$280.0	\$323.3	\$382.2	\$477.3	\$294.3	33.3	\$237.9	\$291.2	\$327.3	\$386.7	\$497.4	\$294.3	27.2	\$332.6	ISD
Vice President for Clinical Affairs & Dean of the Medical School	\$442.6	\$652.0	\$889.6	\$1,189.7	\$1,396.8	\$890.3	50.1	\$466.8	\$677.1	\$905.6	\$1,082.0	\$1,557.5	\$890.3	48.3	\$980.0	ISD
Vice President for Equity & Diversity	\$187.8	\$223.5	\$263.2	\$305.6	\$350.9	\$352.5	>90	\$211.9	\$240.7	\$274.6	\$320.2	\$359.9	\$352.5	87.2	\$383.0	ISD
Vice President for Student Affairs and Dean of Students	\$233.3	\$265.5	\$303.2	\$356.9	\$395.7	\$302.3	49.4	\$248.1	\$277.4	\$306.8	\$361.0	\$403.1	\$302.3	46.1	\$332.5	ISD
Vice President Human Resources	\$201.1	\$237.2	\$286.7	\$352.1	\$443.9	\$285.0	49.1	\$215.8	\$249.7	\$296.2	\$352.7	\$441.5	\$285.0	44.0	\$313.5	ISD
Vice President Research	\$299.4	\$325.2	\$386.1	\$439.4	\$469.5	\$430.0	70.6	\$334.3	\$356.7	\$401.9	\$449.2	\$492.4	\$430.0	64.9	\$460.5	ISD
Chancellor Duluth	\$322.0	\$364.8	\$436.6	\$532.7	\$668.8	N/A	N/A	ISD	ISD	ISD	ISD	ISD	N/A	N/A	N/A	ISD
Chancellor Morris	\$301.1	\$349.9	\$444.4	\$579.9	\$677.1	N/A	N/A	ISD	ISD	ISD	ISD	ISD	N/A	N/A	N/A	ISD
Dean, College of Biological Sciences	\$280.4	\$310.4	\$325.1	\$333.4	\$343.9	N/A	N/A	ISD	ISD	ISD	ISD	ISD	N/A	N/A	N/A	ISD
Dean, School of Public Health	\$315.8	\$356.4	\$404.8	\$450.9	\$590.3	N/A	N/A	\$317.4	\$353.4	\$401.4	\$451.8	\$574.9	N/A	N/A	N/A	ISD
Dean, UMD Labovitz School of Business and Economics	\$178.0	\$207.1	\$247.8	\$283.5	\$341.8	N/A	N/A	ISD	ISD	ISD	ISD	ISD	N/A	N/A	N/A	ISD
Executive Vice Chancellor for Academic Affairs, UMD	\$211.9	\$247.7	\$286.8	\$337.3	\$407.7	N/A	N/A	ISD	ISD	ISD	ISD	ISD	N/A	N/A	N/A	ISD
Vice Chancellor for Academic Affairs and Dean, UMM	\$170.2	\$200.3	\$222.9	\$289.8	\$328.2	N/A	N/A	ISD	ISD	ISD	ISD	ISD	N/A	N/A	N/A	ISD
Vice Chancellor for Academic Affairs and Innovation, UMR	\$151.6	\$172.0	\$201.6	\$277.5	\$350.6	N/A	N/A	ISD	ISD	ISD	ISD	ISD	N/A	N/A	N/A	ISD
Vice President University and Government Relations	\$192.6	\$247.4	\$297.8	\$348.0	\$472.1	N/A	N/A	\$204.4	\$272.2	\$312.7	\$353.0	\$502.5	N/A	N/A	N/A	ISD
Vice President University Services	\$240.5	\$262.4	\$295.5	\$440.4	\$536.2	N/A	N/A	\$243.3	\$266.5	\$303.3	\$465.7	\$538.1	N/A	N/A	N/A	ISD

*Data for total remuneration is not currently published, but this will be added to future reports if it becomes available.

ISD indicates when insufficient data existed within the salary surveys.

For the purpose of calculating summary data, if percentile ranking was <10, 10% was used, and if it was >90, 90 was used.

Interim roles are highlighted gold.

Annual Report on Faculty Compensation

The Office of Human Resources has recently completed the annual review of cash compensation for faculty positions within the University of Minnesota. This review was conducted to ensure the compensation provided to these individuals is in alignment with the stated objectives of the Board of Regents Policy on Compensation and Recognition.

Specifically, the Board of Regents policy states that:

- The University strives to achieve and maintain a compensation structure that, when combined with benefits and other rewards, is **competitive relative to institutional peers and other appropriate labor markets** and serves to attract and retain a high-performance workforce.
- The University seeks to reward meritorious performance and employee contribution to the success of the University through compensation and other forms of recognition.
- In the setting of initial salaries and subsequent pay adjustments, the University considers the work responsibilities, market, internal equity, experience and expertise, performance, and other criteria as appropriate.
- The University adheres to compensation and recognition practices that are fair and equitable in design, application, and delivery.

Definition of Market

The market in which we compete for talented faculty varies by campus and is composed of national higher education institutions of comparable size and scope. The institutions selected for faculty compensation comparison are institutions in the Carnegie classification identified for each campus.

Historically, Peer Groups were created for the purposes of benchmarking, strategic planning, public reporting, compensation analysis, and academic program review. Separate Peer Groups were identified for each campus by campus administrators, institutional research staff, and faculty who developed rationale/criteria for peer group selection with consultation from Institutional Analysis.

Over time, the Office of Human Resources identified limitations of using Peer Groups for compensation analysis. Specifically, it was determined that the Peer Groups did not encompass the complete relevant labor market for each campus. The labor market for faculty was far greater than the limited number of institutions in each Peer Group.

In addition, the size of each campus' Peer Group was too small to support adequate compensation comparisons. With such a small number of institutions in each group, salary surveys frequently had insufficient data to provide compensation information. This held true even for the Twin Cities campus.

The chart below lists the number of institutions in the Peer Group for each campus.

Campus	Number of Peer Institutions
Crookston	11
Duluth	11
Morris	15
Rochester	9
Twin Cities	34

Beginning in fiscal year 2023, after thorough analysis of the limitations of the use of Peer Groups for compensation comparisons, a change was made. For compensation comparison purposes, the institutions in the Carnegie Classification group for each campus are being used to compare salaries for faculty.

Carnegie Classification is a framework for classifying colleges and universities in the United States that are represented in the National Center for Education Statistics Integrated Postsecondary Education Data System (IPEDS). Institutions are categorized based on number and types of degrees awarded, major field of study, as well as level of research activity. A list of the specific institutions in each comparison group may be accessed on the Carnegie Classification website [here](#).

Using Carnegie Classification groups for compensation comparisons provides the following advantages:

- Sufficient sample or n-size in each comparison group
- Standardized and stable framework for classification
- Used widely through higher education for comparison purposes
- National scope contains institutions similar to each campus
- Inclusive of institutions where we draw faculty and senior leaders and/or the institutions to which we lose faculty and senior leaders

Carnegie Classifications by Campus

Campus	Carnegie Classification	Number of Institutions
Crookston	Baccalaureate Colleges: Diverse Fields	308
Duluth*	M1: Master’s Colleges & Universities-Larger Programs R2: Doctoral Universities-High Research Activity	325 133
Morris	Baccalaureate Colleges: Arts and Sciences Focus	225
Rochester**	Special Focus Four-Year: Other Health Professions Schools	243
Twin Cities	R1: Doctoral Universities-Very High Research Activity	146

**Duluth is classified as an M1 institution, but they have some characteristics of an R2 University in the area of Research funding so it was determined that a blend of R2 and M1 salary information would be used for compensation comparison analysis.*

***Rochester is in Special Focus Four-Year: Other Health Professions Schools Carnegie Classification, however there was insufficient faculty data available this year.*

Market data featured in this report is not geographically adjusted. Previous efforts at adjusting did not significantly impact the U of M's rank ordering and were best estimates due to limited cost statistics for rural areas.

Methodology

The 2021 American Association of University Professors (AAUP) Faculty Compensation survey was used for the analysis of faculty compensation. Compa-ratios have been calculated to show how faculty salaries compare to the market. They were calculated by taking the actual average salary of our faculty and dividing it by the market median. For example, a compa-ratio of .95 translates to salaries, on average, being 5% lower than the market median and conversely, a comp-ratio of 1.02 indicates that salaries, on average, are 2% above the market median.

The charts that follow for Crookston, Morris, and Twin Cities campuses include data that is reported in an aggregate form. The overall market medians were calculated by averaging the average pay of assistant professor, associate professor, and professor ranks combined from each institution providing data in the corresponding Carnegie Classification rather than comparisons within each area of academic study. Given this, caution should be exercised when drawing conclusions from this data.

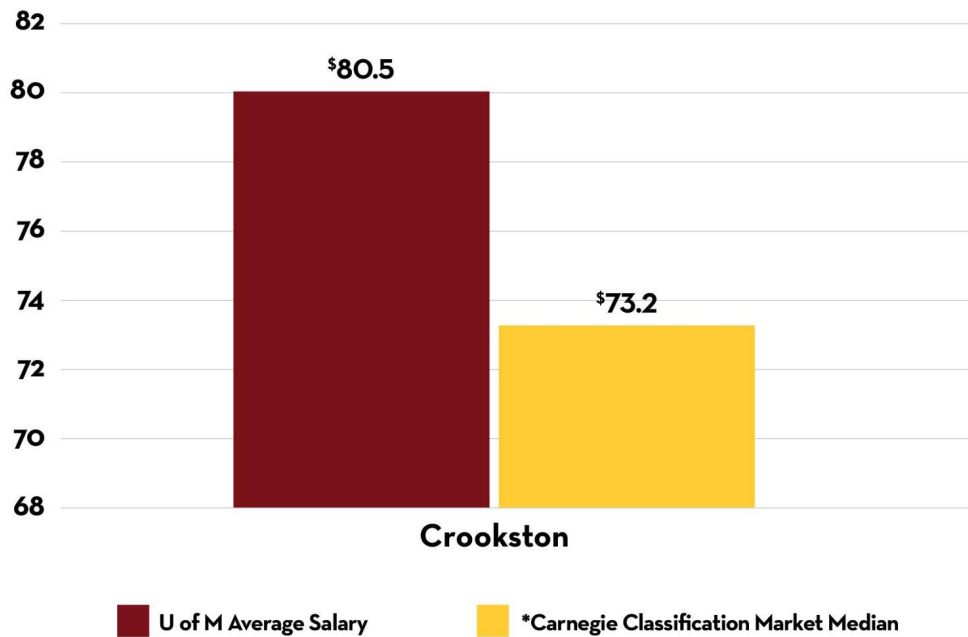
Professors are given salary offers by their college that are competitive for their unique discipline at the time of hire. Ongoing efforts to ensure market competitive pay by discipline are also conducted at the college level.

For the Duluth campus, a more detailed analysis was conducted as part of a pilot project to analyze and report faculty compensation by academic discipline. This report includes an overall compa-ratio similar to the other campuses and also includes overall compa-ratios for five of the most prevalent academic disciplines present at the Duluth campus.

Comparison Charts by Campus

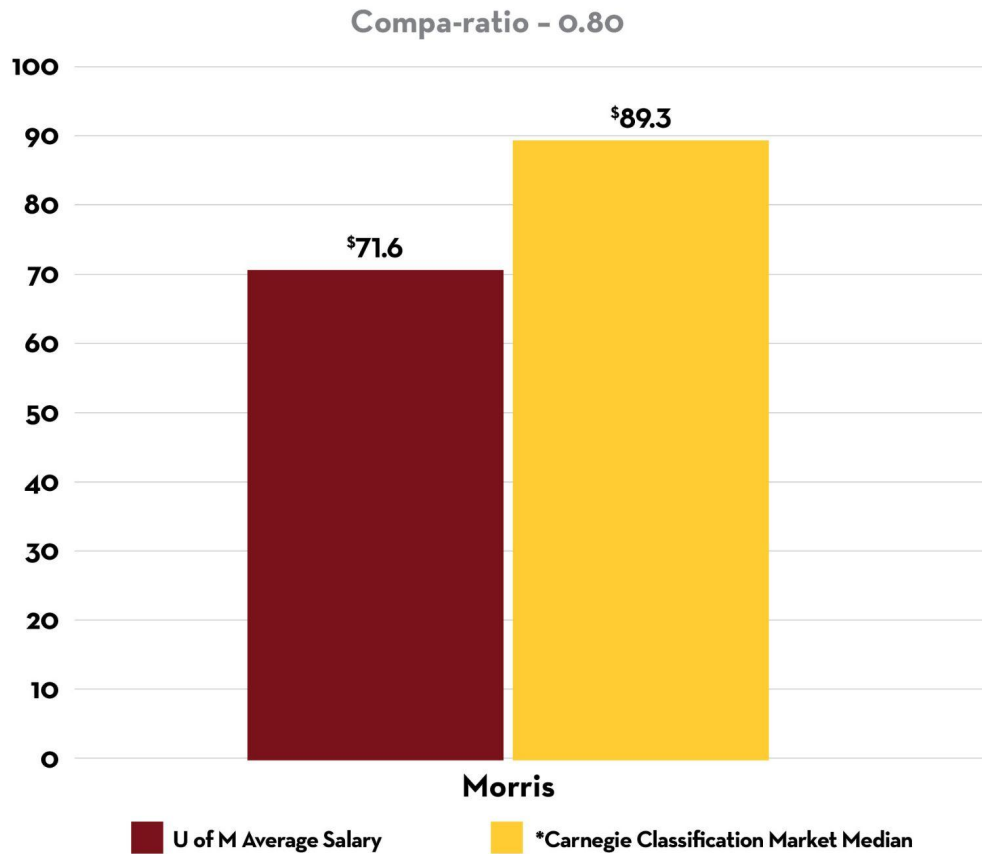
University of Minnesota - Crookston Faculty Market Comparison

Compa-ratio - 1.10



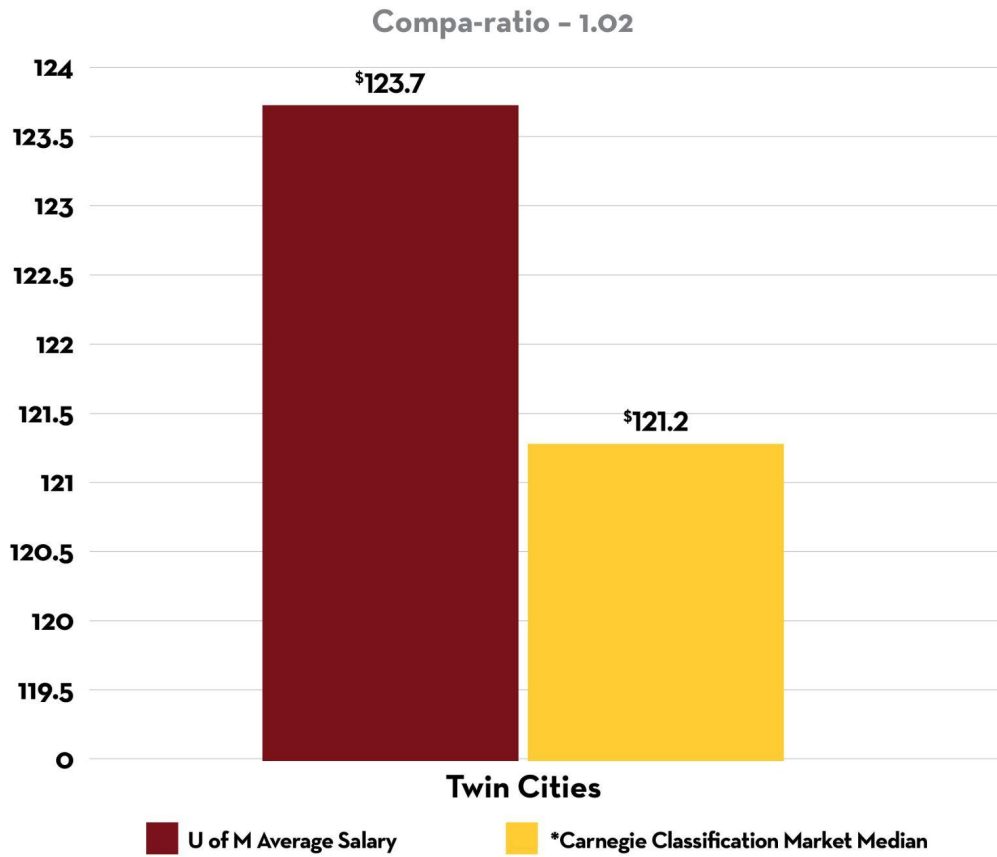
Source: 2021 American Association of University Professors (AAUP) Faculty Compensation Survey
*Baccalaureate Colleges: Diverse Fields (25 out of 308 providing data)

University of Minnesota - Morris Faculty Market Comparison



Source: 2021 American Association of University Professors (AAUP) Faculty Compensation Survey
*Baccalaureate Colleges: Arts and Sciences Focus (107 out of 225 providing data)

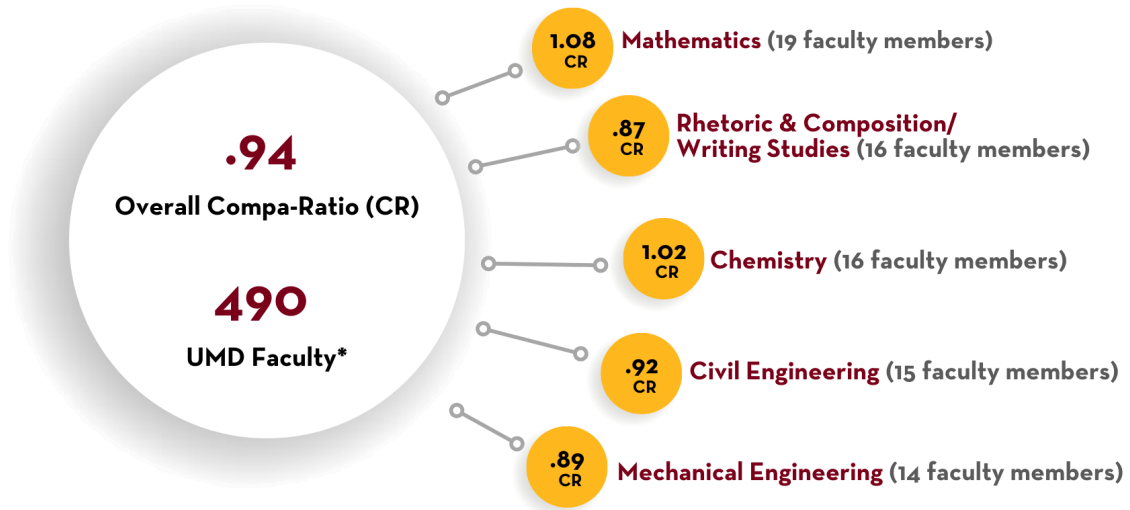
University of Minnesota - Twin Cities Faculty Market Comparison



Source: 2021 American Association of University Professors (AAUP) Faculty Compensation Survey
*Doctoral Universities-Very High Research Activity (137 out of 146 providing data)

Duluth Faculty Market Comparison

Compa-Ratios: Overall and for Five Most Prevalent Disciplines at Duluth



*Carnegie classification: M1 & R2
M1 - Master's Colleges & Universities-Larger Programs
R2 - Doctoral Universities-High Research Activity

Annual Report on Employee Compensation

The Office of Human Resources at the University of Minnesota has recently completed the attached annual review of cash compensation for employees who are in the Civil Service and Professional & Administrative employee groups (P&A). This review was conducted to assess the degree to which the compensation provided to these individuals is in alignment with the stated objectives of the Board of Regents Policy on Compensation and Recognition.

Specifically, the Board of Regents policy states that:

- The University strives to achieve and maintain a compensation structure that, when combined with benefits and other rewards, is competitive relative to institutional peers and other appropriate labor markets and serves to attract and retain a high performance workforce.
- The University seeks to reward meritorious performance and employee contribution to the success of the University through compensation and other forms of recognition.
- In the setting of initial salaries and subsequent pay adjustments, the University considers the work responsibilities, market, internal equity, experience and expertise, performance, and other criteria as appropriate.
- The University adheres to compensation and recognition practices that are fair and equitable in design, application, and delivery.

Overview

The University's Civil Service and P&A employees comprise roughly 11,100 employees, or 49% of the University's total payroll. These jobs are organized in Job Families. Job Families are broad distinct functions that contain a group of sub-specialty jobs engaged in similar work that require similar knowledge, skills and abilities. The current job families include (in alphabetical order):

- Administration
- Advancement
- Animal Health
- Audit
- Athletics
- Business Development
- Campus Operations
- Education
- Finance
- Grants & Contracts
- Health Care
- Human Resources
- Information Technology (IT)
- Legal
- Libraries
- Marketing & Communications
- Museums
- Recreation
- Research
- Student Services

Each job family contains roughly 10 levels of jobs that represent a continuum of progressively higher levels of responsibility and impact, and provide for promotional opportunities over time. Below, for illustrative purposes, is a picture of the Finance Job Family levels:

Finance Title
FIN Dir 2
FIN Dir 1
N/A
FIN Analyst 3 / Mgr 3
FIN Analyst 2 / Mgr 2
FIN Analyst 1 / Mgr 1
FIN Pro 4 / Supv 4
FIN Pro 3 / Supv 3
FIN Pro 2 / Supv 2
FIN Pro 1 / Supv 1

Definition of Market

The market in which we compete for talented Civil Service and Professional & Administrative employees (excluding Senior Leaders) varies by job family, but is most frequently defined as all industries within the Twin Cities metro area. Occasionally there are positions where a national or global search is required, with a focus on what is being paid by higher education institutions. An example of this type of position would be a very prestigious and high level researcher.

Compa-Ratios by Job Family

Compa-ratios are a measure of how closely an individual’s salary, or group of salaries, compares to the market median. Compa-ratios are calculated by dividing an employee’s actual salary by the salary range midpoint. For example: \$65,000 salary/\$60,000 midpoint = 1.08. This indicates that a person is paid 8% higher than market median.

Compa-Ratio	Relation to Market Median
1.0	Exactly matches market
0.8	20% below market
1.2	20% above market

It is important to note that a job family can have an overall compa-ratio that looks competitive but have levels or specialties within it that are not paid to market. Likewise, a level or specialty within a job family can have a healthy overall compa-ratio but have jobs or people in that level who are not paid appropriately to market. To know if a compa-ratio is competitive, further information is needed about the skills and experience of the employee group. Higher or lower payment relative to the market should be determined by the degree of employee job mastery.

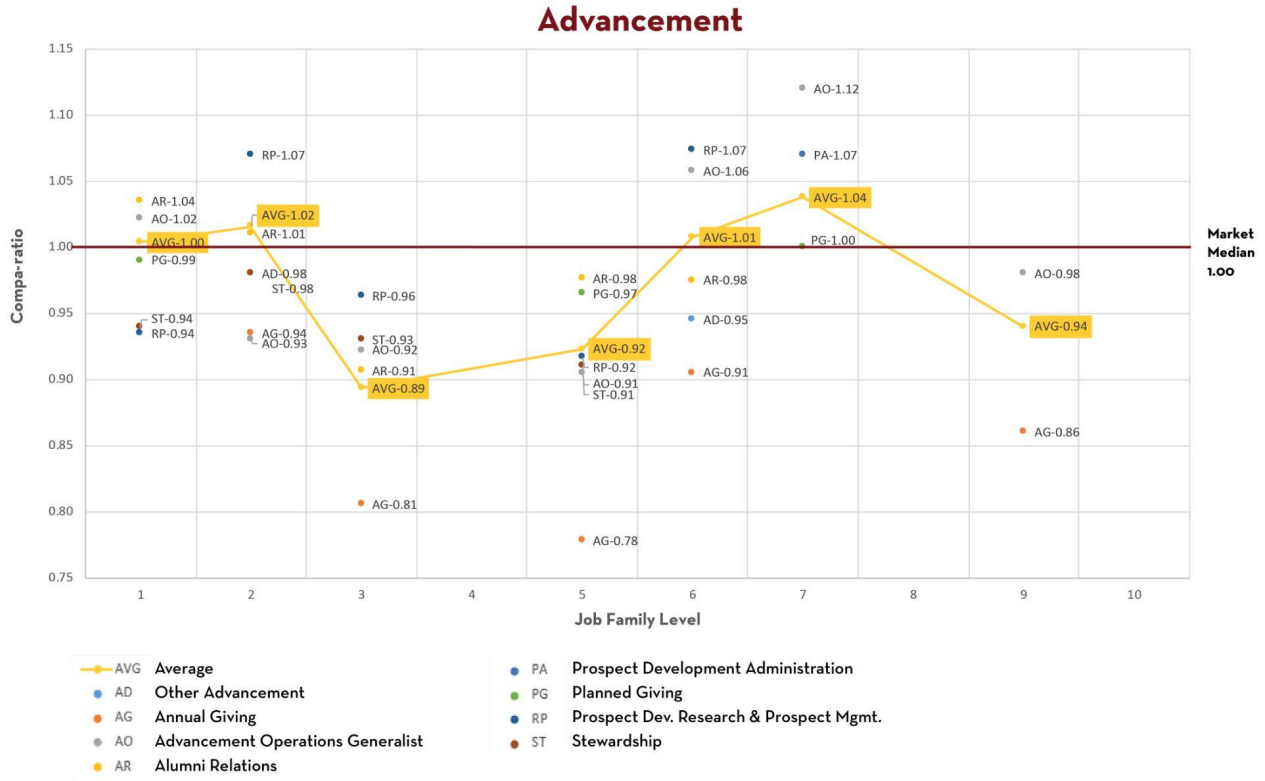
The following charts for the 16 refined job families provide a detailed compensation analysis that is possible because of the work performed through the Market Refinement project. These job families now have job titles that include the specialty being performed within the family as well as accurate and up-to-date market data that is appropriate for each of these specialties, rather than an overall average that does not accurately reflect the market differences for these jobs. Market data is updated each January 1. These changes now allow us to manage our compensation expenses for these families in a more strategic manner.

Compa-Ratios for Refined Job Families

Employee pay rates used for this analysis were taken from the ninth payroll in fiscal year 2023, which occurred in November of 2022. The market medians used for this analysis are determined based on salary data from over 35 published salary surveys. This data is aged forward to July 1, 2023 to provide a lead-lag calendar-year pay philosophy which is the most common standard used by large institutions nationally.

Advancement

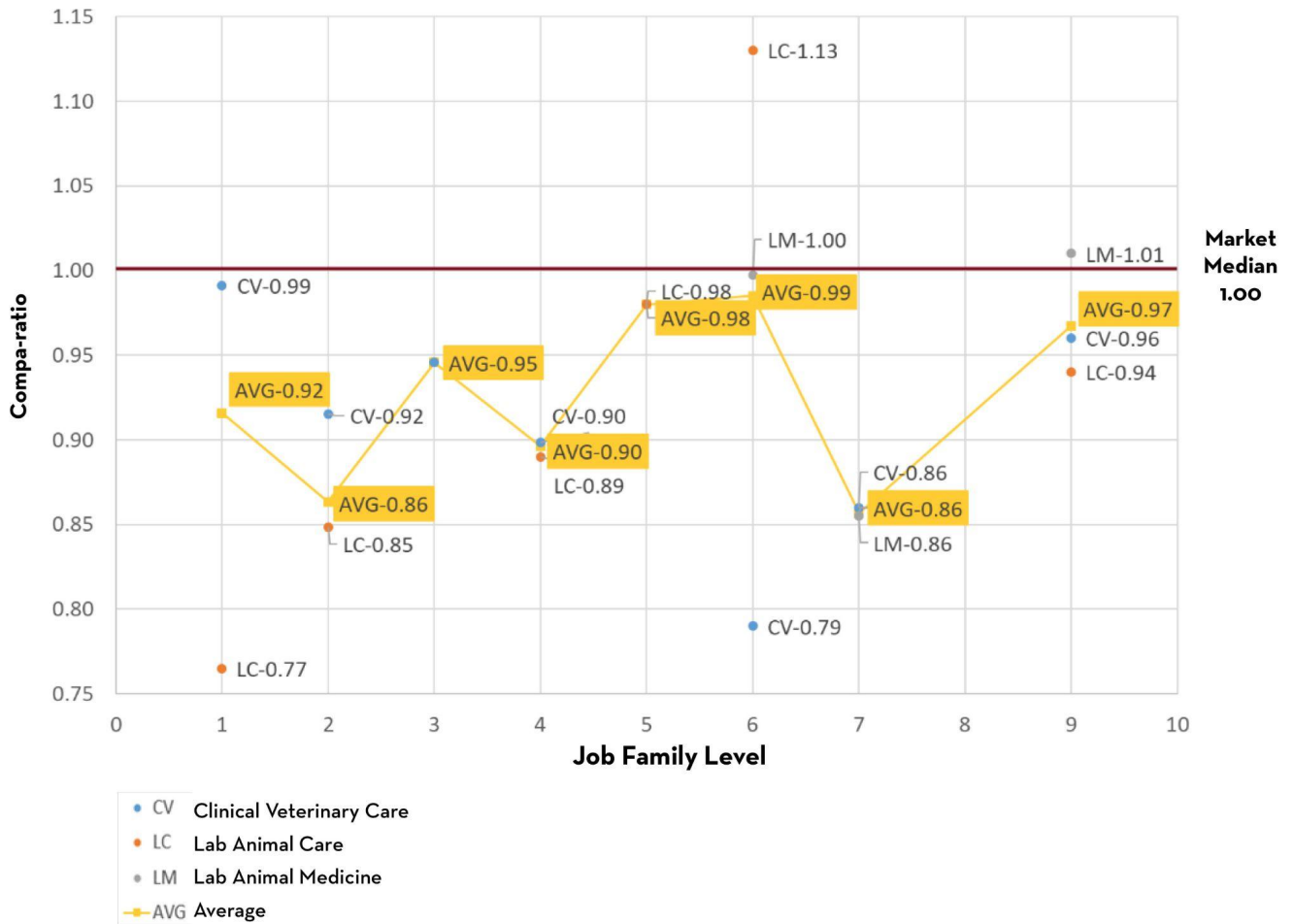
Overall Compa-Ratio = 0.96



Animal Health

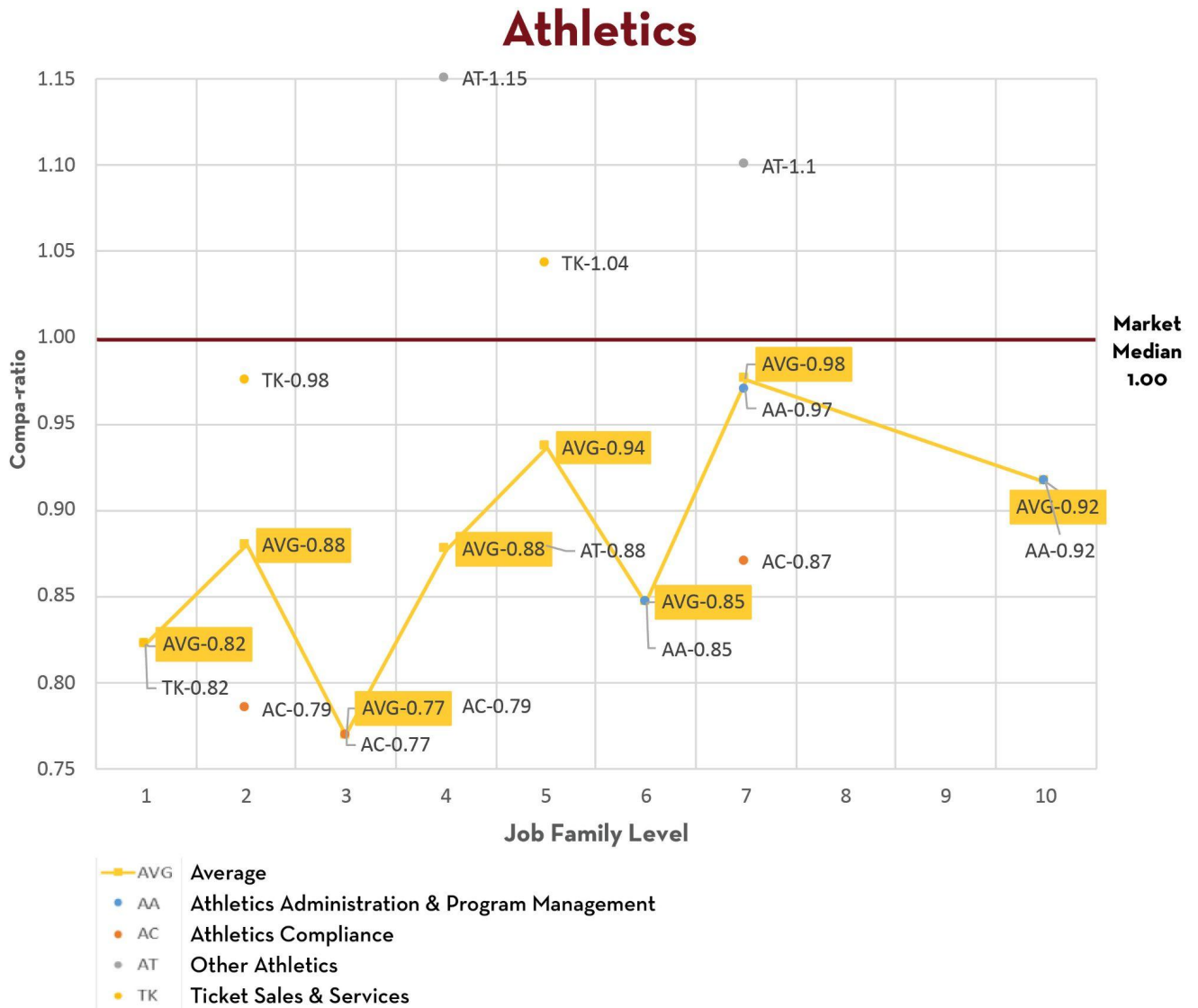
Overall Compa-Ratio = 0.92

Animal Health



Athletics

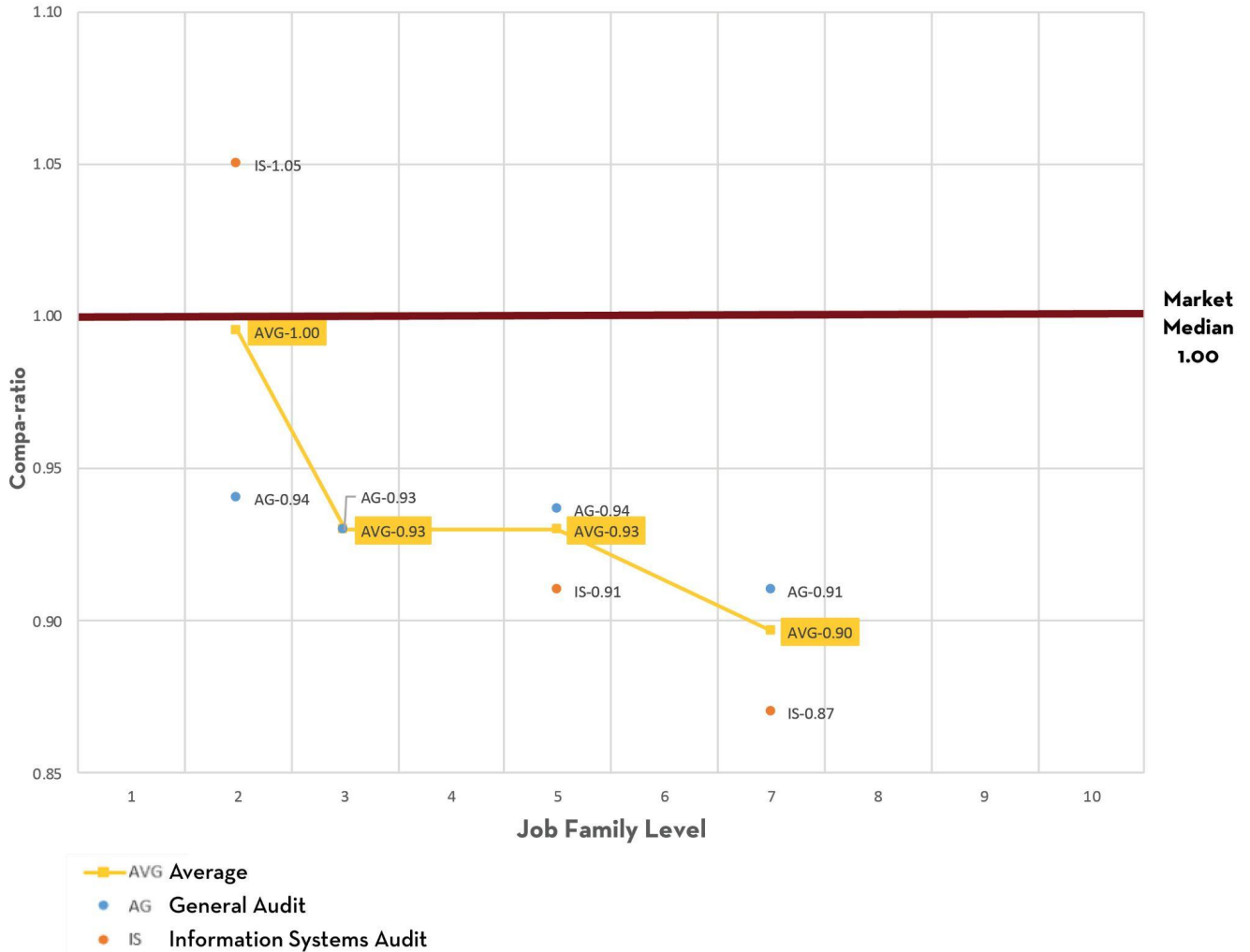
Overall Compa-Ratio = 0.89



Audit

Overall Compa-Ratio = 0.93

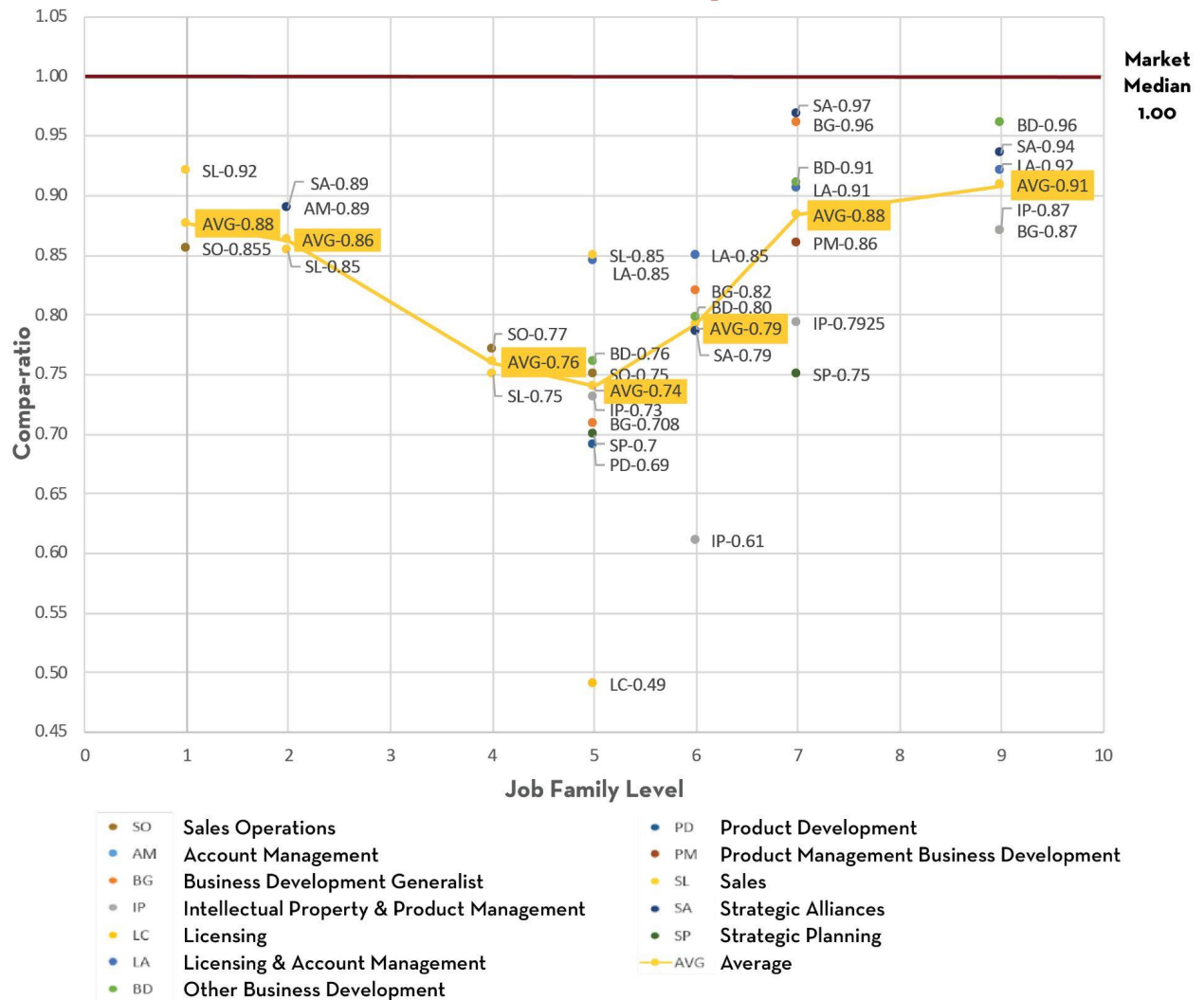
Audit



Business Development

Overall Compa-Ratio = 0.82

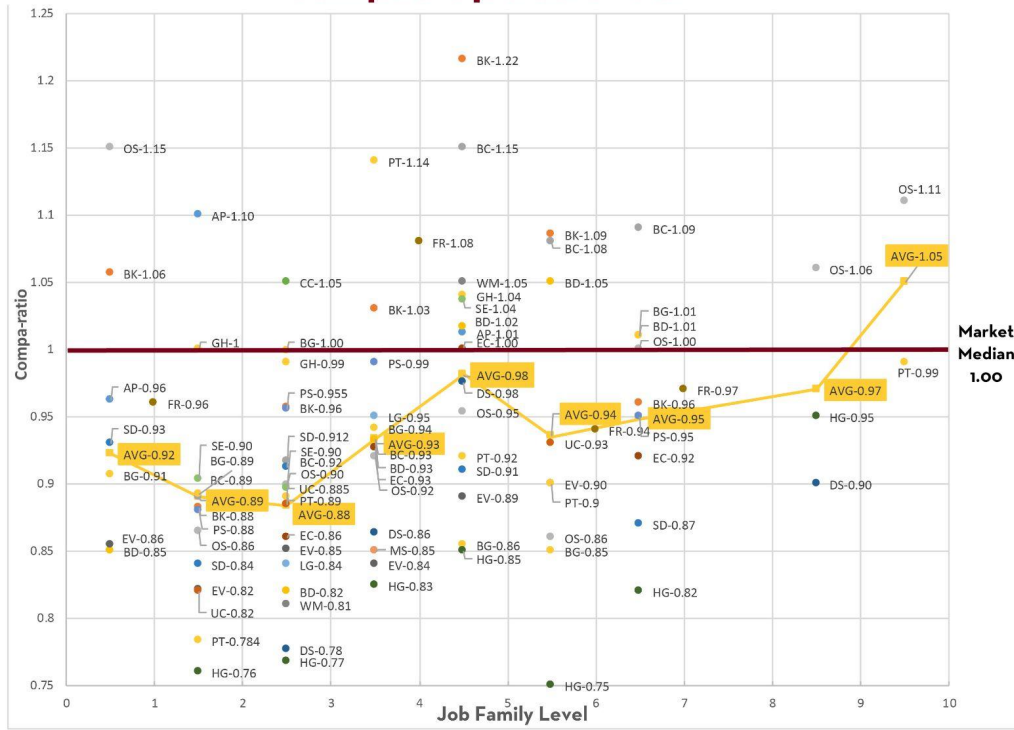
Business Development



Campus Operations SMP

Overall Compa-Ratio = 0.88

Campus Operations SMP

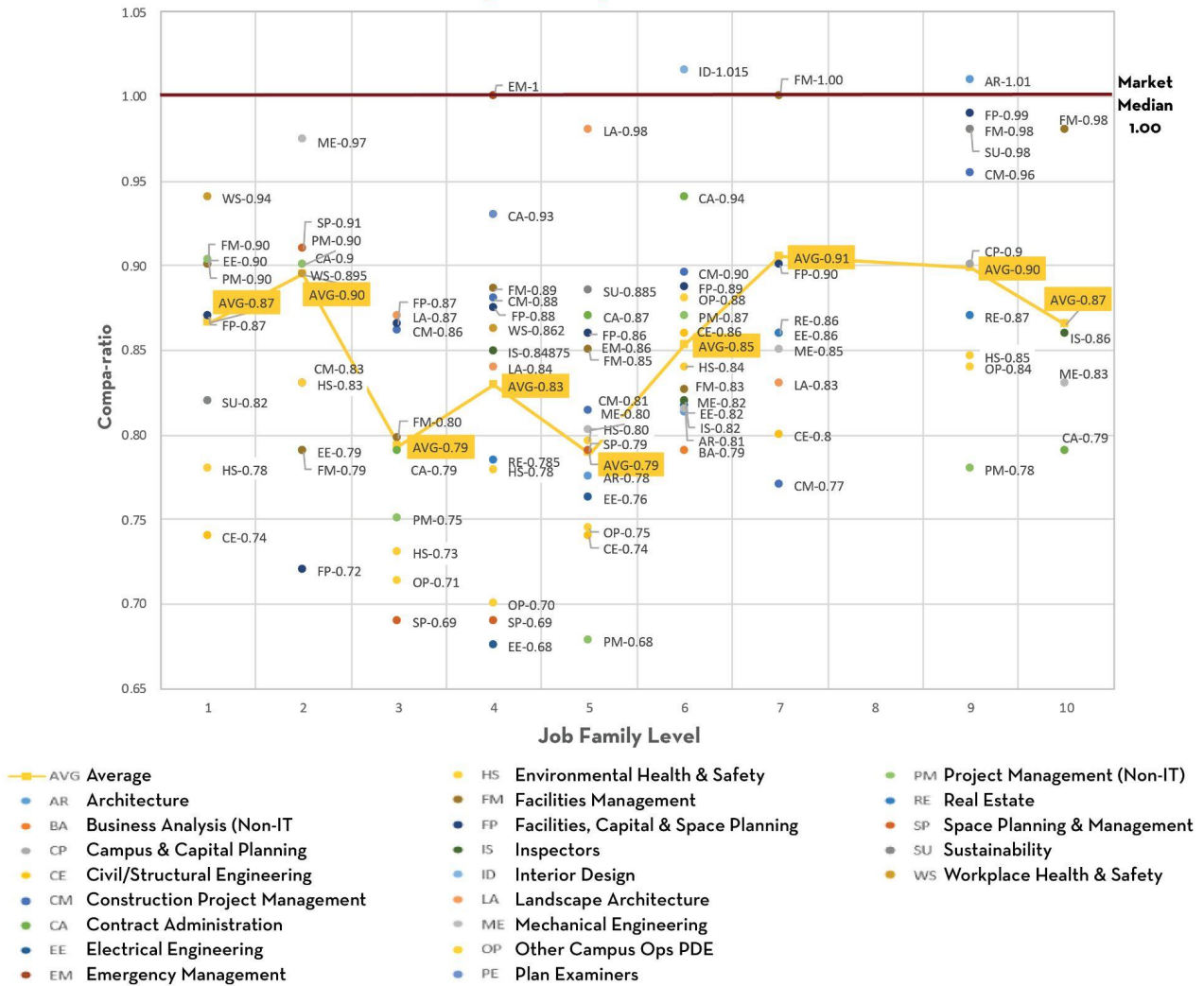


- AVG Average
- FR Farm Management
- AP Athletics Property Management
- BK Bookstore Services
- BC Building Maintenance Custodial Primary
- BD Building Maintenance Maintenance Primary
- BG Building Management
- CC Call Center Campus Operations
- DS Dining & Food Services
- EC Emergency Communications
- EV Event Management
- GH Greenhouse/Horticulture
- HG Housing Operations
- LG Landscape/Grounds
- MS Mailroom Services
- OS Other Campus Ops Services/Maintenance/Protection
- PT Parking/Transportation/Fleet
- PS Printing Services
- SE Security/Enforcement (Non-Police)
- SD Shipping & Distribution
- UC U Card Services
- WM Waste Management Services

Campus Operations PDE

Overall Compa-Ratio = 0.88

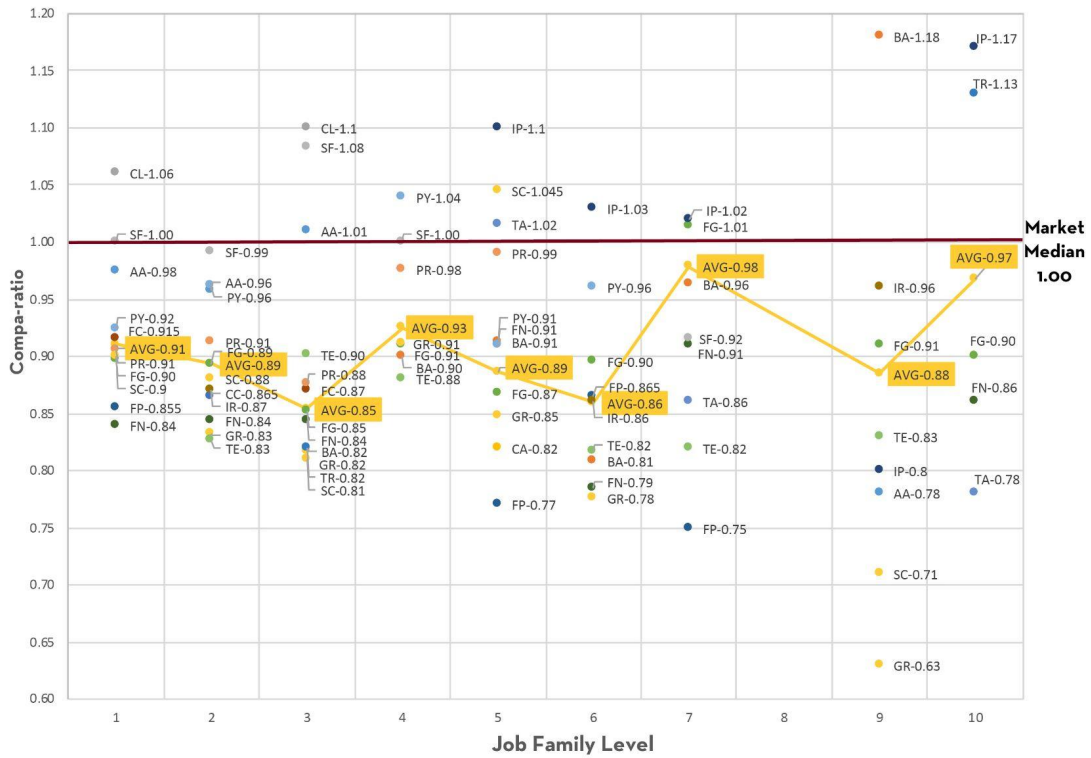
Campus Operations PDE



Finance

Overall Compa-Ratio = 0.89

Finance

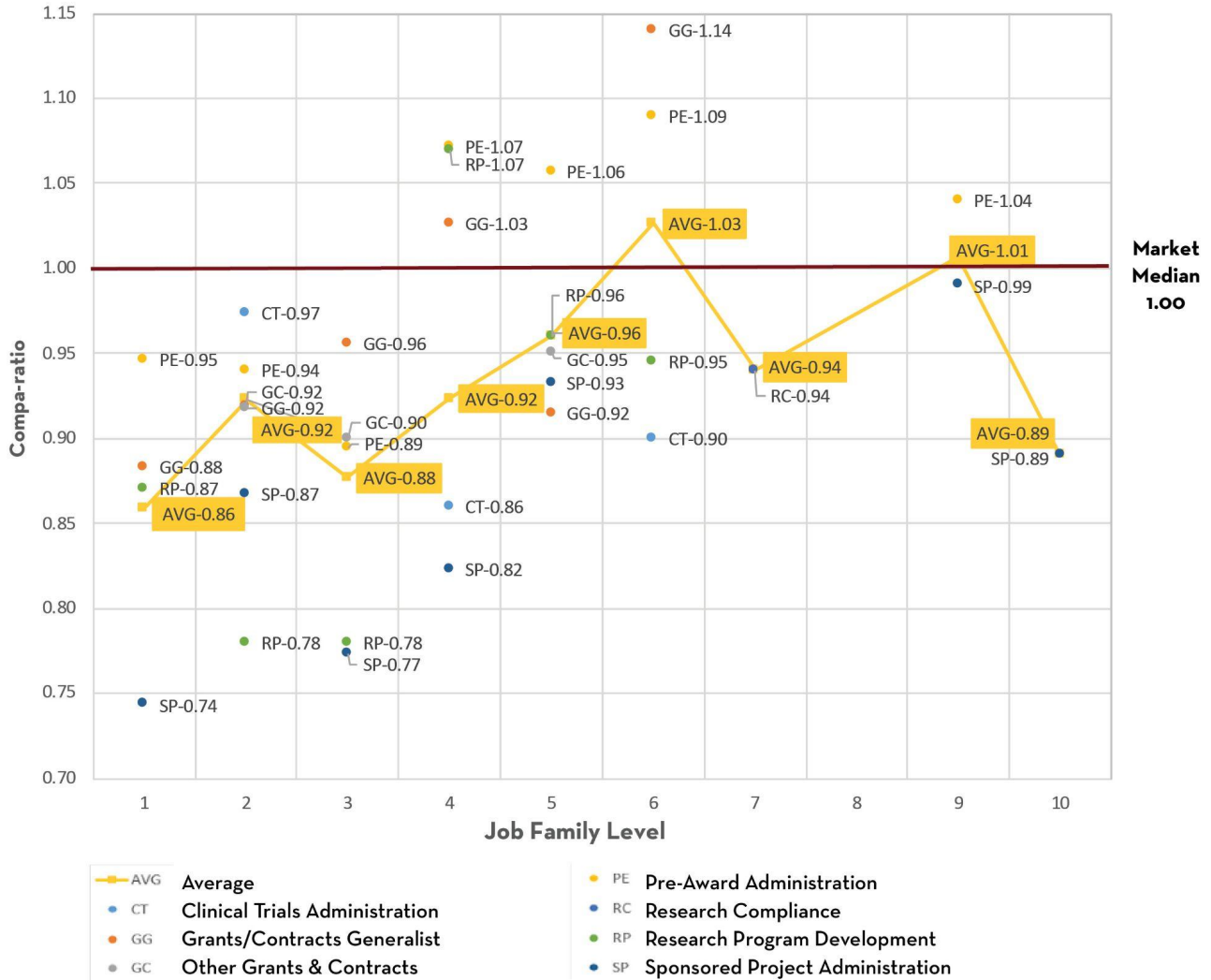


- AVG Average
- AA Accounts Payable and/or Accounts Receivable
- BA Budget Analysis & Financial Planning/Analysis
- CL Call Center Finance
- CA Cost Accounting & Pricing
- CC Credit and/or Collections
- FG Financial Generalist
- FP Financial Planning and Analysis
- FC Fund Administration
- GR Grants & Research Financial Administration
- IR Insurance Risk Management
- IP Investment/Portfolio Analysis
- FN Other Finance
- PY Payroll Finance
- PR Purchasing
- SF Student Financial Services
- SC Supply Chain and Logistics
- TA Tax Accounting
- TE Technical Accounting
- TR Treasury

Grants and Contracts

Overall Compa-Ratio = 0.91

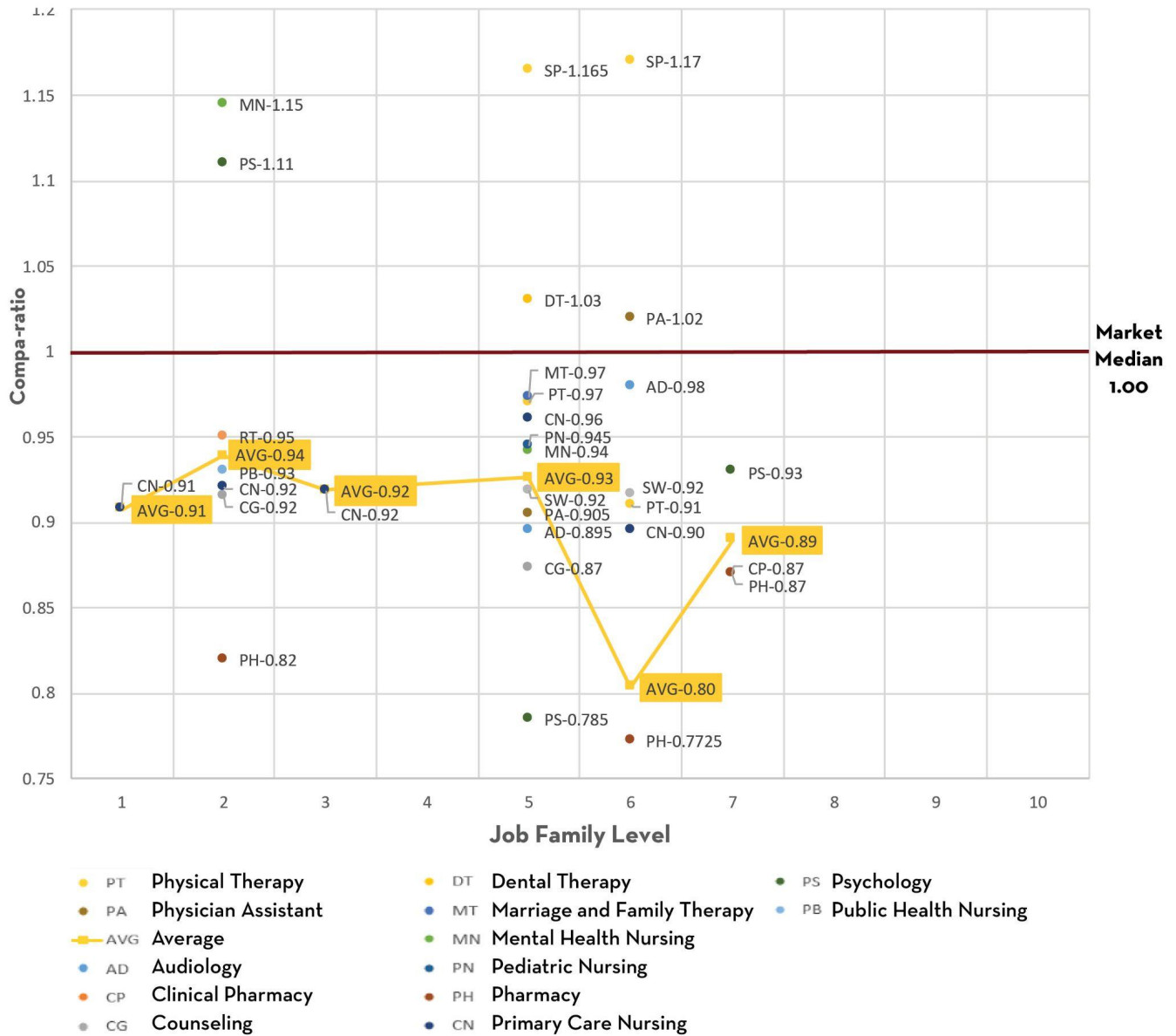
Grants and Contracts



Health Care - Direct Care

Overall Compa-Ratio = 0.89

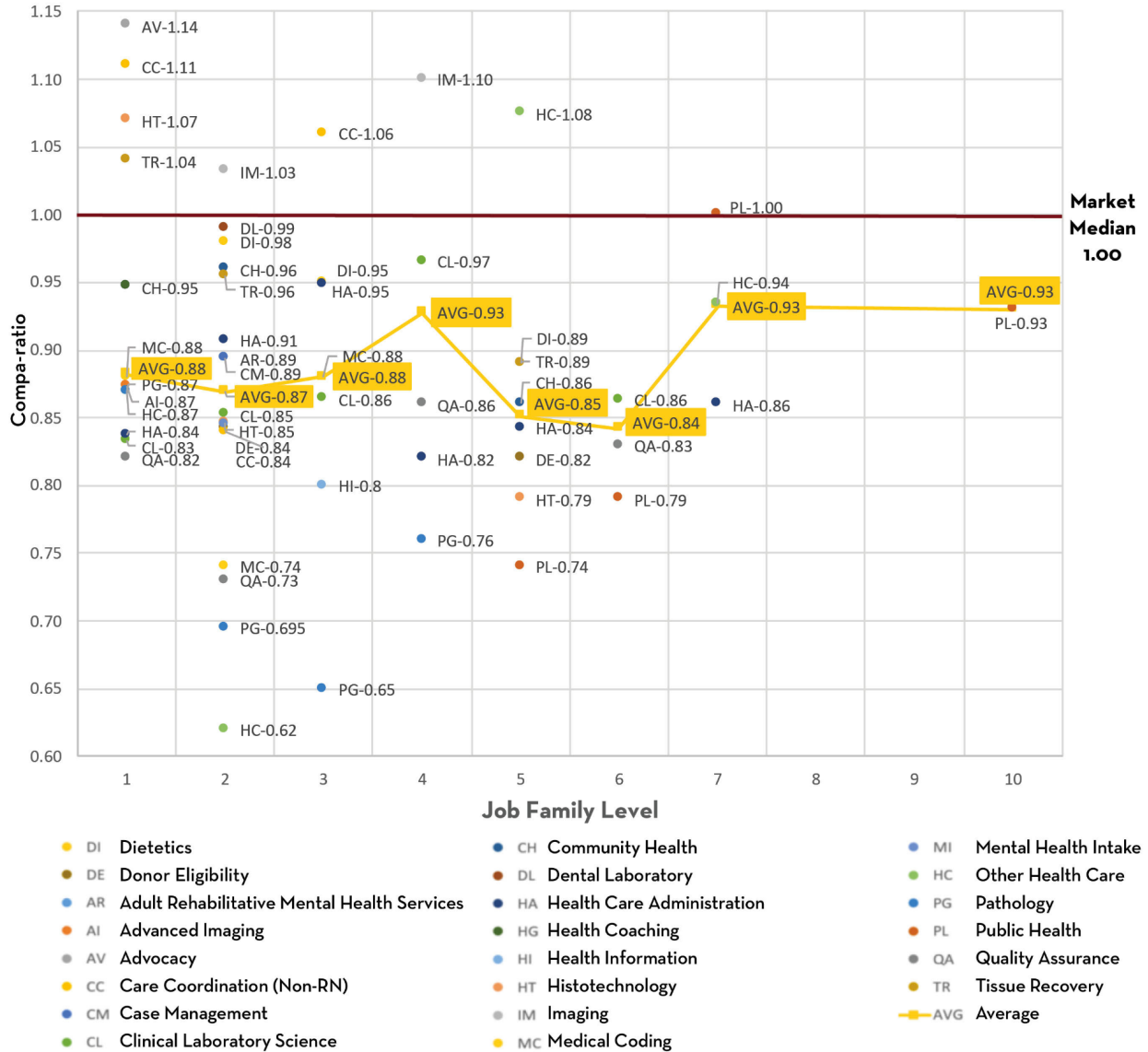
Health Care - Direct Care



Health Care - Indirect Care

Overall Compa-Ratio = 0.89

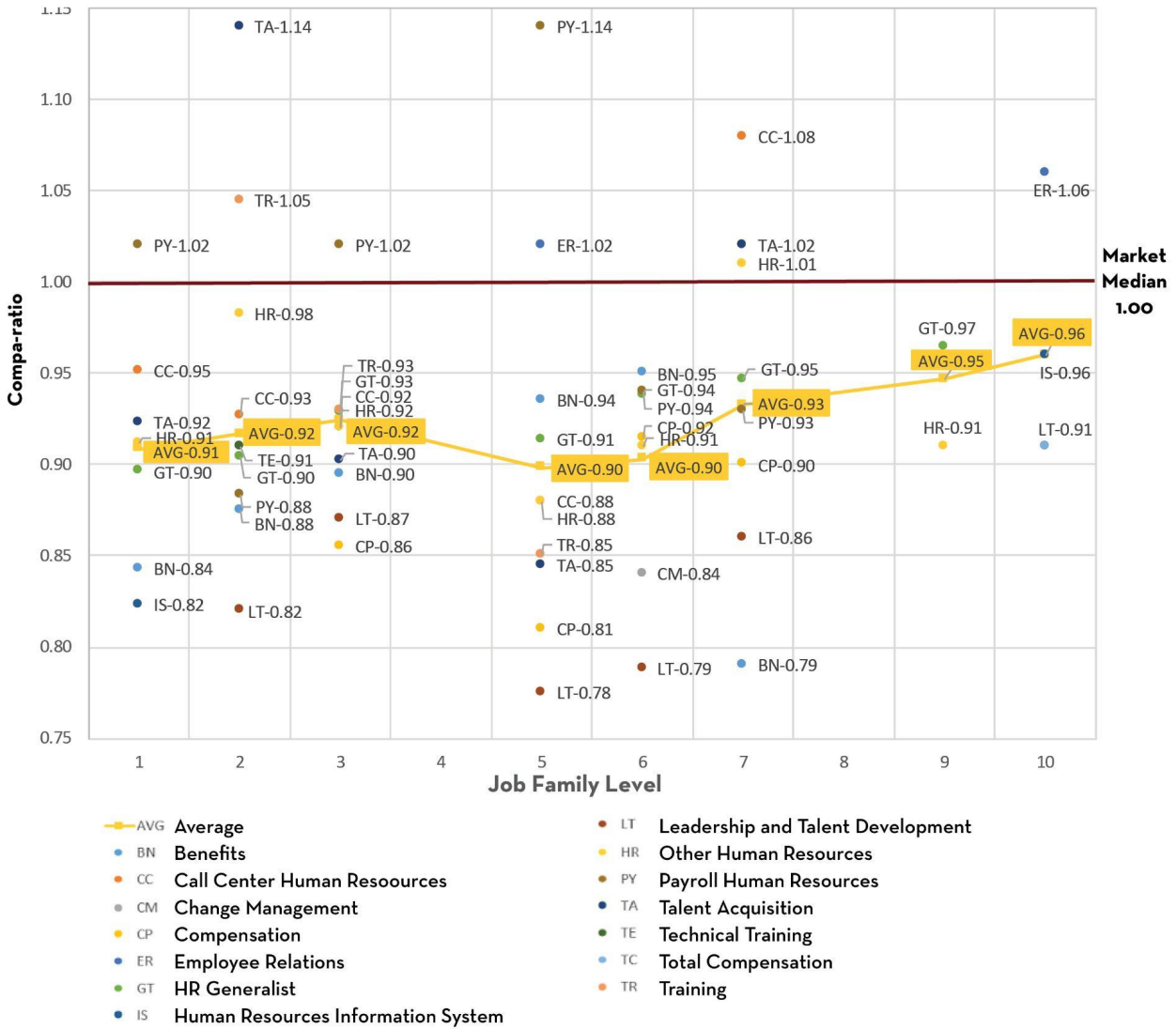
Health Care - Indirect Care



Human Resources

Overall Compa-Ratio = 0.91

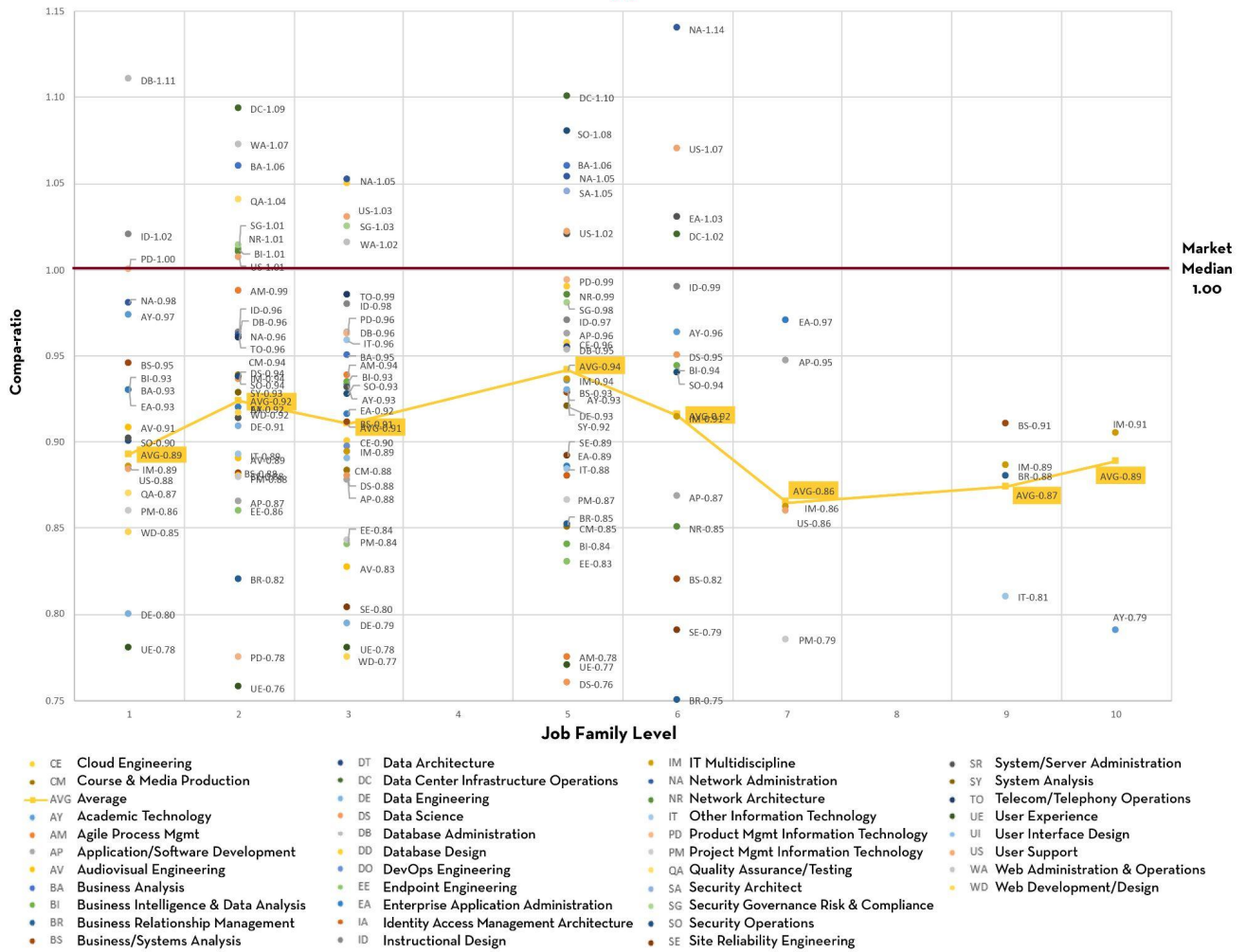
Human Resources



Information Technology

Overall Compa-Ratio = 0.91

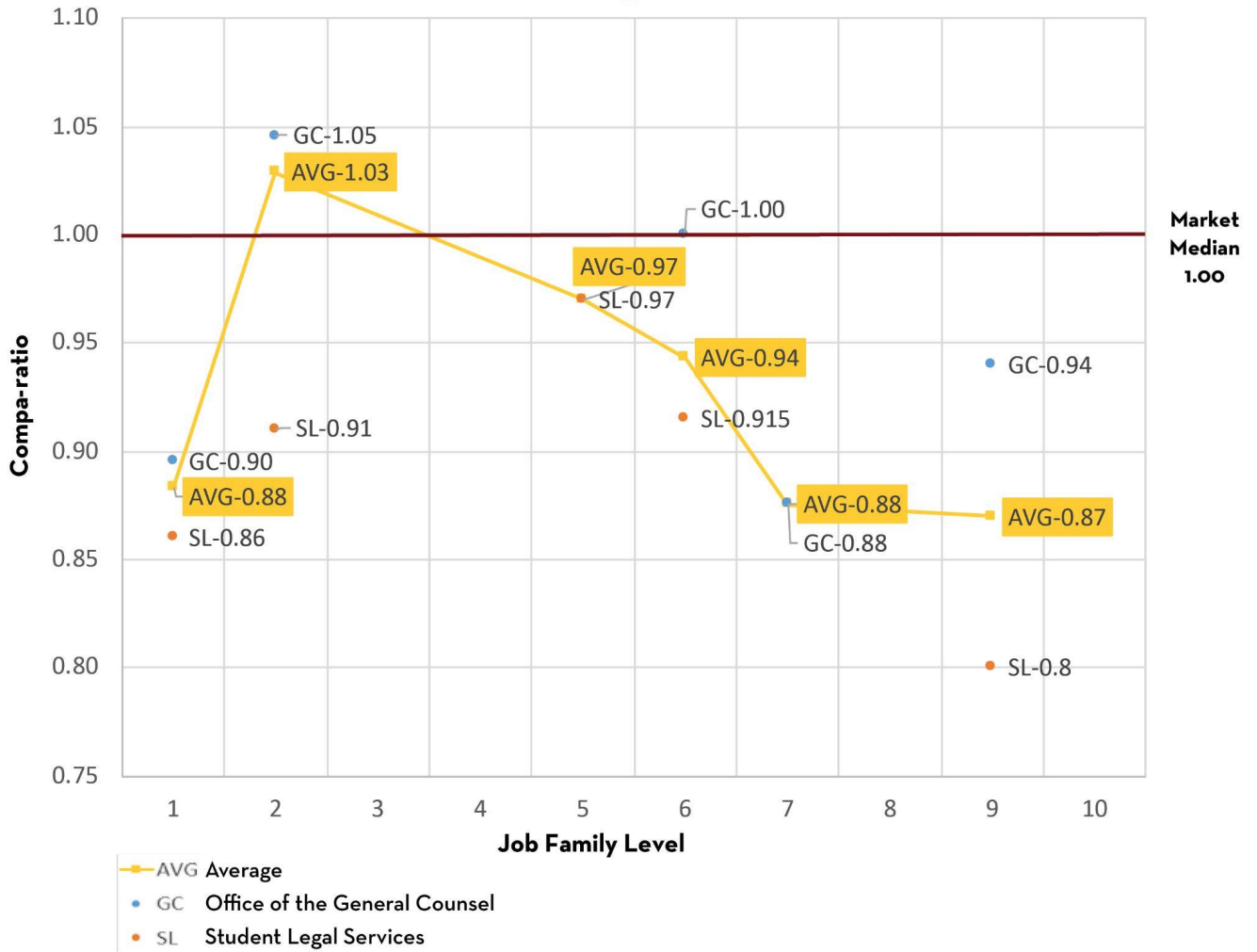
IT



Legal

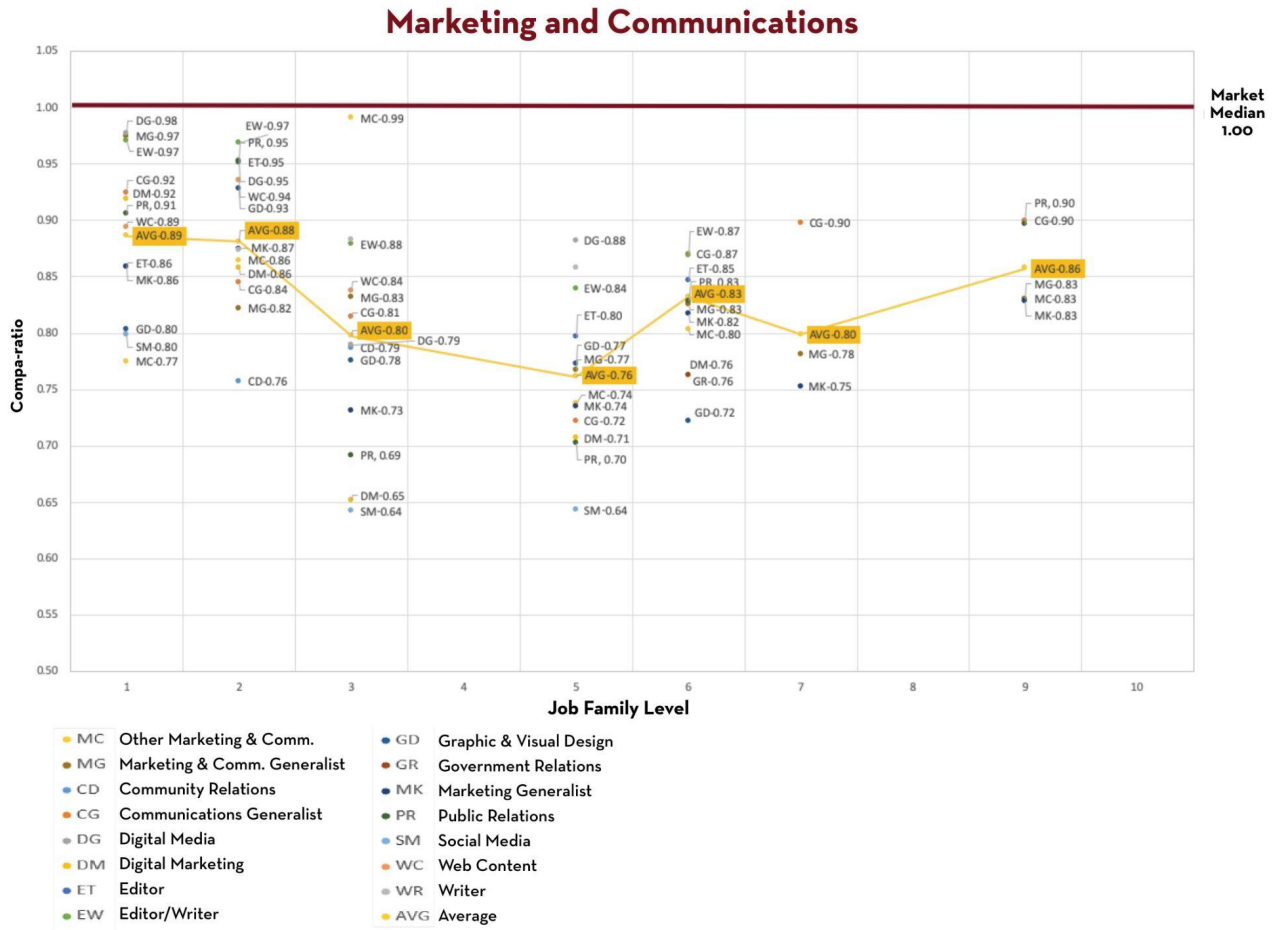
Overall Compa-Ratio = 0.93

Legal



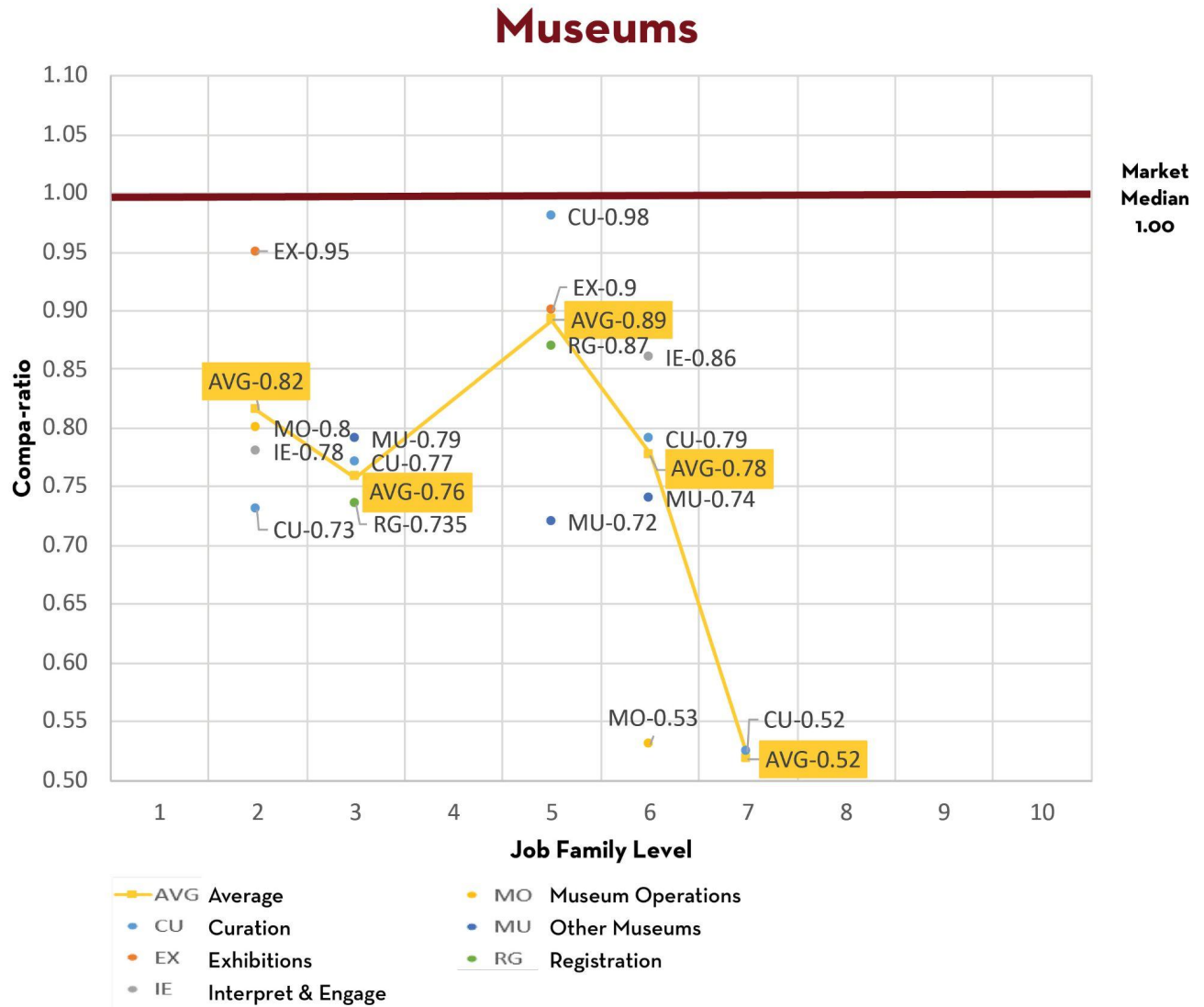
Marketing and Communications

Overall Compa-Ratio = 0.83



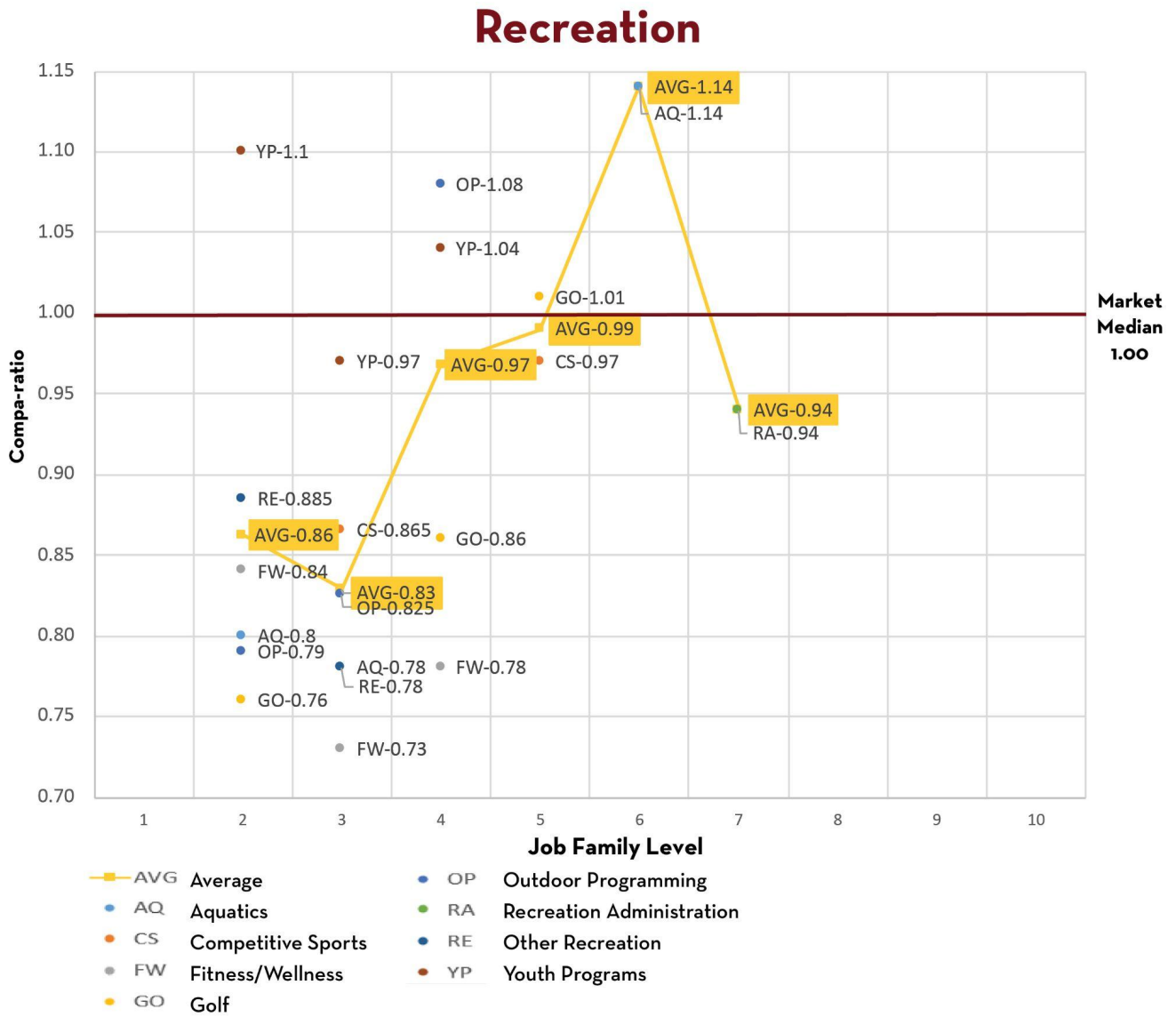
Museums

Overall Compa-Ratio = 0.75



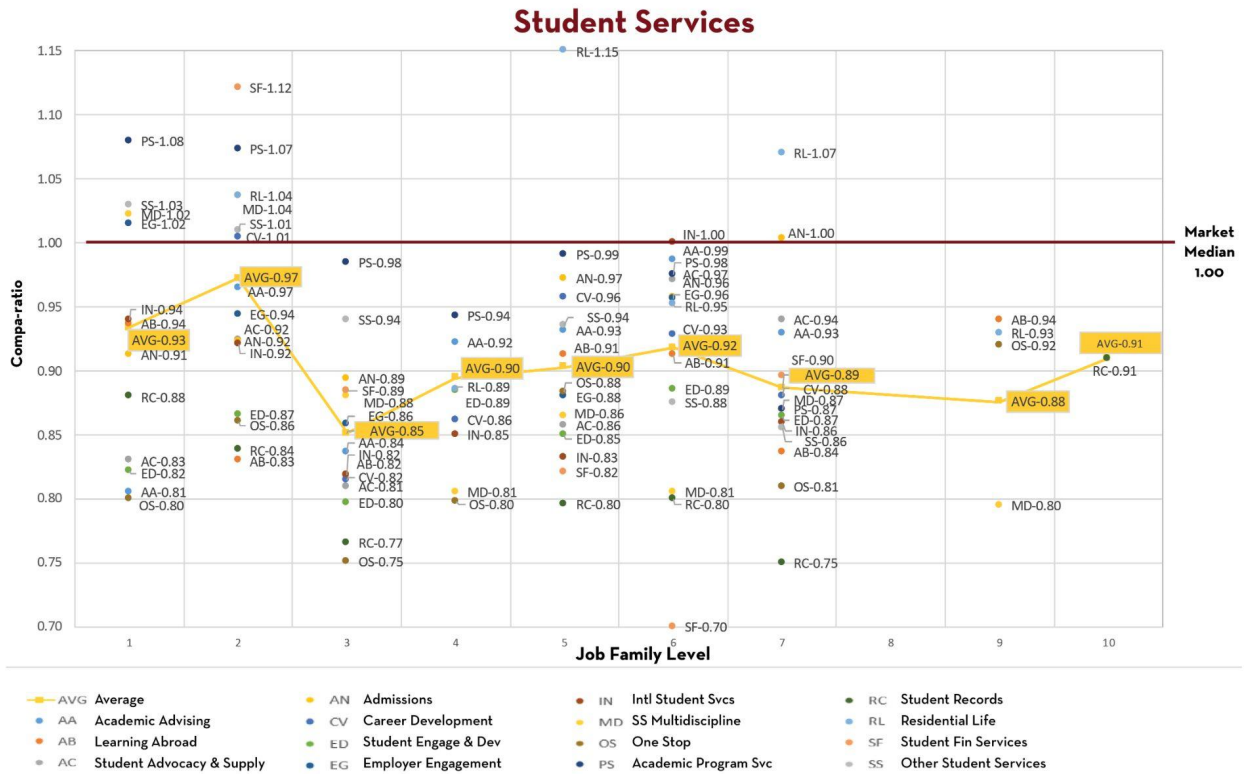
Recreation

Overall Compa-Ratio = 0.89



Student Services

Overall Compa-Ratio = 0.90



University of Minnesota Salaries Compared to Market Median

Job Family	Market Median	Average Compa-Ratio	University Compared to Market Median
Advancement	1.0	0.96	-4%
Animal Health	1.0	0.92	-8%
Athletics	1.0	0.89	-11%
Audit	1.0	0.93	-7%
Business Development	1.0	0.82	-18%
Campus Operations	1.0	0.88	-12%
Finance	1.0	0.89	-11%
Grants & Contracts	1.0	0.91	-9%
Health Care	1.0	0.89	-11%
Human Resources	1.0	0.91	-9%
Information Technology	1.0	0.91	-9%
Legal	1.0	0.93	-7%
Marketing & Communications	1.0	0.83	-17%
Museums	1.0	0.75	-25%
Recreation	1.0	0.89	-11%
Student Services	1.0	0.90	-10%
Overall Average	1.0	0.89	-11%

Compa-Ratios for Unrefined Job Families

The market data for the job families on the following page has not yet been refined so it is not an accurate reflection of the market. Because of this, it is not recommended to use in making strategic conclusions regarding compensation for these families. Limitations of the data include:

- Each level in a job family has a salary range midpoint which was derived from market data pulled in 2012-2013 and aged by 2% per year thereafter, excluding fiscal year 2021 for which all ranges were frozen. Ranges were not moved in 2021 due to the financial constraints presented by the COVID-19 pandemic. In fiscal year 2022, ranges increased by 1.5% and by 3.85% in fiscal year 2023.

- Each level in a job family currently only has one midpoint, which is shared by jobs across many different specialties that have very different market rates. Therefore, midpoints are aggregate averages and do not reflect the market for any one job in the level.

Comparisons to market are inconclusive until Market Refinements can be completed.

Job Family	Average Compa-Ratio
Administration	0.98
Education	0.96
Libraries	0.89
Research	0.87

Annual Report on the University of Minnesota Medical Plan

Board of Regents Policy, *Employee Health Benefits*, guides decisions on strategy for the provision of health benefits at the University including encouraging a healthy and productive workforce; providing a plan to employees, retirees, and families that offers choice and high quality; and ensuring the plan is both comprehensive and cost-effective in the care provided. The University's medical plan remains competitive with peer institutions in its structure, coverage, and cost to employees; includes measures aimed at improving the health and wellbeing of plan participants; and emphasizes programs that control healthcare costs. Employee groups covered by the plan are regularly consulted through the Benefits Advisory Committee as are other University governance bodies.

These principles and strategies have provided a strong benefit to University employees and their families resulting in a fiscally sound self-insured health plan since its inception in 2002. The medical plan is a well-managed and high-value benefit for our employees and families.

This annual report provides an overview of the medical plan, how it compares to the Twin Cities and Higher Education markets, plan performance and cost trends, an update on the Wellbeing program and mental health resources for medical plan participants, and future strategies for medical plan optimization.

Medical Plan Overview

The University of Minnesota's self-insured plan was introduced in 2002. The plan provides health coverage for approximately 18,000 enrolled employees and over 39,500 total members. This includes eligible employees, early retirees, and their dependents. Employees who hold appointments at 75% time or greater are eligible to participate in the plan. Those who hold appointments of 50% can participate in the plan but are required to pay both the employee and employer portion of premiums.

The University of Minnesota medical plan consists of four medical plan options. This includes Medica Elect/Essential and Medica Choice Regional as the base plan, Accountable Care Organizations (ACO), Medica Choice National and Medica HSA. The base plan, including employee contributions, is collectively bargained.

Medica is the third-party plan administrator. Prime Therapeutics is the pharmacy benefits manager. Fairview Specialty Pharmacy is the specialty pharmacy manager. Medica/Virgin Pulse administers the voluntary, incentive-driven Wellbeing Program.

Comparison to Market

The University offers a very competitive medical plan design that delivers high value to employees. Specifically, the plan is characterized by low deductibles, low co-pays, low out of pocket maximums, and low pharmacy co-pays.

To assess how the University’s medical plan compares to the market, in terms of the value provided to employees, we need to consider the relevant market for our various employee groups.

The market for Labor-Represented, Civil Service, and P&A employees is defined as the Twin Cities, all employers. Two surveys were used to draw comparisons between the University’s medical plan and that of other large Twin Cities employers:

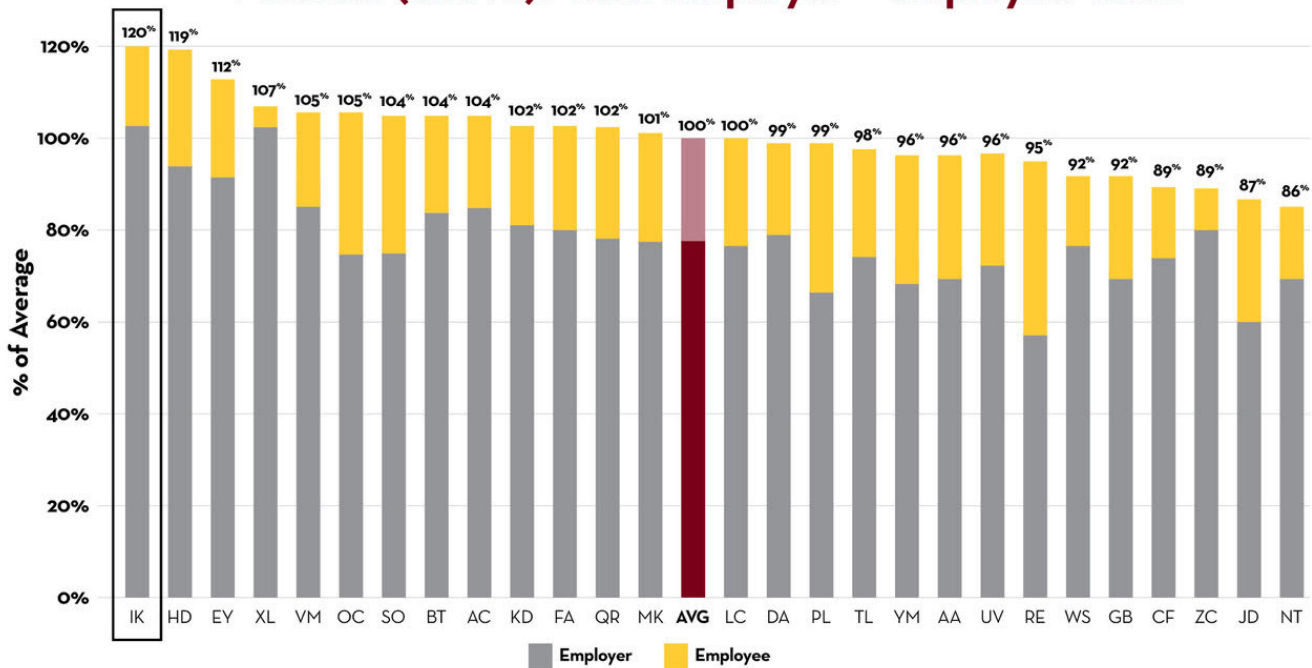
- Willis Towers Watson 2021 Large MN Employers Benefits Benchmark Study, which includes data from 28 large MN employers
- Willis Towers Watson 2020 Medical Benefits Benchmarking Analysis

The market for faculty and senior leadership is defined as national higher education. The following survey was used to assess how our medical plan compares to this market:

- The LHD Benefit Advisors 2019 custom survey sponsored by Purdue, which includes data from 26 higher education institutions

The chart below, from the Willis Towers Watson’s 2021 survey shows that the total benefit value provided to employees at the University (shown here as an anonymous organization “IK”) through its medical plan is 20.0% greater than the average benefit value provided at other Minnesota large employers that participated in their annual benchmark survey.

Medical (active): Total employer + employee value



This means, if an employee with the average U of M salary of \$75,784 and uses the medical plan at the average level of employee utilization, that employee would receive an incremental benefit equivalent to 3.86% of their annual salary through the University medical benefit, compared to large private employers. This illustrates why the University’s medical plan is a key factor in the recruitment and retention of Labor Represented, Civil Service and P&A employee groups.

	Average Employer-Provided Value Across MN Large Employers	U of M Employer-Provided Value	U of M Average Annual Cost Per Employee	Difference in Average Annual Value	U of M Average Salary for CS and P&A	Percentage Difference in Average Annual Salary
Medical Plans	100.0	120.0	\$17,531	\$2,922	\$75,784	3.86%

The Purdue survey indicated there is a minimal incremental difference favoring the University medical plan in comparison with large Minnesota public employers and almost no difference compared to peer institutions nationally.

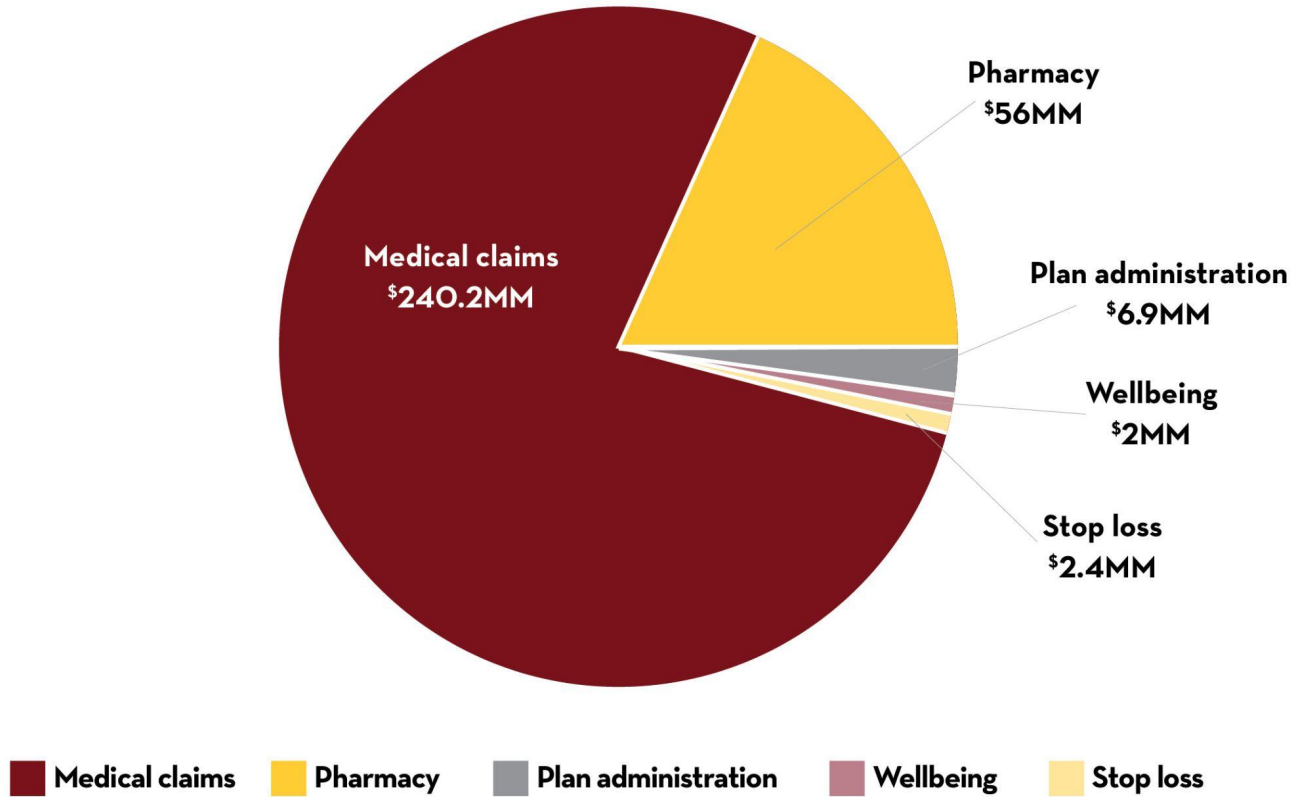
Medical Plan Performance and Cost Trends

The University’s medical plan has been well-managed throughout its history and we have had accurate premium projections since inception of the medical plan.

The components of medical costs include:

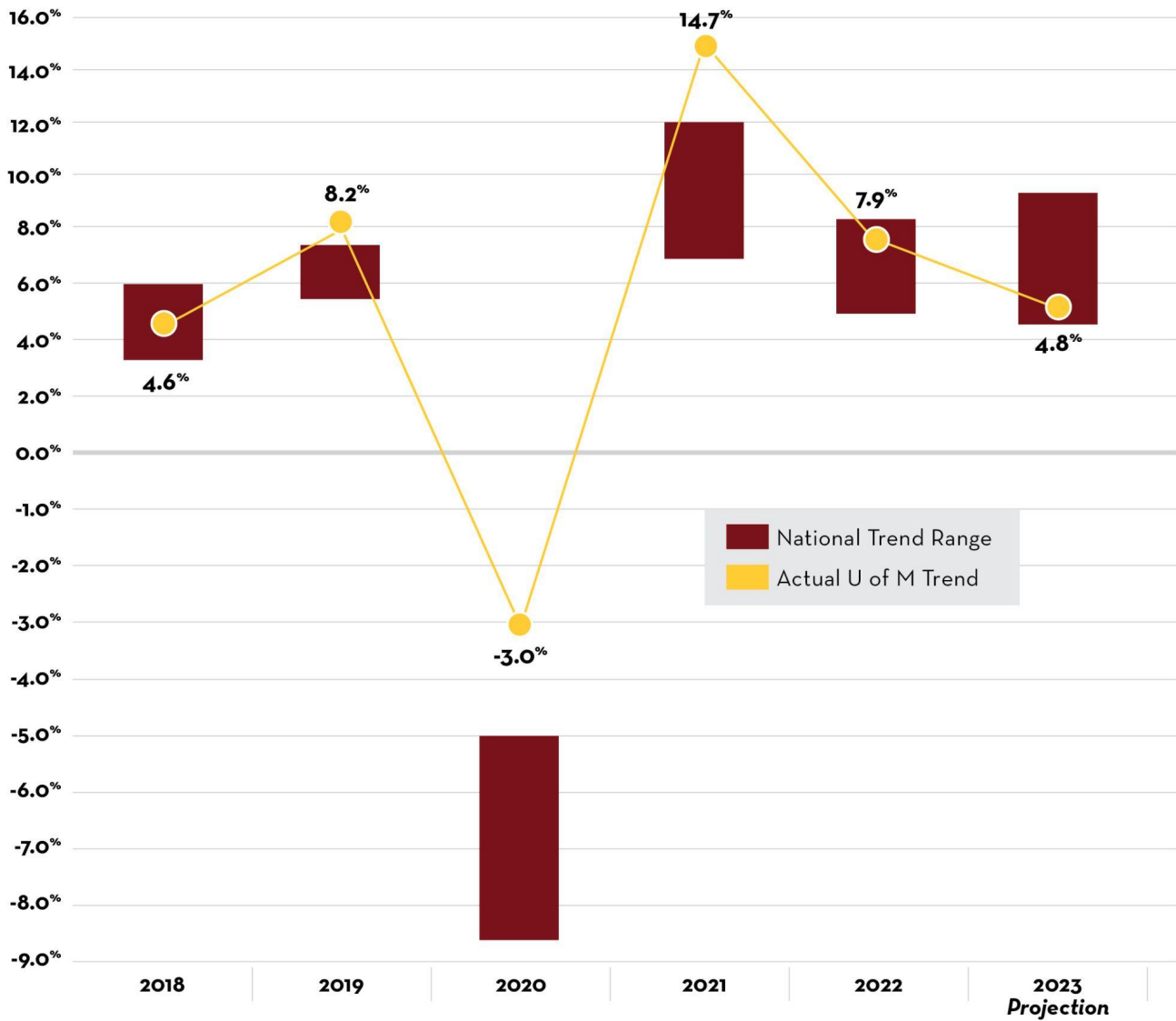
- **Medical claims:** Includes preventive, primary, urgent care, mental health, specialty, inpatient, outpatient, emergency, medical, and medical pharmacy
- **Pharmacy claims:** Includes generic, brand, and specialty
- **Plan administration:** Includes claims adjudication and processing, customer service and support, medical management review, and case management
- **Stop loss:** protects the medical plan from individual claims above \$1,000,000
- **Wellbeing Program:** includes administrative costs

2022 Budget: \$307.5 million



Year over year, the University's medical plan trend has remained very consistent with what is seen nationally among other employers. The following chart shows aggregate national health care and medical plan cost trends from calendar year 2018-2023.

Aggregate National Healthcare Trend



For calendar year 2022, the U of M budgeted a 5% increase with an actual increase of 7.9%. National healthcare trends for this same time period are not currently available (the 2022 national trend range is shown here as an estimate). Current cost trend is accelerating due to complex factors that are outlined in the chart below. Frequently, these conditions involve significant medical services and treatments that are high cost for a small percentage of members.

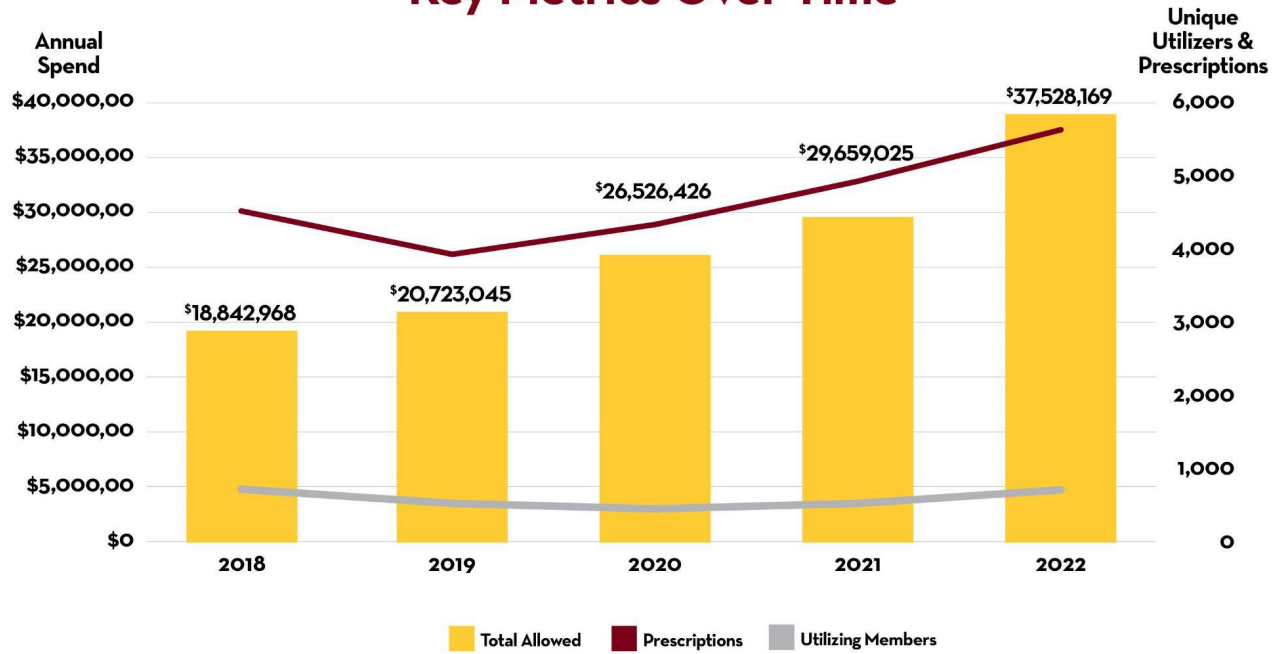
Topic	Increase	Unique Members
Specialty Pharmacy	\$11.7M	699
Musculoskeletal	\$4.1M	21,021
Respiratory	\$2.4M	9,230
Behavioral Health Care	\$1.9M	14,591
Digestive	\$1.8M	8,716

Musculoskeletal utilization accounted for 13.6% of total 2022 medical plan utilization, excluding pharmacy claims. The high number of unique members receiving care is attributed to a post-COVID catch-up. The first full year full Musculoskeletal services were available was 2022.

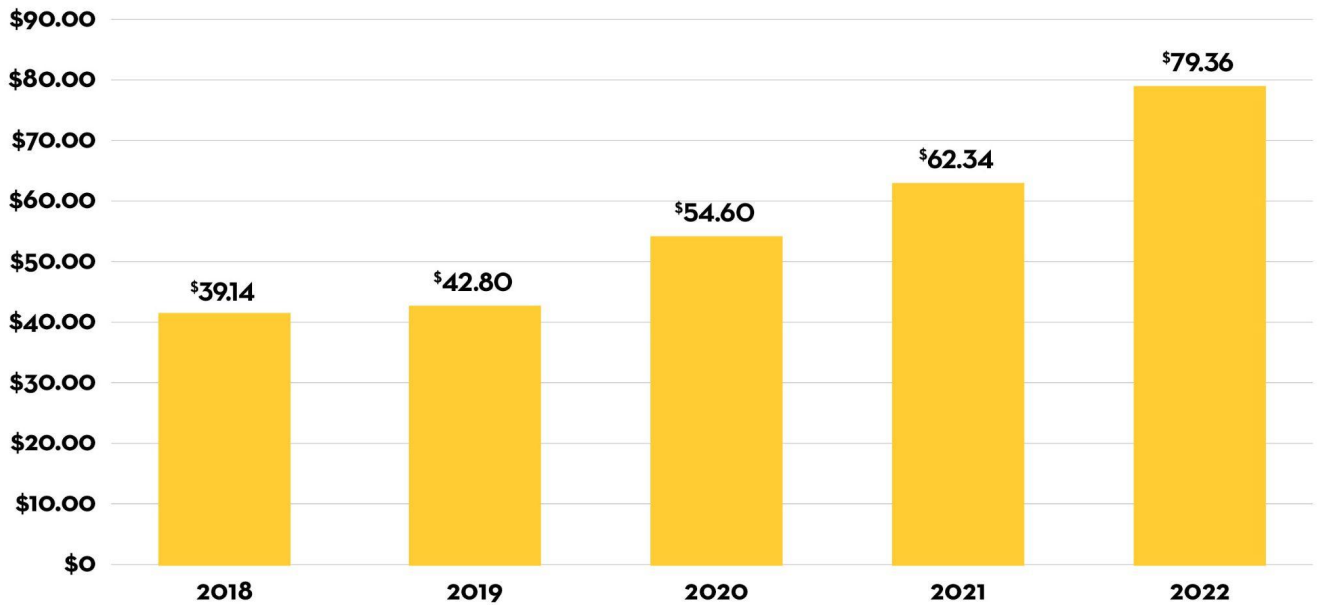
Specialty Pharmacy

The medical plan defines specialty drugs as drugs that can be injected, infused, or taken orally, that require special handling or other specialized expertise, with a monthly cost of \$2,500 or more. Less than 2% of medical plan participants receive a specialty drug, yet specialty drugs account for over 60% of the total cost of medical plan prescriptions under the pharmacy benefit. Only a minimal number of specialty medications are moving to generics or biosimilars and, even if this were to occur, the overall price decrease will not be significant. The increased costs of specialty drugs is significant so how the University manages specialty drugs will be a major factor in the overall trend of the health plan. From 2021 to 2022, the University saw an 8.1% increase in Utilizing Members, a 13.1% Increase in Pharmacy Scripts and a 27.3% increase in per-member-per-month (PMPM) Trend (+\$17.02).

Key Metrics Over Time



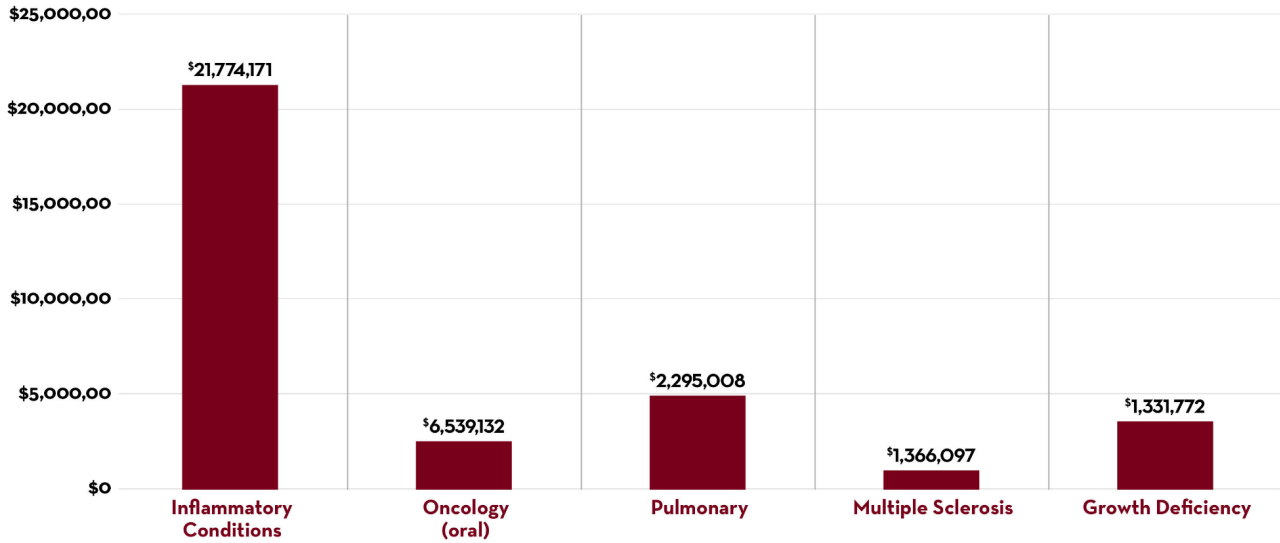
Per Member Per Month Spend (PMPM)



Note: Data represents only drugs currently on the Fairview Specialty Pharmacy Medical Plan Drug Management List (DML). Applicable plan pharmacy rebates not applied to data.

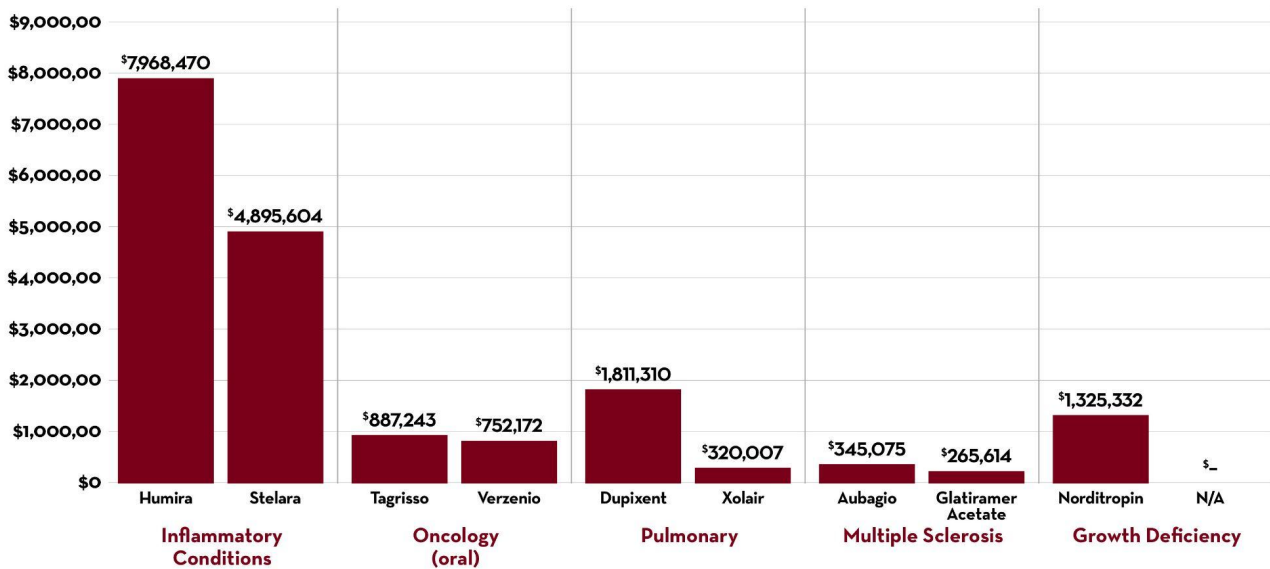
The following charts show the top five specialty drug categories for 2022, as well as the two drugs that drove expenses in each of these categories. These top 5 categories represent 89% of the total pharmacy cost.

2022 Top 5 Condition Categories



Note: Data represents only drugs currently on the Fairview Specialty Pharmacy UPlan Drug Management List (DML)
Applicable plan pharmacy rebates not applied to data.

2022 Top 2 Drugs by Category



Note: Data represents only drugs currently on the Fairview Specialty Pharmacy UPlan Drug Management List (DML)
Applicable plan pharmacy rebates not applied to data.

In 2022, a new three-year request for proposal (RFP) to identify a pharmacy benefit manager and specialty pharmacy manager was completed. As a result, the University expects \$55.6 million total savings in rebates and specialty pharmacy savings starting from 2023-2026. These savings will be a significant increase on the total

estimated savings of \$5.7 million since 2018, with \$2.7 million of this savings occurring in 2021 alone through our continued management of pharmacy expenses.

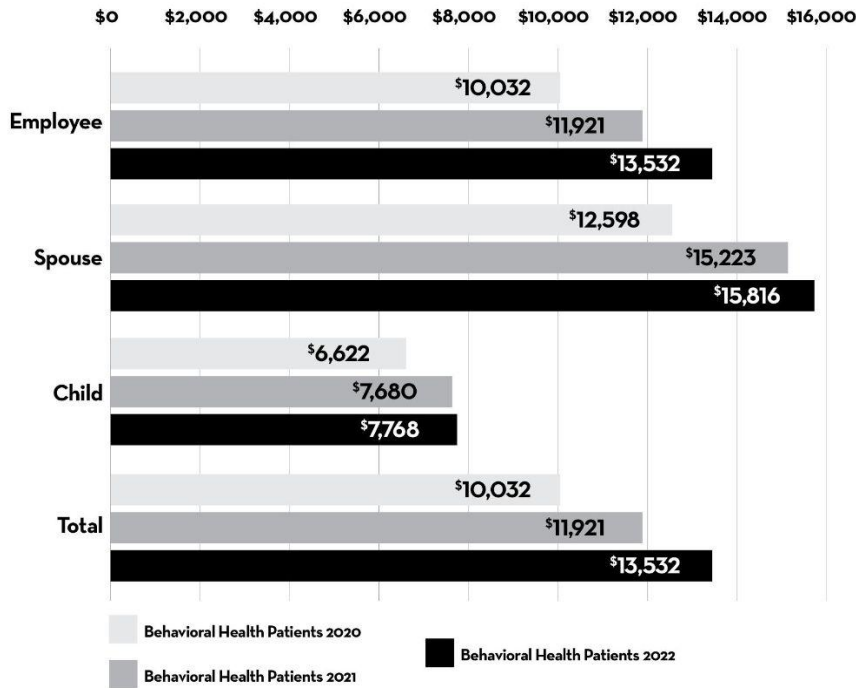
Behavioral Health Utilization

On the University medical plan, behavioral health utilization increased 8.6% from CY21 to CY22. The current prevalence of depression among covered University members and dependents is 21.2% while the prevalence of anxiety is 15.4%. Approximately 2.5% of medical plan members have a serious persistent mental illness (SPMI). SPMI is a mental, behavioral, or emotional disorder resulting in serious functional impairment which substantially interferes with or limits major life activities. The chart below shows the allowed amount per member per year is higher for participants with a behavioral health diagnosis due to higher health care utilization overall. Those participants with a behavioral health diagnosis also see a 15.8% increase in emergency room (ER) utilization. The data supports a comprehensive behavioral health care strategy, including care at all levels and all specialties as well as self-directed resources, as an effective approach to improving a person's overall health.

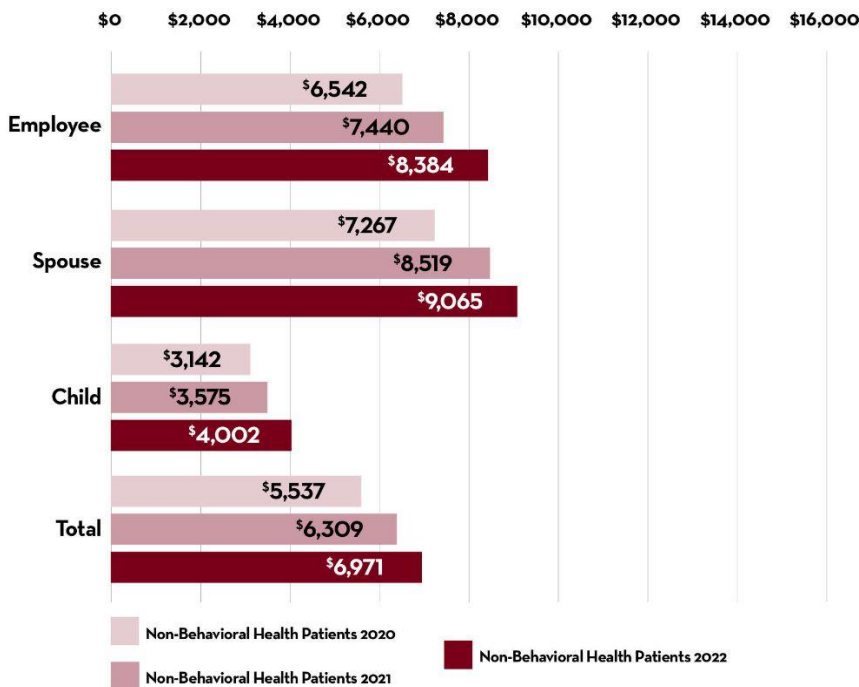
University of Minnesota - Mental Health

Allowed Amount Per Member Per Year (PMPY)

Behavioral Health Patients



Non-Behavioral Health Patients



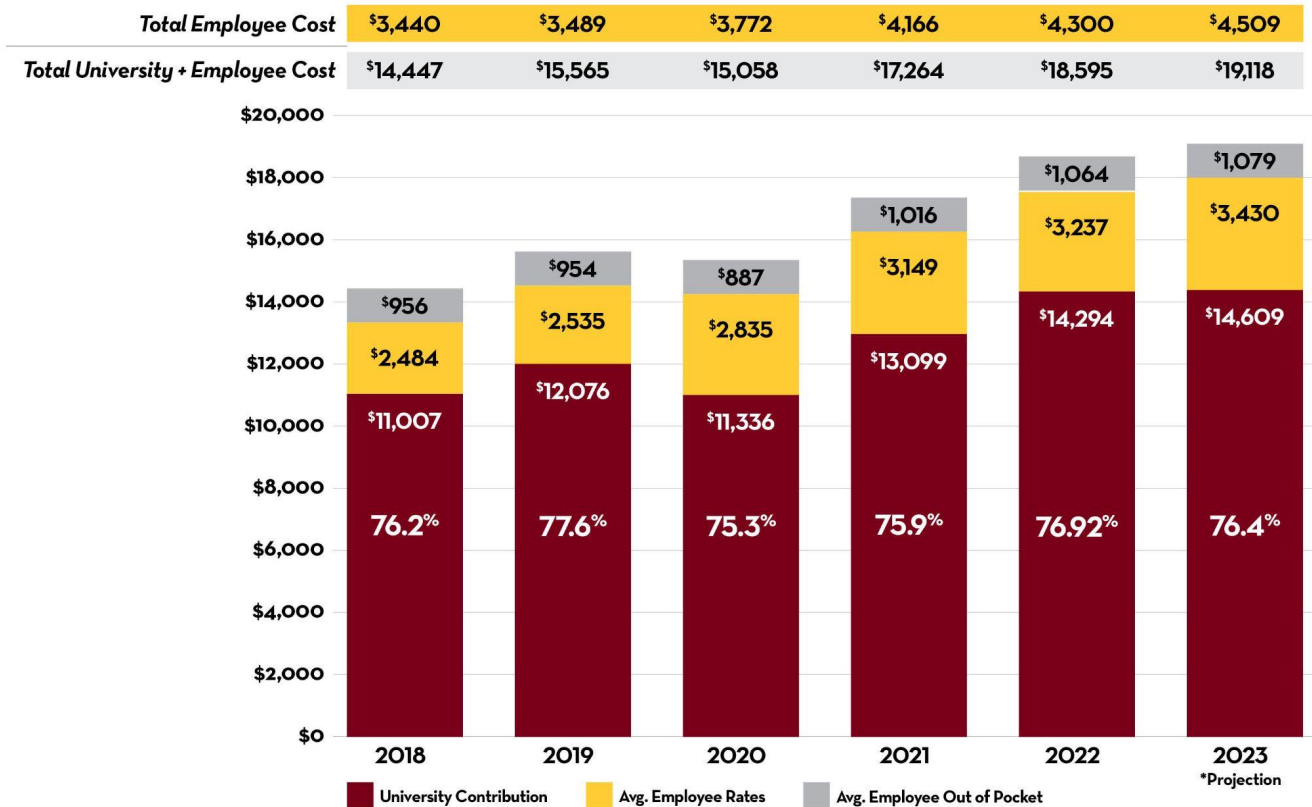
Effective January 1, 2023, the University expanded its behavioral health services with the selection of a new Employee Assistance Program (EAP) administrator, Lyra Health. Lyra Health offers traditional EAP services with additional behavioral health counseling resources. After eight visits with the EAP (a Lyra provider), care transitions to a University medical plan as a medical claim with the same provider.

Their global network of behavioral health providers (20,000+) adds over 650 behavioral health care providers to the University’s network and over 100 that can support pediatric mental health. Ninety-five percent (95%) of the Minnesota providers do not participate in a health plan so these providers will be a new source of behavioral health providers not currently available to our employees and dependents. They also offer a rich library of preventive research-based self-care offerings.

Increased cost for the medical plan has a direct impact on the premium equivalents paid by the University and its employees. Below is a chart that shows the University’s average annual contribution per employee and the average annual employee contributions. The 2023 projection is based on a projected 4.8% employee per year (PEPY) cost increase compared to the 2022 budget. The trends affecting the 2022 increase are Specialty Pharmacy 27% increase of \$11.7M, Musculoskeletal 14% increase of \$4.1M, Respiratory 36% increase of \$2.4M, Behavioral Health 11.5% increase of \$1.9M and Digestive 10.7% increase of \$1.8M.

Annual Medical Cost per Employee

Total Employee Premium and Out of Pocket (OOP)



Wellbeing

The University’s Wellbeing Program aims to support the Board of Regents policy regarding health benefits which includes a guiding principle that “encourages the use of programs provided through its health plan to improve the health and wellness of plan participants with emphasis on programs that over time control health care costs for the university and its employees.”

The Wellbeing Program is offered to employees who are eligible for the medical plan and their spouses. The program offers a personalized approach to improving one’s wellbeing, with points awarded for engaging in various activities. Once a certain threshold of points are earned, the employee can earn a health insurance premium discount in the next calendar year.

Wellbeing programming offers a wide range of topics including meditation, yoga, stress management, depression, anxiety, sleep, budgeting, financial planning, cooking classes, nutrition education, health awareness days or months, movement, community wellbeing, forest bathing, diversity, equity and inclusion. Programs are delivered in a variety of ways such as webinars, self-paced educational modules, challenges, self-reporting, and third-party apps such as Ovia and ReThink Care.

The chart below shows participation levels for 2021-2022 wellbeing program year data.

Wellbeing Program Enrollment and Incentive Metrics	Total	Employees	Spouses
Wellbeing Program enrollment	52% ¹	62% ²	29% ²
2022 participants who received the 2023 Wellbeing Program health insurance premium incentive	NA	41% ³	NA

¹ 13,205 (10,992 employees and 2,292 spouses) of 25,432 eligible members

² Percentage of employees and spouses that make up the total percentage

³ 7,211 employees earned of 17,803 eligible

Wellbeing Program Metrics of participating members	Total	Employees	Spouses
Health assessment questionnaire	74% ⁴	46% ⁵	20% ⁵
Completed a biometric health screening	24% ⁴	25% ⁵	15% ⁵

⁴ Percentage out of 13,205 enrolled

⁵ Percentage of employees or spouses out of the total percentage

Strategies for Coming Years

Our medical plan strategy is to position our medical plan as a differentiator for a competitive advantage. Then support employees through targeted solutions that decrease the prevalence of medical conditions, provide meaningful opportunities to improve wellbeing and support leadership in the development of a stronger culture

of wellbeing. In addition, our strategy supports an active management of pharmacy costs and continual assessment of plan design and networks.

Future design efforts to address some of these variables are outlined as:

- **Redesign the Wellbeing Program** with an emphasis on a strong educational foundation, meaningful programming, and leadership support to develop a stronger culture of wellbeing. In addition, expand the program to non-benefit enrolled employees.
- **Build on newly launched diabetes prevention and management program.** In 2022, the University partnered with Omada as a personalized program to help employees proactively manage their health. We will continue to encourage participation and provide resources to employees to support general nutrition, metabolic syndrome, diabetes, and gut health.
- **Educate and engage employees on the University's new enhanced employee assistance program (EAP).** The EAP helps to remove barriers to behavioral health care and provides greater provider availability and care modalities for children, teens, and adults.
- **Continue to review medical utilization** to identify additional resources for the treatment of medical conditions.
- **Pursue multiple programming channels** in managing the pharmacy benefit to help slow the increased cost of specialty drugs. This will include shorter term vendor contracts, cost reduction strategies and generic and biosimilar drug strategies.
- **Continue to review medical plan design** with peer institutions to ensure competitive and comprehensive coverage.

Annual Report on Retirement Benefits

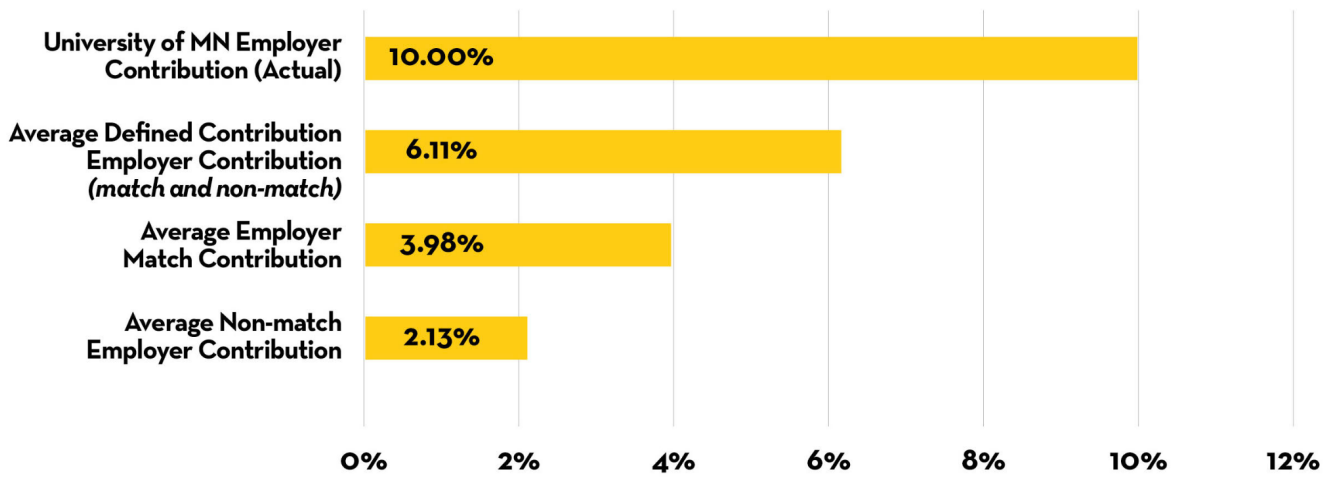
Retirement benefits can be assessed from multiple angles, including cost to the plan sponsor, administrative efficiency, and their effectiveness in preparing employees for a financially secure retirement. This report focuses on the value of the University’s retirement benefits to both current and prospective employees.

Civil Service and Labor-Represented Staff (Non-Faculty)

Civil Service and non-faculty Labor Represented staff participate in a defined benefit pension plan provided through the Minnesota State Retirement System (MSRS). Employees currently contribute 6% of their base salary to this plan and the University contributes 6.25% of the employee’s base salary, which are the contribution rates mandated by the state legislature. The plan replaces 59.5% of pre-retirement income based on the employee’s highest 5 years of salary with 35 years of service and a normal retirement age of 66 (excludes Social Security income).

P&A Staff

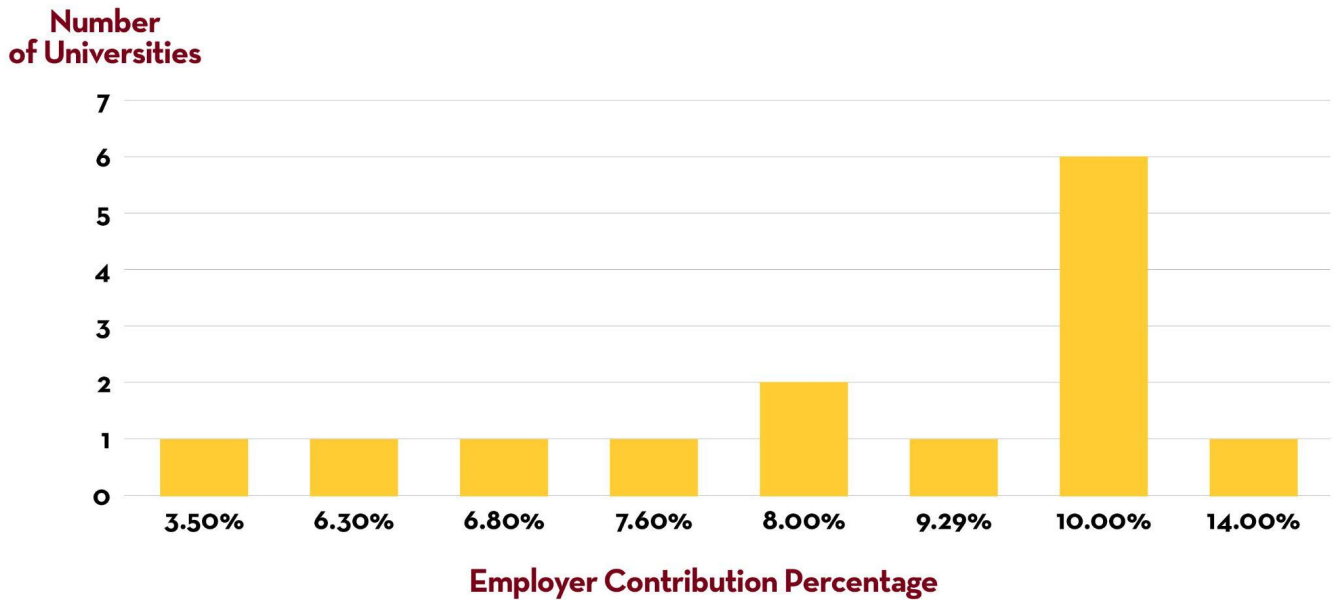
P&A employees participate in a 401(a) Defined Contribution plan. Newly hired P&A employees contribute 5.5% of their base salary to this plan and the University contributes 10%. The market for P&A employees is composed of other large Twin Cities employers. When compared with the Twin Cities large employer marketplace, the University provides 3.89% more than companies that provide both a matching and non-matching component to their defined contribution plan.



Source: Willis Towers Watson 2021 Large MN Employers Benefits Benchmark Study which surveyed 27 large Minnesota employers and compared data for newly hired employees. 25 of the 27 employers provide a matching contribution and 16 of the 27 employers provide a non-matching contribution (may be based on company profits for the year).

Faculty

Faculty participate in the same 401(a) Defined Contribution plan as P&A employees. Newly hired faculty contribute 5.5% of their base salary to this plan and the University contributes 10%. The labor market for faculty is composed of national higher education institutions. A custom review of higher education websites suggests an average contribution rate of 8.82% and median of 9.65%. The University therefore provides 1.18% in higher contributions compared with the average.



Source: Custom survey of 14 higher education retirement plans for faculty and administrative staff. These institutions were the participants in LHD Benefit Advisors 2019 survey sponsored by Purdue and include Penn State, The Ohio State University, University of Michigan, Purdue University, Indiana, Notre Dame, University of Illinois, University of Wisconsin, University of Iowa, University of Minnesota, University of Missouri, California State-Santa Barbara, University of Florida, and Virginia Tech. Data reported is as of January 2023.

Other Plan Offerings

All employee groups (Faculty, P&A, Civil Service, and Labor Represented staff members who are paid on a continuous basis) are eligible to participate in two voluntary retirement savings plans: the Optional Retirement Plan (ORP) and the Section 457 Deferred Compensation Plan (457). Contributions to these plans are made solely by the employee, with no University contributions.

Overall Assessment

The following chart summarizes how the University’s retirement contributions compare to the relevant labor market for each of our employee groups:

Employee Group	Type of Plan	Overall Assessment Relative to Market for Same Type of Plan
Labor Represented	Defined Benefit	Even
Civil Service	Defined Benefit	Even
P&A	Defined Contribution	3.89% above
Faculty	Defined Contribution	1.18% above

Recent and Future Strategies

The University has been working with Fidelity to increase engagement and improve the financial wellness of our employees. In 2022, over 2,000 employees attended an educational webinar and 1,139 met with Fidelity for a personalized consultation. Fidelity also administers the University's voluntary retirement plans. Of eligible employees in 2022, 20.5% participated in the Optional Retirement Plan and 10.5% participated in the 457 Deferred Compensation Plan.

SECURE Act 2.0 will impact the University’s Faculty Retirement Plan, Optional Retirement Plan and the 457 Deferred Compensation Plan. Some provisions of the Act are mandatory while many are optional. Once SECURE 2.0 has been fully reviewed, required and recommended amendments will be presented to the Regents for approval prior to implementing any changes with the University’s recordkeeper.

Annual Workforce and Human Resources Strategy Report

Kenneth Horstman, Vice President, Office of Human Resources

Angel Uddin, Director, OHR Equity, Diversity, and Inclusion

Brandon Sullivan, Senior Director, Talent Strategy

Mary Rohman Kuhl, Senior Director, Total Rewards

Finance & Operations Committee

May 11, 2023



Office of Human Resources

UNIVERSITY OF MINNESOTA

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Agenda

- MPact 2025 Commitments
- University Human Resource Strategic Commitments
- OHR Equity, Diversity, and Inclusion Model
- Talent Strategy Initiatives
- Total Rewards: UMD Faculty Refinement Update
- Workforce Overview
- Future Opportunities and Challenges



MPact 2025 Commitments

Commitment 4: Community & Belonging		Commitment 5: Fiscal Stewardship
Goal: Recruit and retain diverse talent.	Goal: Cultivate a welcoming & inclusive campus climate.	Goal: Enhance on-campus opportunities for all students.
Actions related to HR: <ul style="list-style-type: none"> ● Recruit diverse students, faculty, and staff. ● Retain diverse students, faculty, and staff. ● Reduce disparities among underrepresented groups 	Actions related to HR: <ul style="list-style-type: none"> ● Increase job satisfaction. 	Actions related to HR: <ul style="list-style-type: none"> ● Increase campus employment opportunities for all students each year.



Human Resource Strategic Commitments

- Cultivate an inclusive culture.
- Recruit, create, and retain a growth-oriented and diverse workforce.
- Enhance service excellence.
- Promote balanced stewardship.

Foundational Strategies

Equity, Diversity, and Inclusion | Change Management | Accountability



OHR Equity, Diversity, and Inclusion (EDI) Strategic Initiative

Supports Commitment 4: Community & Belonging

Goal: Recruit and retain diverse talent.

Goal: Cultivate a welcoming & inclusive campus climate.

Commitment 5: Fiscal Stewardship

Goal: Enhance on-campus opportunities for all students.



Equity, Diversity, and Inclusion Strategy

EQUITY + INCLUSION = DIVERSITY

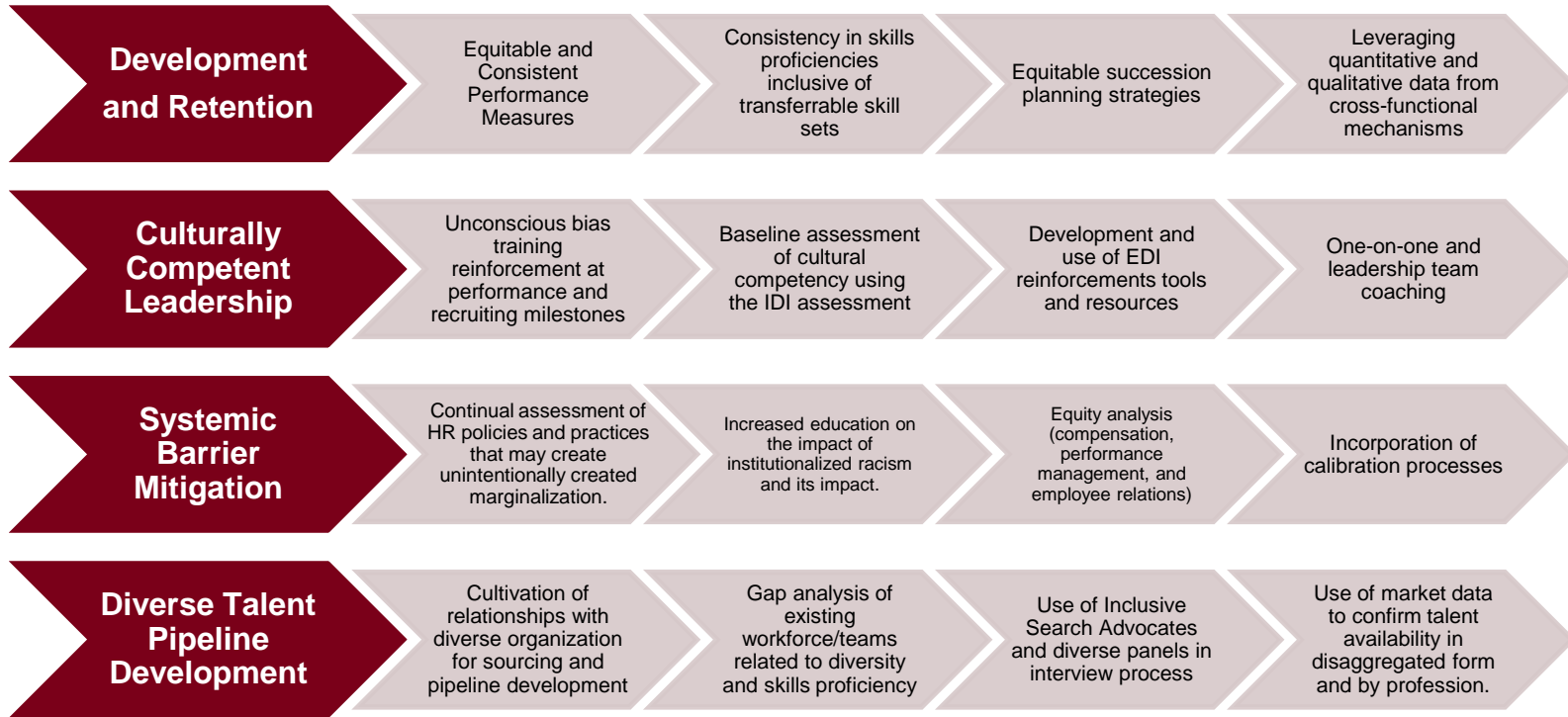
- **Equity** assures access to tools and resources needed to achieve mutually agreed-upon outcomes.
- **Inclusion** assures that voices are not simply given a seat at the table and heard but are valued in spaces where decisions are made on behalf of community stakeholders.
- **Diversity** acknowledges and appreciates the intersectional identities and lived experiences that one possesses.

Weaving equity and inclusion within every aspect of Human Resources is paramount to the success of every program, service, as well as employee engagement and will inherently result in fostering a diverse workforce.

Through this work, we will ensure these three components serve all faculty, staff, students, and the communities in which we serve. The Office of Human Resources will work in collaboration with Centers of Expertise, EDI professionals systemwide, and the Office of Equity and Diversity (OED) to execute this strategy. All individuals play a critical role in shaping the approach and key tactics.



Equity, Diversity, and Inclusion Model



All initiatives will be holistic and cross-functional across all OHR Centers of Expertise, with metrics to evaluate progress and adjust accordingly. In addition, collaborations with unit HR leads and system EDI Practitioners will be leveraged for systemwide adoption.



Talent Strategy

Current State, Strategy, and Action Plans

Supports Commitment 4: Community & Belonging

Goal: Recruit and retain diverse talent.

Goal: Cultivate a welcoming & inclusive campus climate.

Commitment 5: Fiscal Stewardship

Goal: Enhance on-campus opportunities for all students.



Talent Strategy: Current State & Timeline

Transition to Talent Strategy Center of Expertise

- New supervisor orientation
- Academic department leadership program
- Enhanced candidate sourcing tools
- Employee Engagement survey
- Expanded adoption of common talent and performance management practices

- Conduct Employee Engagement survey
- Implement talent planning practices
- Enhanced leadership development and manager training
- Inclusion search advocate program
- PEAK phase 1 implementation of TA
- Determine technology needs



- New structure and roles for full life-cycle recruitment
- Pulse survey to drive action on employee engagement
- Develop talent planning tools and practices
- Launch updated College Leads program

Talent Strategy: Action Plan

Recruit and Hire

- Launch end-to-end support for campuses, colleges, and units working through Phase 1 of the PEAK Initiative.
- Engage HR and hiring managers to share best practices and improve recruitment experiences.
- Develop internal talent mobility and learning culture to identify and build diverse talent pools for key roles.
- Continue to implement tools and practices to attract more diverse candidate pools and ensure unbiased selection decisions.



Talent Strategy: Action Plan

Engage and Retain

- Provide additional data-driven guidance to managers on which issues to prioritize for their team, department, or college.
- Advise and support those with University-wide responsibilities in using engagement data to inform improvements for entire segments of the workforce.
- Continue to support leaders in taking action to increase commitment and dedication, to prevent unwanted turnover, and to address unhealthy turnover when it occurs.
- Connect engagement data with other data to support leaders in promoting a more inclusive climate for all employees.



Talent Strategy: Action Plan

Development

- Work with senior leaders to increase leadership readiness of faculty and staff for next-level roles (e.g., department chair), and then to guide senior management in support of leaders as they transition into these roles.
- Pilot advanced talent review and talent mobility practices focused on development and retention.
- Implement in-depth training for managers in development coaching to support their role in driving positive talent outcomes (e.g., selection and hiring, engagement and retention, performance and development).
- Work with senior management to ensure sufficient accountability (both positive and negative) to support effective management practices.



Total Rewards: Update on UMD Faculty Salary Benchmarking

Supports Commitment 4: Community & Belonging

Goal: Recruit and retain diverse talent.

Goal: Cultivate a welcoming & inclusive campus climate.

Commitment 5: Fiscal Stewardship

Goal: Enhance on-campus opportunities for all students.



Total Rewards: Update

Market Refinement for Duluth Faculty Compensation

- Cross-functional workgroup comprised of OHR, Duluth administration, and Duluth faculty.
- Appropriate labor market for comparison identified as the combination of:
 - M1 Master's Colleges & Universities-larger programs
 - R2 Doctoral Universities-high research activity
- Salary data taken from the CUPA-HR Faculty in Higher Education Salary Survey.



Total Rewards: Update

Market Refinement for Duluth Faculty Compensation, cont'd

- Each faculty member was assigned a CIP code which is a taxonomy developed by the U.S. Department of Education to accurately track and report fields of study.
- Market data was pulled for each area of study and an analysis was performed to show each faculty member's salary relative to the market median.
- This analysis showed that Duluth has an overall compa-ratio of .94 but that compa-ratios range from .57 to 1.47, depending on the specific area of study.



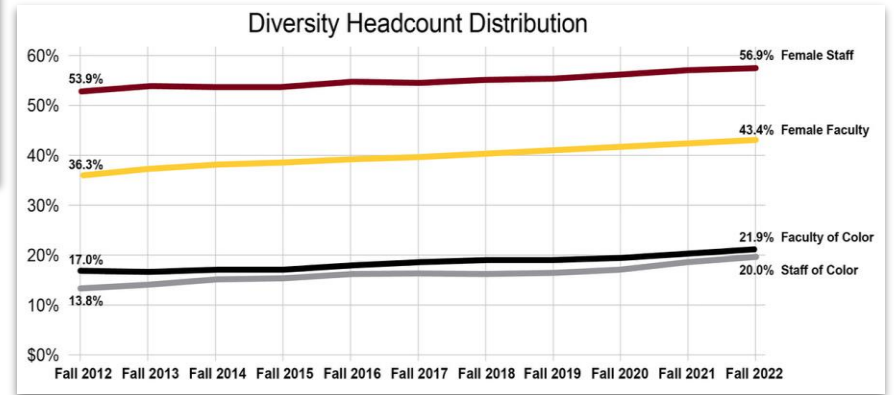
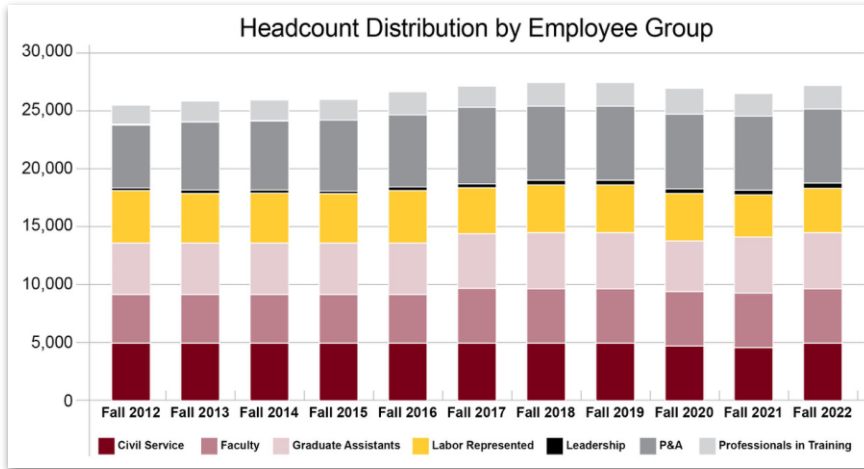
Total Rewards: Update

Market Refinement for Duluth Faculty Compensation, cont'd

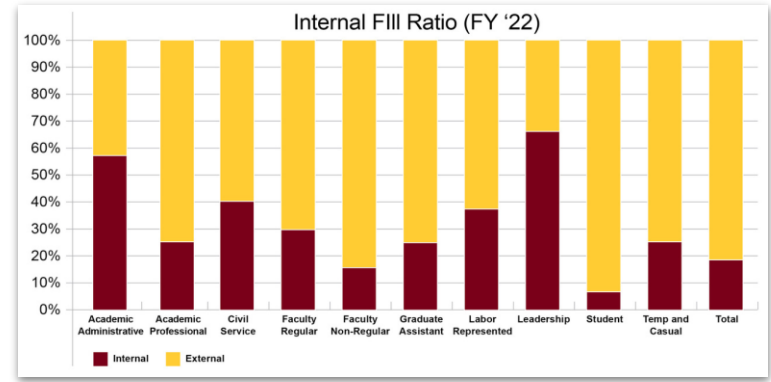
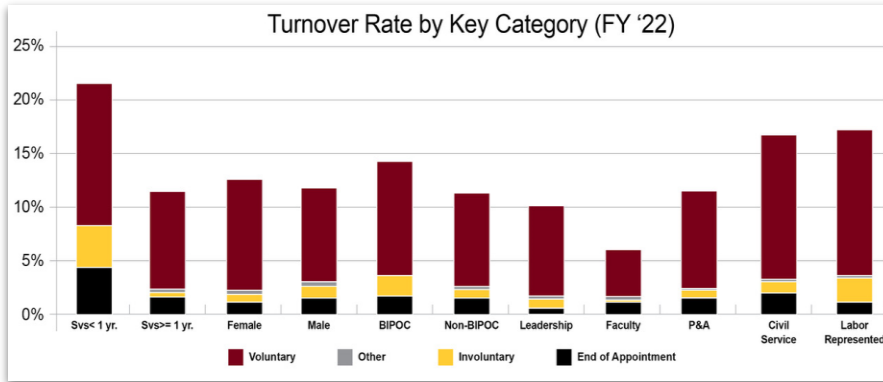
- Market data will be updated annually on January 1.
- Duluth faculty salaries can be easily compared to the market going forward.
- Duluth will now be able to identify faculty areas of study that are farthest behind market and also most difficult to attract and retain.
- Duluth faculty are members of the UEA so any pay increases will need to be collectively bargained.



Workforce Overview



Workforce Overview



Percentage of Employees in Retirement Risk Zone

Campus	Academic Administrative	Academic Professional	Civil Service	Faculty	Labor Represented	Leadership
University of Minnesota Crookston	20%	21%	13%	39%	42%	24%
University of Minnesota Duluth	57%	23%	30%	33%	34%	37%
University of Minnesota Morris	50%	22%	13%	39%	50%	31%
University of Minnesota Rochester	0%	15%	27%	13%	0%	38%
University of Minnesota, Twin Cities	24%	22%	19%	36%	29%	32%

LEGEND	0%-35% = Low	36%-50% = Mid	51% and higher = High
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Future Opportunities that Align with MPact 2025

If we believe the following:

Weaving equity and inclusion within every aspect of Human Resources is paramount to the success of every program, service and employee engagement, and will inherently result in fostering a diverse workforce.



Future Opportunities that Align with MPact 2025

Then we do the required work:

- Leadership Development that focuses on the diverse and intersectional composition of a dynamic workforce and student population.
- Supervisor training is required.
- The value of engagement and climate data is in follow-up and improvement.
- Technology must support administrative processes.
- Our employees deserve timely, accurate feedback and opportunities for career development.





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BOARD OF REGENTS DOCKET ITEM SUMMARY

Finance & Operations

May 11, 2023

AGENDA ITEM: Board of Regents Policy: *Endowment Fund*

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Stuart Mason, Chief Investment Officer
 Andrew Parks, Deputy Chief Investment Officer

PURPOSE & KEY POINTS

The purpose of this item is to review proposed off-cycle amendments to Board of Regents Policy: *Endowment Fund*. The proposed amendments are the result of a recent comprehensive strategy review, including extensive consultation with the Investment Advisory Committee (IAC), University leadership, University Senate committees, and members of the University community.

Changes to Asset Allocation Framework

The current investing strategy has worked well over the past decade – adding more than \$1 billion of excess return over benchmarks – largely due to successes in the private markets. The proposed strategy changes described below are intended to provide additional flexibility in these markets, allowing the endowment to further seek higher octane opportunities while still appropriately managing downside risk. Proposed asset allocation changes include:

- A 3 percent increase in the target allocation to Growth strategies from 62 percent to 65 percent, offset by a 3 percent reduction in the target allocation to Stability strategies from 8 percent to 5 percent, including a corresponding reduction to the liquidity reserve floor from 5 percent to 2 percent.
- A 5 percent increase in the target to illiquid strategies from 50 percent to 55 percent.
- The geographic targets within the Growth portfolio shift from fixed percentages to those that reflect the globally diversified MSCI ACWI IMI equity index.
- A 3 percent increase to the co-investments limit from 3 percent to 6 percent, with the inclusion of up to 1 percent allowed with managers not currently investing University funds.

Changes to Environmental, Social, and Governance Principles

Proposed changes to the Environmental, Social, and Governance (ESG) principles include an expansion of the language that governs how those ESG principles are incorporated into the investment decision-making process and revisions to the reporting requirements. Proposed changes include:

- A change in the wording from “consider” to “integrate” ESG principles in the investment decision-making process and the requirement to maintain a statement that further describes the parameters and limitations regarding the incorporation of ESG factors. The statement that will be used is included in the docket for reference.
- An expansion of the annual reporting requirements to include a more detailed summary of activities regarding ESG-related investments, including those related to emerging, minority-owned and women-owned investment management firms.

BACKGROUND INFORMATION

The Office of Investments & Banking (OIB) reviews the endowment’s strategy and asset allocation framework every three to five years or as market conditions warrant. This most recent comprehensive re-underwriting process began in late 2020. This was catalyzed, in part, by post-COVID-19 pandemic shifts, with an assessment of fundamental risk and return characteristics of the endowment, coupled with an assessment of the prevailing capital market environment. During 2021, OIB and the IAC systematically reviewed numerous key strategic decisions before arriving upon recommended policy revisions. This included discussions about how to best incorporate the University’s mission and values into the investment process, particularly with respect to ESG principles.

After receiving the final IAC endorsement of these policy revisions in early 2022, OIB began the process of University consultation with various stakeholders and governance groups, including University leadership, the Senate Committee on Finance and Planning, the Senate Consultative Committee, the Student Senate Consultative Committee, and Undergraduate Student Government. The proposed revisions incorporate the collective feedback received throughout the consultative process.

PRESIDENT’S RECOMMENDATION

The President recommends adoption of the proposed amendments to Board of Regents Policy: *Endowment Fund*.



BOARD OF REGENTS POLICY: *Endowment Fund*

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. ASSET ALLOCATION GUIDELINES.

Consistent with Board of Regents Policy: *Reservation and Delegation of Authority*, the Board of Regents (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)~~ 2-12 percent.
- The long-term allocation for ~~Diversifier~~ Diversifiers assets shall be 20-40 percent and include ~~Enhanced Stability Credit~~ assets (5-~~20-25~~ percent), Idiosyncratic assets (~~0-15~~ 3-20 percent), and Growth Diversifiers (~~5-20~~ 3-12 percent).
- The long-term allocation for Growth assets shall be ~~50-70~~ 55-75 percent ~~and include Equity (45-70 percent) and Extended Credit (0-10 percent)~~. Within The 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) aligned with the Morgan Stanley Capital International All Country World Investable Market Index (MSCI ACWI IMI).

SECTION IV. 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~~not capable of being converted to cash or cash equivalents within 12 months without the risk of material loss of market value. The target sum of illiquid investments by net asset value shall ~~not exceed 50~~be 55 percent of total endowment assets ~~in normal market environments~~ and ~~shall not exceed~~ 75 percent for a period of more than 12 months in stressed market environments. Additionally, the target sum of (a) the net asset value of illiquid investments, and (b) two-thirds of the total unfunded commitments to illiquid investments shall ~~not exceed~~be 75 percent of total endowment assets ~~in normal market environments~~ and ~~90~~shall not exceed 95 percent for a period of more than 12 months 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) The Economic ~~leverage~~Leverage, defined as the portion of an exposure obtained through the derivatives market that is not fully collateralized by cash, may be utilized subject to the constraint that gross leverage of the total endowment fund shall not exceed 110 percent. Derivative positions utilized in implementing the rebalancing program, as described in Subd. 3(a) of this section, will not be included in the calculation of gross leverage.
- (b) Co-investments are permissible subject to the following constraints: 1) the cost basis of co-investment commitments shall not exceed ~~36~~ percent of total endowment assets at time of commitment, and 2) the cost basis of co-investments ~~may only be~~ executed when sponsored by investment managers with whom the endowment has ~~not~~ invested shall not exceed 1 percent of total endowment assets at time of commitment.
- (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~~Principles.

The University shall ~~consider~~integrate environmental, social, and governance ~~responsibilities~~principles in its investment decisions, consistent with the University's mission and values. The president or delegate shall maintain a statement defining those principles and the statement shall be included as part of the annual asset management report as defined by Section VI (a) of this policy.

SECTION VI. 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.

SECTION ~~IV~~. REPORTING.

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

- (a) an annual report which includes a comprehensive review of the investment program and the status of the endowment containing the following information:
 - (1) a summary of ~~the~~both short- and long-term results of investment strategies employed ~~during the previous year~~ to achieve the investment objectives;
 - (2) the total market value and investment performance relative to selected benchmarks for each asset class and the total portfolio;
 - (3) an attribution analysis of investment performance;
 - (4) an analysis of investment performance relative to investment objectives;
 - (5) a summary of portfolio risk;
 - (6) ~~steps taken to provide opportunities to~~ a summary of activities and investments related emerging, minority-owned, and woman-owned investment management firms;
 - (7) ~~a description of current investments related to sustainability and renewable energy~~ a summary of activities and investments related to Section IV, Subd. 5. Environmental, Social, and Governance Principles;
 - (8) deviations from asset allocation ranges, if any; and
 - (9) ~~new managers, manager terminations, and~~ any significant changes in investment strategy or allocation.
- (b) 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.

REVISION HISTORY

Adopted: September 8, 1989

Amended: May 11, 1990; July 10, 1992; November 10, 1993; January 14, 1994; April 9, 1998; November 10, 2000; December 13, 2002; March 12, 2004; February 11, 2005; May 13, 2005; July 12, 2006; May 14, 2010; June 10, 2011; May 9, 2014; May 11, 2018; February 11, 2022

Supersedes: Investment Social Concerns Dated September 13, 1991



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INVESTMENT

Leading the way towards sustainable growth

The Office of Investments & Banking (OIB) closely aligns the investment portfolios it oversees with the University’s mission-based objectives and priorities. The Board of Regents has provided a policy directive that requires the investment process to “consider environmental, social, and governance (ESG) responsibilities in its investment decisions” and to provide transparency to the process in the form of regular reporting to the Board.

Environmental

The University’s Endowment investment strategy has adopted a phased reduction plan regarding its investments in funds - or direct investments in companies - whose primary business is the extraction or processing of fossil fuels. More than half of the existing investments in such assets are coming to the end of their life cycle with the expectation that they will be liquidated as the investment managers deem appropriate within the next 5-7 years. Similarly, the University has also committed to making no new direct investments in the Carbon Underground 200 companies that hold fossil fuel assets.

The University’s Endowment has prioritized allocating capital into innovative technologies that are transforming industry sectors which are addressing greenhouse gas emissions and clean energy production, responsible water utilization and recovery, clean transportation and industrial efficiencies that reduce power usage.

Social

The University’s investment team members are recognized leaders in the effort to identify new and emerging managers, many of them owned and led by women or minority professionals. The ongoing monitoring and diligence process regarding all of external investment managers requires those managers to disclose information

regarding firm ownership, key individual compensation criteria, and the inclusiveness of the decision-making processes within the firm. Other social factors that enter into the selection and retention processes for inclusion in the Endowment include: social benefits, human capital management approaches, and consumer health and safety records of the underlying companies into which the investment managers deploy capital.

Governance

Factors of good governance play an important role in evaluating the likely success of a potential new investment. Our selection criteria for investment firms includes success around diversity in composition and tenure of their Board of Directors or Advisors, the composition of the workforce and especially the diversity among the leadership group, policies regarding human resources, auditing and investment reporting, and the criteria for selecting specific new investments.

Reporting and Disclosure

The University is a reporting member of the United Nations Principles for Responsible Investing (UNPRI) organization, a United Nations sponsored entity that promotes the concept of fiduciaries across the globe, integrating ESG priorities into their investment processes.

Overview of Proposed Endowment Fund Policy Changes

Stuart Mason, Chief Investment Officer
Andrew Parks, Deputy Chief Investment Officer

Finance & Operations Committee

May 11, 2023

SENIOR VICE PRESIDENT FOR FINANCE AND OPERATIONS

World Class Services for a World Class University



Introduction

The Office of Investments & Banking (OIB) is proposing changes to the Board of Regents Policy: *Endowment Fund* involving:

- the fund's **asset allocation framework** (e.g. asset class targets and ranges, illiquidity guidelines, coinvestment allowance and geographic mix) and
- an expansion of the language that governs how **Environmental, Social & Governance (ESG) factors** are incorporated into the investment decision making process.



Endowment (CEF) Overview

Objective: **Preserve the inflation adjusted value** of the endowment while **providing stable distributions** for annual spending purposes.

Current Value

\$2.1 billion

Return Objective

**Payout Rate + Long-Term Inflation + Expenses
= 7-10%**

Payout Rate

4.5% of average endowment value over a 60-month period (~\$75 million / year)

Budget Impact

~1.8% of University Operating Budget

Operating Expenses

~18 basis points



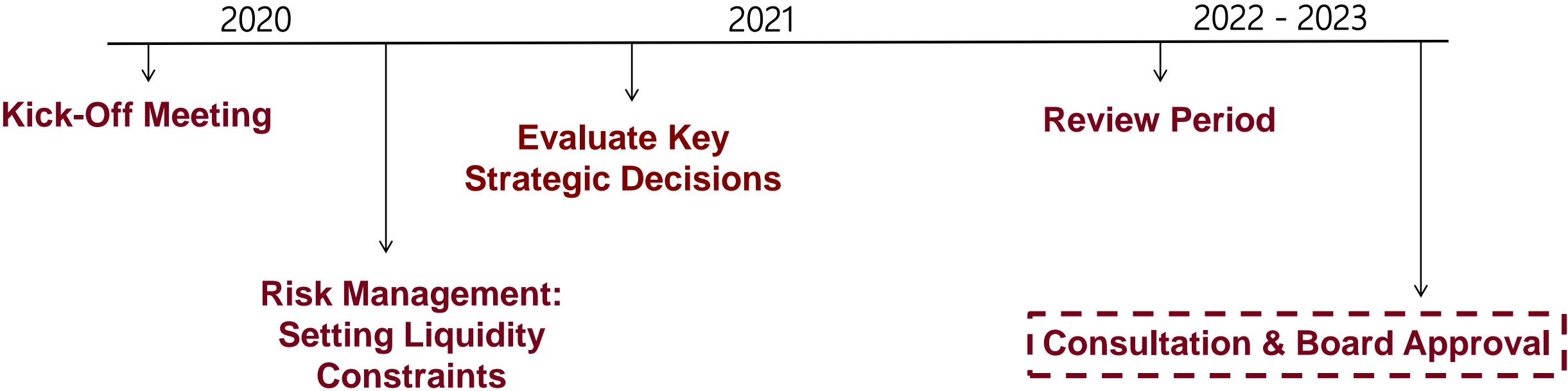
Asset Allocation Re-Underwriting Timeline

PHASE 1:

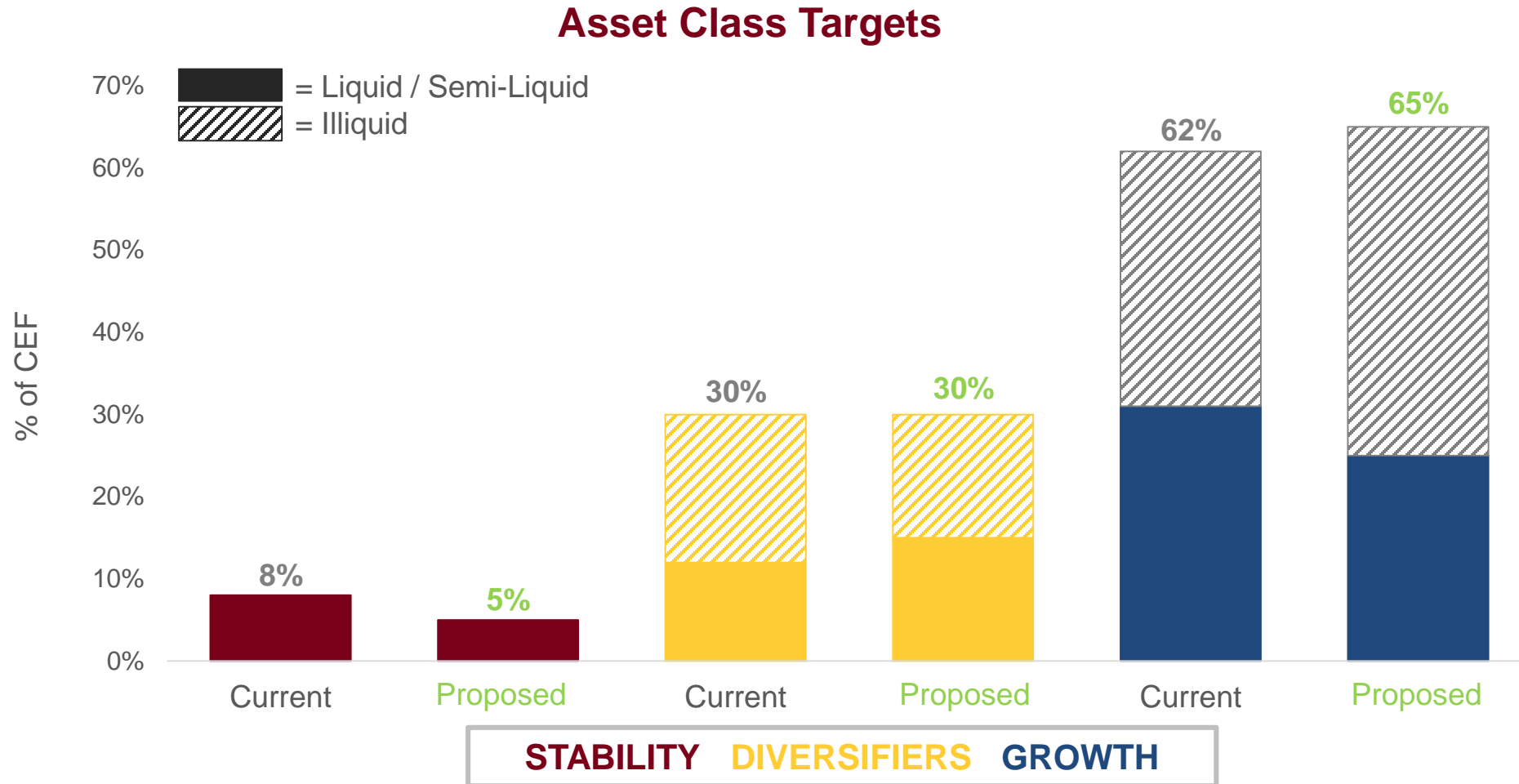
**OIB and Investment Advisory
Committee (IAC) Review**

PHASE 2:

**Review, Consultation &
Board Approval**



Proposed Asset Allocation Targets & Liquidity Guidelines



Proposed Asset Allocation Policy Changes

TOPIC	CURRENT	PROPOSED
ASSET ALLOCATION	<ul style="list-style-type: none"> Stability: 8% (5-15%) Diversifiers: 30% (20-40%) Growth: 62% (50-70%) 	<ul style="list-style-type: none"> Stability: 5% (2-12%) Diversifiers: 30% (20-40%) Growth: 65% (55-75%)
LIQUIDITY FLOOR	<ul style="list-style-type: none"> 5% (with 8% Stability bucket target) 	<ul style="list-style-type: none"> 2% (with 5% Stability bucket target)
ILLIQUIDITY CEILING	<ul style="list-style-type: none"> Normal: 50% target (75% w/ unfunded commitments) Stressed: 75% target (90% w/ unfunded commitments) 	<ul style="list-style-type: none"> Normal: 55% target (75% w/ 2/3 unfunded commitments) Stressed: 75% target (95% w/ 2/3 unfunded commitments)
GEOGRAPHY (within the Growth Bucket)	<ul style="list-style-type: none"> Fixed weights 45% US 30% Developed ex US 25% Emerging Markets 	<ul style="list-style-type: none"> Floating weights MSCI ACWI IMI (currently 58% US, 29% Developed ex US, 13% Emerging Markets)
CO-INVESTMENTS	<ul style="list-style-type: none"> Cap of 3% at time of commitment May only be executed when sponsored by investment managers with whom the endowment has invested 	<ul style="list-style-type: none"> Cap at 6% (cost basis) Up to 1% (cost basis) may be executed when sponsored by investment managers with whom the endowment has not invested



Environmental, Social & Governance (ESG)



Spectrum of ESG Implementation Frameworks

	ANTAGONISTIC	AGNOSTIC	AWARE	ACTIVELY MANDATED	AGGRESSIVELY ALL-IN
Description	Opposed to incorporating ESG considerations	Indifferent to ESG considerations	Embed ESG considerations into processes	Explicitly mandate ESG goals and objectives	ESG goals as primary driver of investment decision making
Priorities	Make money		Make money while doing good		Do good
Investment Criteria	Must-have	Must-have	Must-have	Important-to-have	Nice-to-have
ESG Criteria	Irrelevant	Nice-to-have	Important-to-have	Must-have	Must-have
Implementation Examples	<ul style="list-style-type: none"> Actively pursue profit maximizing strategies regardless of climate, moral / ethical, societal implications 	<ul style="list-style-type: none"> Few, if any, prohibitions against e.g. oil and gas, dirty coal, firearms, alcohol, tobacco & recreational drugs, country exposures (e.g. Venezuela, Russia, etc.) 	<ul style="list-style-type: none"> ESG-tilted public equity indexing Proactively source sustainable & emerging/ minority-owned strategies ESG as part of due diligence checklists 	<ul style="list-style-type: none"> Mandated divestment of fossil fuel exposures (incl: Carbon 200 Underground) w/ prohibitions against upstream E&P 25 by '25 (25% of managers to be woman- or minority owned by 2025) 	<ul style="list-style-type: none"> Focus on making impact and sustainability investments Mandated divestment of fossil fuel exposures with prohibitions against upstream E&P

Current Framework



Proposed ESG Policy Changes

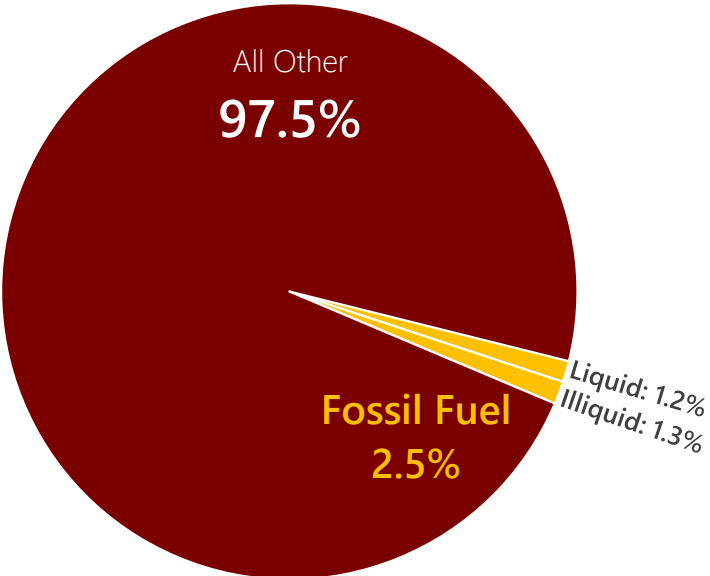
TOPIC	CURRENT	PROPOSED
<p>ESG</p>	<ul style="list-style-type: none"> • “The University shall <u>consider</u> environmental, social, and governance responsibilities in its investment decisions.” 	<ul style="list-style-type: none"> • “The University shall <u>integrate</u> environmental, social, and governance principles in its investment decisions, consistent with the University’s mission and values. • The president or delegate shall maintain a statement defining those principles and the statement shall be included as part of the annual asset management report.”
<p>ANNUAL BOARD REPORTING</p>	<ul style="list-style-type: none"> • ...“steps taken to provide opportunities to emerging, minority-owned, and woman-owned investment management firms” • ...“a description of current investments related to sustainability and renewable energy” 	<ul style="list-style-type: none"> • ...“a summary of activities and investments related to emerging, minority-owned, and woman-owned investment management firms” • ...“a summary of activities and investments related to Section IV, Subd. 5. Environmental, Social and Governance Principles”



Endowment Fund ESG Dashboard – FY22

Consistent with Board of Regents policies, the Office of Investments & Banking (OIB) is charged with **considering Environmental, Social and Governance (ESG) considerations** in the investment process and **providing transparency**.

FOSSIL FUEL EXPOSURE



Only **~2.5%** of the endowment is invested in fossil fuel-related exposures. Most of the illiquid funds with exposure are in liquidation mode while the majority of public exposure is obtained via index funds.

HIGHLIGHTS – BY THE NUMBERS

\$135M	<ul style="list-style-type: none"> \$ exposure to ESG Aware index and Low-carbon funds, representing ~38% of public equity
40%	<ul style="list-style-type: none"> % of UMN investment managers that are UNPRI signatories UMN became a signatory in April 2022
43%	<ul style="list-style-type: none"> % of FY22 illiquid commitments to managers classified as “emerging, minority- or woman-owned”
12	<ul style="list-style-type: none"> LP Advisory Committee seats OIB staff occupy in effort to promote strong governance principles
\$3M	<ul style="list-style-type: none"> Commitment to DCVC Climate Select fund, with investments in geothermal power production, wastewater remediation, and carbon-free electrical production tech



ESG Policy Statement

Subd.5. Environmental, Social and Governance Principles:

“The president or delegate shall maintain a statement defining those principles and the statement shall be included as part of the annual asset management report.”



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) - ENDOWMENT INVESTING

Leading the way towards sustainable growth

The Office of Investments & Banking (OIB) closely aligns the investment portfolios it oversees with the University's mission-based objectives and priorities. The Board of Regents has provided a policy directive that requires the investment process to “consider environmental, social, and governance principles in its investment decisions” and to provide transparency to the process in the form of regular reporting to the Board.

Environmental

The University recognizes that preserving and enhancing the quality of the environment is one of the most important challenges facing current and future generations. As a result, we have prioritized allocating capital to innovative technologies that are transforming industry sectors which are addressing greenhouse gas emissions, clean energy production, responsible water utilization and recovery, clean transportation and industrial efficiencies that reduce power usage.

Understanding that carbon-based fossil fuels will remain part of the power generation and energy supply for decades to come, the University's Endowment has adopted a phased reduction plan regarding overall exposure to fossil fuels. It has made a commitment to make no new investments in funds whose primary focus is on exploration and production of fossil fuels, and we expect that the existing private investments will be liquidated as fund managers deem appropriate over the next 3-7 years. The University has also committed to no new direct investments in any of the Carbon Underground 200 companies that hold fossil fuel assets. A majority of the public equity exposure has been shifted to “ESG Aware” index funds which further reduces the exposure to fossil fuel companies.

Social

The University's investment professionals are recognized leaders in the effort to identify new and emerging managers, many of them owned and led by women or minority professionals who are attempting to raise capital for the first time. The

ongoing monitoring and diligence process regarding all of the external investment managers requires those managers to disclose information regarding firm ownership, key individual compensation criteria, and the inclusiveness of the decision-making processes within the firm. Other socially responsible factors that enter into the investment selection and retention processes include: social benefits, human capital management approaches, and consumer health and safety records of the companies into which the managers invest capital.

Governance

Factors of good governance play an important role in evaluating the likely success of a potential new investment. Our selection criteria for investment firms includes success around diversity in the composition and tenure of their Board of Directors or Advisors. It also includes the composition of the workforce and especially the diversity among the leadership group, policies regarding human resources, auditing and investment reporting, and other criteria used for selecting specific new investments.

Reporting and Disclosure

The University is a reporting member of the United Nations Principles for Responsible Investing (UNPRI) organization, a United Nations sponsored entity that promotes the concept of fiduciaries across the globe integrating ESG priorities into their investment processes and transparency in their reporting. In addition, an *ESG Dashboard* is produced annually by OIB to provide further transparency to University stakeholders and the public.

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BOARD OF REGENTS DOCKET ITEM SUMMARY

Finance & Operations

May 11, 2023

AGENDA ITEM: Real Estate Transaction

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Leslie Krueger, Assistant Vice President for Planning, Space, and Real Estate

PURPOSE & KEY POINTS

The purpose of this item is to review on the following real estate transaction:

- A. Purchase of YMCA Parking Lot Parcel on First Avenue Southwest, Rochester, MN (Rochester campus)

BACKGROUND INFORMATION

Board of Regents Policy: *Reservation and Delegation of Authority* states that “The Board reserves to itself authority to approve the purchase or sale of real property (a) with a value greater than \$1,000,000; (b) located on or within 2 miles of a University campus; or (c) larger than 10 acres,” and “leases of real property, easements, and other interests in real property if the initial term amount to be paid by or to the University exceeds \$1,000,000.”

PRESIDENT’S RECOMMENDATION

The President recommends approval of the following real estate transaction:

- A. Purchase of YMCA Parking Lot Parcel on First Avenue Southwest, Rochester, MN (Rochester campus)

**PURCHASE OF YMCA PARKING LOT PARCEL
FIRST AVENUE SOUTHWEST, ROCHESTER, MN
(ROCHESTER CAMPUS)**

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to purchase the YMCA Parking Lot Parcel on First Avenue Southwest, Rochester, MN

2. Location and Description of the Property

The subject property is an approximately 0.75-acre site consisting of a surface parking lot. The surface parking lot previously served the YMCA building located across First Avenue Southwest.

The preliminary legal description of the property is: Lots 8, 9, 10, 11, and 12, Block 104, Willson's Addition to Rochester, Olmsted County, Minnesota, and the West Half of the vacated public alley lying East of and adjacent to said Lots 8, 9, 10, 11, and 12, Block 104, said Willson's Addition to Rochester, Olmsted County, Minnesota; AND The South 15 feet of the following described property: The South 31 feet of the West 130 feet of that part of vacated Seventh Street Southwest, lying East of First Avenue Southwest and between Blocks 103 and 104, Willson's Addition to the City of Rochester, Olmsted County, Minnesota, said tract being more particularly described as follows: Commencing for a place of beginning at the Northwest corner of Lot 8, Block 104, Willson's Addition to the City of Rochester, running thence North 31 feet, running thence East parallel with the North line of said Lot 8, 130 feet, running thence South 31 feet to the Northeast corner of said Lot 8, running thence West along the North line of said Lot 8, 130 feet to beginning. The legal description will be finalized as part of the survey during due diligence.

3. Basis for Request

The University of Minnesota Rochester Campus Master Plan, adopted by the Board of Regents in 2014, identifies a series of blocks on the southern edge of downtown Rochester as the future site of the permanent home of the University of Minnesota Rochester campus. Since 2010, the University has been gradually purchasing property in this Education District, sometimes with the assistance of the City of Rochester's dedicated sales tax revenues. This property falls within the boundaries of the Education District and is contiguous with other University-owned properties.

4. Details of the Transaction

The purchase price for this transaction is \$2,100,000, which is in alignment with the appraised value of the property. The seller will be an LLP established by Enclave Companies. Enclave is under contract to acquire the YMCA of the North's five parcels on First Avenue Southwest in July 2023. Enclave will then sell the surface parking lot parcel to the University. (Note: the other YMCA parcels are not included within the intended boundaries of the UMR Campus Plan.)

The University will pay cash at the closing, which is planned to occur on August 16, 2023, following the completion of the University's due diligence process. The University and the Seller will share a customary commercial split of closing costs.

In the case that Enclave's closing with the YMCA is delayed, the University could purchase the property directly from the YMCA.

5. Use of Properties

The property is intended for land banking, until such time as it is developed by the University.

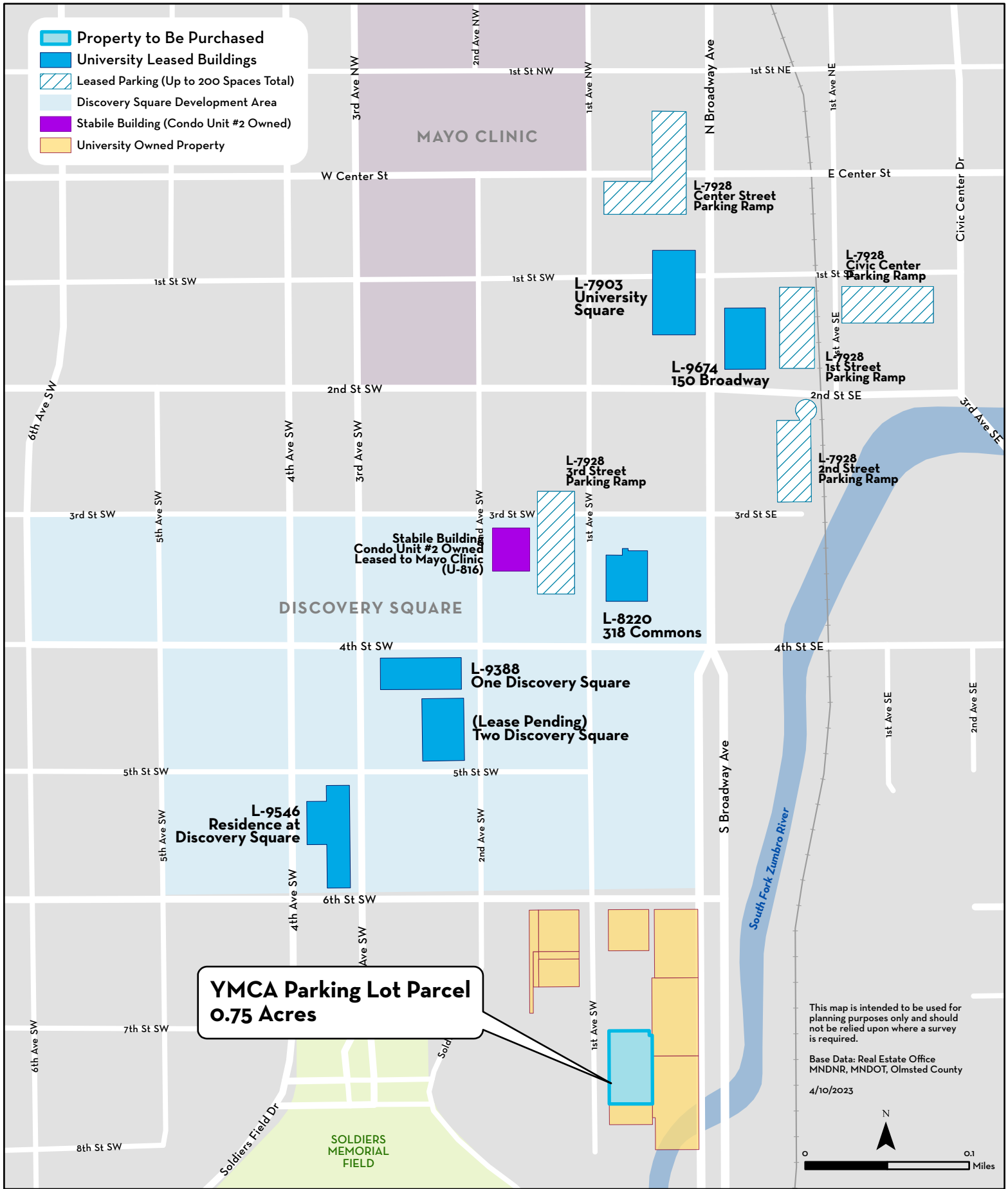
6. Environmental

The University has completed a Phase I environmental site assessment and will complete a limited Phase II environmental site assessment to confirm that the property is in acceptable environmental condition.

7. Source of Funding

The University will use debt to fund this transaction. The University does not intend to use City of Rochester sales tax proceeds for this acquisition.

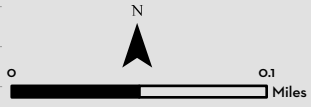
- Property to Be Purchased
- University Leased Buildings
- Leased Parking (Up to 200 Spaces Total)
- Discovery Square Development Area
- Stable Building (Condo Unit #2 Owned)
- University Owned Property



This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office
MNDNR, MNDOT, Olmsted County

4/10/2023



PLANNING, SPACE,
AND REAL ESTATE

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Purchase of YMCA Parking Lot Parcel 1st Ave SW, Rochester

Real Estate Transaction: Purchase of YMCA Parking Lot Parcel First Avenue Southwest, Rochester, MN (Rochester campus)

Leslie Krueger, Assistant Vice President for Planning, Space, and Real Estate

Finance & Operations Committee

May 11, 2023

SENIOR VICE PRESIDENT FOR FINANCE AND OPERATIONS

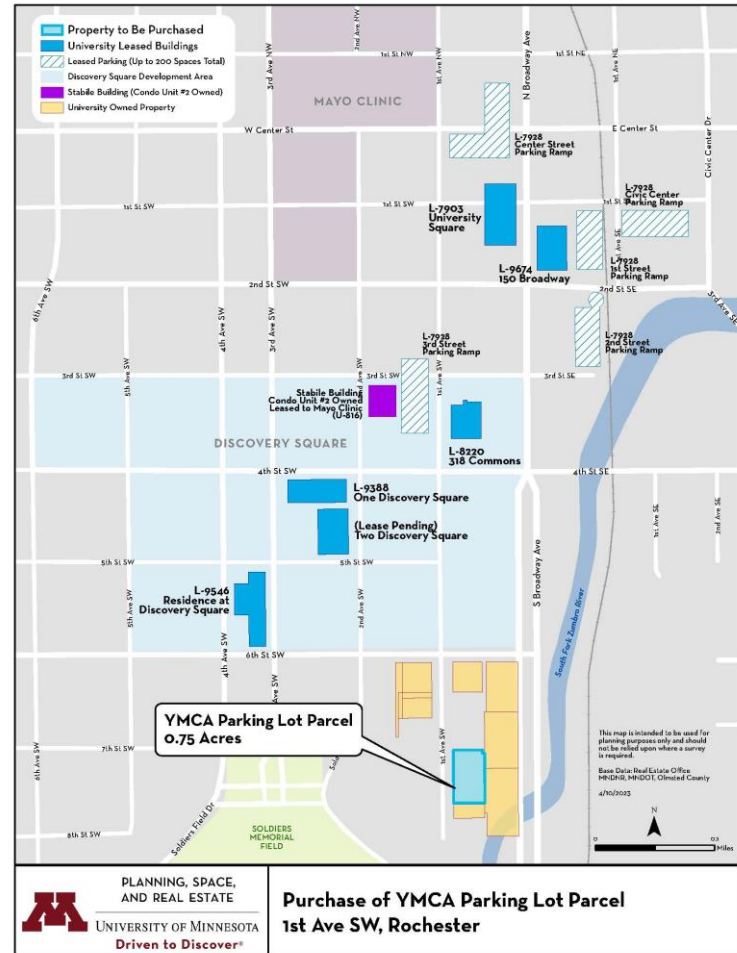
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University Services
We Make the University Work

Property Overview

- YMCA Parking Lot
- 0.75 acres
- First Ave Southwest, Rochester
- Adjacent to other University-owned property
- Within future UMR campus boundaries and Rochester Education District



What is the strategic value to the University in acquiring this property?

Guiding Principles for Real Estate Transactions	
Support the University's teaching, research, and service mission and align with the MPact 2025 Systemwide Strategic Plan	✓
Align with campus plans	✓
Provide strategic value when balanced against scarce resources and minimize financial liability	✓
Positively impact areas adjacent to the University or limit negative impact	✓

Transaction Overview

- Purchase Price:
\$2,100,000
- Current Owner: YMCA of the North
- Seller: LLP established by Enclave Companies
- Phase II Environmental Site Assessment
- Use of debt to fund purchase





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BOARD OF REGENTS DOCKET ITEM SUMMARY

Finance & Operations

May 11, 2023

AGENDA ITEM: Consent Report

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Myron Frans, Senior Vice President

PURPOSE & KEY POINTS

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

The purpose of this item is to seek approval for purchases of goods and services of \$1,000,000 and over.

- To BME Lab and Science for an estimated \$5,000,000 for providing maintenance services for autoclaves, dryers, and washers for the Academic Health Sciences, College of Biological Sciences, College of Food, Agricultural and Natural Resource Sciences, College of Veterinary Medicine, Research Animal Resources, and Biosafety Labs 3 (BSL-3), all on the Twin Cities campus, for a period of July 1, 2023, through June 30, 2028. Each college has budgeted for the maintenance and repair of autoclaves, dryers, and washers through their operations and maintenance budgets. See enclosed documentation for the basis of supplier selection.
- To Ex Libris for an estimated \$4,026,000 for license renewal of their library service platform, provided as a software-as-a-service supporting all fundamental library operations, as needed, for the University system libraries for the five-year period of July 1, 2023 through June 30, 2028. Funds to renew the Ex Libris library service platform come from the Office of Information Technology and the University Libraries. The supplier was selected by University Libraries under the authority granted by the Board of Regents Policy: *Libraries and Archives* and the Administrative Policy: *Purchasing Goods and Services*.
- To Medica Health Plan (Medica Holding Company) for an estimated \$11,428,700 to administer the medical plan for the entire University system through the Office of Human Resources for the two-year period of January 1, 2024 through December 31, 2025, with optional contract extensions through December 31, 2029, for an additional \$24,625,900. This approval authorizes both the base term and the optional contract extensions. The total estimated contract value, if all options are exercised, would be \$36,054,600. The costs for these services are funded on an annual basis through the fringe pool. Medica Health Plan was selected as the result of a competitive Request for Proposal (RFP) conducted by Purchasing Services. Four suppliers responded to the RFP and none were a targeted business.

- To The Large Binocular Telescope Corporation for \$1,900,000 for telescope observing rights for the School of Physics and the Minnesota Institute for Astrophysics in the Department of Astronomy, Twin Cities campus for the period January 1, 2023 through October 14, 2027. The annual operating costs are included in the annual budget and paid for with indirect cost recovery funds. See enclosed documentation for the basis of supplier selection.
- To Unum Group for an additional estimated \$5,400,000 for administering claims and providing disability coverage options for the entire University system through the Office of Human Resources for the one-year period of January 1, 2024 through December 31, 2024. The fees for the vendor's services and academic long-term disability premiums are funded on an annual basis through the fringe pool. The optional short-term and long-term disability premiums are funded by employee contributions. See enclosed documentation for the basis of supplier selection.
- To Videotronix, Incorporated dba VTI Security for an estimated \$400,000 for safety and security systems services for the Public Safety Emergency Communications Center (PSECC) for all University of Minnesota campuses for the period of May 22, 2023, through April 30, 2025, with possible contract extensions through April 30, 2028, for an additional \$600,000. The total contract value, if all options are exercised, would be \$1,000,000. The funds required for this contract are budgeted by utilizing a portion of the yearly funding already dedicated to these efforts. Videotronix was selected as the result of a competitive Request for Proposal (RFP) conducted by Purchasing Services. Eight suppliers responded to the RFP and none were a targeted business.
- To Virgin Pulse for an estimated \$2,387,000 for program administrative services of the Wellbeing Program, including a wellbeing program administrator and an incentive data manager for the entire University system through the Office of Human Resources for the period of September 1, 2023 through August 31, 2025, with possible contract extensions through August 31, 2029, for an additional estimated \$4,792,000. This approval authorizes both the base term and the optional contract extensions. The total estimated contract value, if all options are exercised, would be \$7,179,000. The fees paid to the vendor are funded on an annual basis through the fringe pool. Virgin Pulse was selected as the result of a competitive Request for Proposal (RFP) conducted by Purchasing Services. Eight suppliers responded to the RFP and none were a targeted business.

Capital Budget Amendments

The purpose of this item is to seek approval of capital budget amendment for the following project:

- Northrup Auditorium: East Parapet Wall Repair

A project overview which provide the basis for the request, project scope, cost estimate, funding, and schedule, is included in the docket. A site map locating the projects on the Twin Cities campus is also included.

Employment Agreements

The purpose of this item is to seek approval for the following employment agreements:

- Janet Ericksen, Chancellor, Morris campus
- Alice Roberts-Davis, Vice President for University Services, Systemwide
- Paul Hanstedt, Vice Chancellor of Academic Affairs and Innovation, Rochester campus
- Rosemary Erickson Johnsen, Senior Vice Chancellor for Academic Affairs, Crookston campus
- Dawn Plitzuweit, Head Women's Basketball Coach, Twin Cities campus

Real Estate Transactions

The purpose of this item is to review and act on the following lease and purchases:

- Lease for 2512 South 7th Street, Minneapolis (Blythe Brenden Children's Clinical Research Center: Rehabilitation Building, Department of Pediatrics, Twin Cities Campus)
- Purchase of 78 acres in Mower County (FAARM, Twin Cities campus)
- Purchase of 150 acres in Mower County (FAARM, Twin Cities campus)

BACKGROUND INFORMATION

Approvals are sought in compliance with Board of Regents Policy as follows:

- Purchase of Goods and Services \$1,000,000 and Over: *Reservation and Delegation of Authority*, Article I, Section VII, Subd. 6.
- Employment Agreements: *Reservation and Delegation of Authority*, Article I, Section IV, Subd. 1. And Article I, Section XI, Subd. 4.
- Lease Transactions: *Reservation and Delegation of Authority*, Article I, Section VIII, Subd. 2
- Real Estate Transactions: *Reservation and Delegation of Authority*, Article I, Section VIII, Subd. 1.
- Capital Budget Amendments: *Reservation and Delegation of Authority*, Article I, Section VIII, Subd. 8.

PRESIDENT'S RECOMMENDATION

The President recommends approval of the Consent Report.

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

To BME Lab and Science for an estimated \$5,000,000 for providing maintenance services for autoclaves, dryers, and washers for the Academic Health Sciences, College of Biological Sciences, College of Food, Agricultural and Natural Resource Sciences, College of Veterinary Medicine, Research Animal Resources, and Biosafety Labs 3 (BSL-3), on the Twin Cities campus for a period of July 1, 2023 through June 30, 2028.

The maintenance and repair of 161 autoclaves, dryers, sterilizers, and washers are vital for providing safe, reliable research equipment for the University and maximizing the useful life span of the equipment located throughout the entire Twin Cities Campus. In addition, it will create uniform standards across campus and save costs throughout the life of the contract.

Each unit noted above has budgeted for its respective costs of maintenance and repair of autoclaves, dryers, and washers through their operations and maintenance budgets.

Submitted by: Bill Paulus, Facilities Management Associate Vice President
Suite 300 Donhowe Building
Minneapolis Campus
Phone: (612) 626-1091
Fax: (612) 626-0234

Approval for this item requested by:

Janelle Broesch
Assistant VP and Assistant COO
(Signature on file in Purchasing Services)

April 4, 2023

Rationale for Exception to Competitive Bidding

This purchase has not been competitively because of a need to standardize maintenance services for multiple departments by using only one supplier, resulting in improved service coordination, communication, training, reliability, reporting, and invoicing.

The University awarded a contract to BME Lab and Science as a result of a competitive Request for Proposal (RFP) conducted by Purchasing Services in 2014 and a second RFP in 2019. Based on the two prior RFPs awarded to them, plus a combination of price, past work history, and staffing levels, an Exception to Bid was determined to be in the University's best interest.

The value of this contract has been determined to be reasonable based on historical cost data combined with an analysis of the number of pieces of equipment and the expected preventive maintenance needs. New rates in the contract represent a compounded 3.4% increase year over year, which is below recent inflation rates and is well within the industry standard for these types of services.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.

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

To Ex Libris for an estimated \$4,026,000 for license renewal of their library service platform, provided as a software-as-a-service supporting all fundamental library operations as needed for the University system libraries for the five-year period of July 1, 2023 through June 30, 2028.

The Ex Libris library service platform, provided as a software-as-a-service, supports all fundamental library operations for the University system. These include materials, acquisitions, cataloging and metadata management, search and retrieval, course reading list access and management, electronic resource access and management, print collection inventory control and circulation, library resource sharing, analytics and reporting, and other core library functions. The libraries of the University of Minnesota could not function in even the most basic ways without this critical service platform.

The Ex Libris library service platform agreement is being extended for the following bundled services, including Alma, Alma Sandbox, Leganto, Primo, Primo Sandbox, bX Recommender, Rapido, and Alma Digital. Ex Libris is the only supplier that provides these services in one platform for all University campuses in a shared experience.

Funds to renew the Ex Libris library service platform come from the Office of Information Technology and the University Libraries.

Submitted by: Lisa German
University Librarian and Dean of Libraries
University Libraries
lgerman@umn.edu

Approval for this item requested by:

Bernard Gulachek
Vice President and Chief Information Officer
(Signature on file in Purchasing Services)

April 12, 2023

Rationale for Exception for Competitive Bid

This purchase has not been competitively bid because the current enterprise library service platform, provided by Ex Libris, supports the following services: Alma, Primo, and bX Recommender. Ex Libris is the original manufacturer and exclusively offers comprehensive support for all the library management services. As the incumbent supplier, the University is highly confident in Ex Libris' demonstrated ability to meet the needs of the libraries and support the University's mission.

As a result of negotiations, Ex Libris has agreed to continue with our current pricing. The contractual limitation for price increases is 5%. This pricing was negotiated and determined reasonable at the last Ex Libris extension in May 2019. By comparison to the Consumer Price Index (CPI-U), which is at 6%, this pricing schedule remains sound.

The Director of Purchasing and University Controller concluded that the process used resulted in a fair and reasonable price to the University.

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

To Medica Health Plan (Medica Holding Company) for an estimated \$11,428,700 to administer the medical plan for the entire University system through the Office of Human Resources for the two-year period of January 1, 2024 through December 31, 2025, with optional contract extensions through December 31, 2029 for an additional \$24,625,900. The total estimated contract value, if all options are exercised, would be \$36,054,600.

The University medical plan provides medical coverage to approximately 19,737 employees and their dependents. This coverage is supportive of the health and well-being of employees and their families.

The initial contract is for a two-year period, with four options to renew the contract. The estimated total of \$36,054,600 is based on administrative services fees submitted as part of the Request for Proposal (RFP) process and estimated enrollment.

Medica Health Plan was selected as the medical plan administrator for eligible employees and retirees during an RFP process conducted from October 2022 through March 2023.

The costs for these services are funded on an annual basis through the fringe pool.

Submitted by: Mary Rohman Kuhl
Senior Director, Total Rewards
Office of Human Resources
maryrk@umn.edu

Approval for this item requested by:

Kenneth E. Horstman
Vice President, Office of Human Resources
(Signature on file in Purchasing Services)

April 13, 2023

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

To The Large Binocular Telescope Corporation for \$1,900,000 for telescope observing rights for the School of Physics and Minnesota Institute for Astrophysics in the Department of Astronomy (Twin Cities Campus) for the period January 1, 2023 through October 14, 2027.

The Large Binocular Telescope Corporation, an Arizona nonprofit Corporation (LBTC), was created to carry out certain scientific and educational activities in astronomy by constructing and operating the Large Binocular Telescope Observatory (LBT) as a facility at the Mount Graham International Observatory, near Safford, Arizona.

The University of Minnesota (UM) purchased a share of observing rights and entered into an agreement with the Research Corporation (RC) on October 15, 2002. The 2002 buy-in was made possible by a gift from Hubbard Broadcasting. The RC is a private foundation and has been acting as facilitator and coordinator for the project. RC rights in the LBTC are being transferred to Ohio State University.

The LBT was selected because its two 8.4 meter primary mirrors make it the largest total collecting area of any telescope in the world, which provides enormous potential for University of Minnesota researchers to explore a range of astronomical topics.

Annual operating costs are included in the units' annual budgets and are paid for with indirect cost recovery funds.

Submitted by: Dr. Evan Skillman
285-16 John T. Tate Hall
Minneapolis Campus
Phone: 612-624-9523
Fax: 612-624-4578

Approval for this item requested by:

Rachel Croson
Executive Vice President and Provost
(Signature of file in Purchasing Services)

April 10, 2023

Rationale for Exception for Competitive Bid

This purchase has not been competitively bid because this is an amendment of the existing Collaborating Institution Agreement, that is transferring all of the rights in the LBTC from Research Corporation (RC) to Ohio State University (OSU). This amendment also includes the observing time allocated to the UM and outlines what percentage of ownership the UM now has of OSU's share and what the UM needs to pay each year for LBTC operating costs.

While the effective date of the new agreement is January 1, 2023, the execution date will be the date the contract is signed by the University and is subject to Board of Regents approval. It is not uncommon for an amendment to an existing agreement to have an effective date prior to the execution date.

The observatory and telescope are unique in the world and are sole-source in capabilities and technologies. The operating costs are set to breakeven and are based on past history, inflation, and upcoming new commitments.

The Director of Purchasing and University Controller concluded that the process used resulted in a fair and reasonable price to the University.

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

To Unum Group for an additional estimated \$5,400,000 for administering claims and providing disability coverage options for the entire University System through the Office of Human Resources for the one-year period of January 1, 2024 through December 31, 2024.

Faculty income disability insurance replaces pay for employees whose disability prevents them from performing their job for a period of four months or longer. Optional short and optional long-term disability replaces pay for enrolled employees whose disability prevents them from performing their job. Optional long-term disability coverage is available to civil service and bargaining union employees; the benefit amount depends on the amount elected.

Unum Group was selected for disability coverage and claims administration for eligible employees during a request for proposal process which concluded in April 2017. The estimated total of \$5,400,000 is based on current premiums and administrative services fees and estimated enrollment. The Office of Human Resources is extending the current contract by one additional year.

The service fees paid to the vendor and academic long-term disability premiums are funded on an annual basis through the fringe pool. The optional short-term and long-term disability premiums are funded by employee contributions.

Submitted by: Mary Rohman Kuhl
Senior Director, Total Rewards
Office of Human Resources
maryrk@umn.edu

Approval for this item requested by:

Kenneth E. Horstman
Vice President, Office of Human Resources
(Signature on file in Purchasing Services)

April 13, 2023

Rationale for Exception for Competitive Bid

This purchase has not been competitively bid because it was determined that a one-year extension was needed while the University continued to prepare for an RFP to be issued.

Negotiations with the supplier were completed through the original RFP process. Based on the pricing established during the initial RFP process, Unum reviewed credible claims experience since inception and the current partnership with the University and was able to maintain current pricing for an additional year. Considering the potential impact of claims experience and inflation, maintaining the current pricing is advantageous for the University.

The Director of Purchasing and University Controller concluded that the process used resulted in a fair and reasonable price for the University.

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

To Videotronix, Incorporated dba VTI Security for an estimated \$400,000 for safety and security systems services for the Public Safety Emergency Communications Center (PSECC) for all University of Minnesota campuses for the period of May 22, 2023 through April 30, 2025, with possible contract extensions through April 30, 2028, for an additional \$600,000. The total contract value, if all options are exercised, would be \$1,000,000.

This contract is necessary to accelerate efforts to upgrade, enhance, and replace end-of-life (EOL) equipment on the University's security systems (video surveillance, card access, and alarms). The contract will provide dedicated services and resources to the Crookston, Duluth, Morris, and Rochester campuses and bolster existing resources for the Twin Cities campuses.

Expanding, enhancing, and replacing the EOL equipment for the various systems improves the safety posture of the University system by better securing facilities, increasing visibility for public safety responders during incidents, and improving abilities to solve and prevent crime on the University and surrounding properties.

Through a competitive process, Videotronix, Incorporated dba VTI Security provided the best value based on a work plan, staffing, and pricing.

The funds required for this contract are budgeted by utilizing a proportion of the yearly funding already dedicated to these efforts.

Submitted by: Jeff Lessard, Director, Emergency Communications
Public Safety Emergency Communications Center (PSECC)
2221 University Ave SE
Minneapolis, MN 55414
Phone (Office): (612) 624-1583
Phone (Cell): (612) 202-1528

Approval for this item requested by:

Myron Frans
Senior Vice President for Finance and Operations
(Signature on file in Purchasing Services)

May 11, 2023

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

To Virgin Pulse for an estimated \$2,387,000 for program administrative services of the Wellbeing Program, including a wellbeing program administrator and an incentive data manager for the entire University System through the Office of Human Resources for the period of September 1, 2023, through August 31, 2025, with optional contract extensions through August 31, 2029, for an additional estimated \$4,792,000. The total estimated contract value if all options are exercised would be \$7,179,000.

The Wellbeing Program will serve as a resource to all benefit-eligible employees, which is approximately 19,737 employees. Employees and dependent spouses that are enrolled in the University's UPlan medical program will be able to earn points to reduce their medical premium rates.

The initial contract is for a two-year period, with four annual options to renew the contract. The estimated annual amount of \$1,196,500 is based on administrative service fees and additional ongoing fees submitted as part of the RFP process and estimated enrollment.

Virgin Pulse was selected as provider during a request proposal process conducted from December 2022 through March 2023.

The fees paid to the vendor are funded on an annual basis through the fringe pool.

Submitted by: Mary Rohman Kuhl
Senior Director, Total Rewards
Office of Human Resources
maryrk@umn.edu

Approval for this item requested by:

April 13, 2023

Kenneth E. Horstman
Vice President, Office of Human Resources
(Signature on file in Purchasing Services)

Capital Budget Amendment: Northrop Hall East Parapet Wall Repair
Campus: Twin Cities Campus
Project No. 01-053-23-2311

1. Basis for Project:

This project is for the repair of damage caused by excessive ice and snow buildup on the upper east roof of Northrop Hall. On January 11, 2023, snow and ice pushed over the existing parapet wall of the upper roof of Northrop causing the wall to fall approximately 80 feet to a lower roof, damaging the roof membrane and three district cooling towers with associated piping. These cooling towers provide much needed year-round cooling to the entire campus district north of Washington Ave, including buildings housing ongoing research. Winter cooling needs consist of cooling sensitive heat generating research equipment and temperature control of research spaces.

Immediate efforts were put into place to stabilize the structural damage, remove ice and snow from the upper roof, and mitigate additional damage to the facility. Following cleanup, efforts began for repairing damaged lower roofs, correcting interior areas impacted by water intrusion, repairing two of the cooling towers and replacing the third (damaged beyond repair). The repair efforts allowed the building to be fully available for events the week of March 17.

This is primarily work that will be included in an insurance claim for the damage caused on the east side of Northrop. Insurance will also cover two temporary 500-ton chillers that will be needed to replace the cooling tower damaged beyond repair; a replacement will not be in place until late summer. These temporary chillers will be placed on the west side of Northrop.

Non-insurance funds are requested to add snow guards on the roof (east and west sides) as well as to rebuild the west parapet wall. The original parapet walls did not contain any structural steel reinforcing, held in place by the weight of the brick/block/stone and adhered only through mortar joints; new parapet walls will have structural steel added. The west parapet, although not damaged, is planned to be replaced with similar structural reinforcing as a preventative measure (the lower roof on the west side contains the air handlers serving Northrop which, if damaged, would be significantly disrupt ongoing operations in Northrop for an extended period of time).

2. Scope of Project:

- Replacement of the east and west parapet walls on the upper roof
- Replacement of cooling tower 1 and repairs to cooling towers 2 and 3 (and associated platforms and utility pipes)
- Replacement of the lower east roof
- Installation of snow guards on the upper roof
- Interior repairs caused by melting snow
- Rental and setup of two 500-ton chillers and associated utilities.

3. Campus Plan:

Northrop is a historical facility located on the East Bank Campus. This facility is a prominent element on the Twin Cities Campus Plan dated December 2021.

4. Environmental Issues:

Initial tests indicate there are no hazardous materials present in this portion of repair. Additional testing will be conducted as we work through demolition of damaged equipment and roofing. It is anticipated that no additional hazardous material will be discovered. The project budget contains a small allowance should anything be discovered.

5. Cost Estimate:

Construction Cost	\$ 8,080,000
<u>Non-Construction Cost</u>	<u>\$ 2,020,000</u>
Total Project Cost	\$10,100,000

6. Capital Funding:

Insurance	\$TBD
<u>University Funds</u>	<u>\$10,100,000</u>
Total Capital Funding	\$10,100,000

7. Capital Budget Approvals:

This project was not part of any past Capital Budgets and has not appeared as a Potential Capital Project – it is an emergency repair of Northrop as the result of snow and ice damage.

8. Annual Operating and Maintenance Cost:

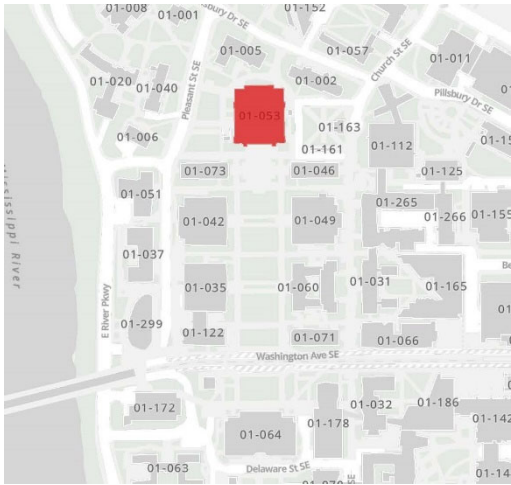
An increase in the operating and maintenance costs is not anticipated with the repair.

9. Time Schedule:

Proposed Design Completion:	April 2023
Proposed Substantial Completion:	December 2023

10. Project Team:

Architect:	HGA Architects
Design/Build:	J. E. Dunn



Location



View of East Parapet Damage



View of East Parapet Damage

Finance & Operations Committee
Consent Report
May 12, 2023

Personnel Appointment

Pending approval by the Board of Regents, Dr. Janet Ericksen will be appointed Chancellor of the University of Minnesota Morris (UMN Morris), effective May 15, 2023.

Position Overview

The UMN Morris Chancellor is responsible for setting a vision and ensuring the effective leadership and management of all aspects and resources of the campus, from enrollment management to shared governance to financial stewardship to diversity, equity, and inclusion, and more. The Chancellor represents the campus to the University president, the Board of Regents, students, faculty and staff, alumni, donors, the community, region, state, legislature, governmental agencies, and other organizations, including higher education institutions. Leading, championing, and leveraging the critical and unique role of UMN Morris, the Chancellor advances the University's academic, research, and outreach mission and in supporting the University of Minnesota system's reputation as one of the world's most renowned public research universities. The Chancellor works closely and collaboratively with students, faculty, staff, administrators, and others to strengthen the campus' academic and administrative initiatives, programs, and services and to inform campus decisions. Working to recruit and retain talent and to build motivated, high-performing teams, the Chancellor inspires the community to pursue excellence. The Interim Chancellor actively engages with the greater Morris community and has an active presence to build strong community relations, working effectively with alumni, donors, and others who are interested in supporting the campus.

Appointee's Background and Qualifications

Since July 2021, Dr. Janet Ericksen has served as Acting Chancellor of the campus. She began her career at UMN Morris in 1998 as an assistant professor of English. Since then, she has held a variety of leadership roles, including director of the Honors Program, chair of the Division of the Humanities, and interim chair of the Division of the Social Sciences. She holds a B.A. in English and Art History from the University of Kansas, and an M.A. and Ph.D. from the University of Illinois at Urbana-Champaign, with specialization in early medieval English and Old Norse literature. Dr. Ericksen has been an active participant in University of Minnesota governance, including as a University Senator and two terms as a member of the Faculty Consultative Committee. In addition, she has received the U of M Morris Alumni Association Teaching Award and is a member of the U of M Academy of Distinguished Teachers. Her most recent book, "Reading Old English Biblical Poetry," was pushed by U Toronto Press in 2020.

Recommended Salary and Appointment Type

Dr. Ericksen's annual base salary will be \$300,000. Her appointment as UMN Morris Chancellor is a 100%-time, A-term (12-month), L-type (limited) appointment, reporting to and serving at the pleasure of the President. She will also receive a \$15,000 annual housing allowance. The full employment agreement between the University of Minnesota and Dr. Ericksen is attached as an exhibit.

Individually Negotiated Terms of Employment or Separation Agreements

There are no individually negotiated terms of employment or separation agreements.

Comparable Market Data

Benchmarking with the CUPA-HR Administrators in Higher Education and CUPA-HR Executive Compensation and Benefits in Higher Education salary surveys for this position's peer group (aged to July 1, 2021) show that Dr. Ericksen's new salary will be near the 10th percentile:

10th percentile - \$301,100

25th percentile - \$349,900

50th percentile - \$444,400

75th percentile - \$579,900

90th percentile - \$677,100

Recommendation

The President recommends the appointment of Dr. Janet Ericksen as UMN Morris Chancellor at the University of Minnesota.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of this 1st day of May, 2023, by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the “University”), and Dr. Janet Ericksen (“she” or “her” or “Dr. Ericksen”).

WHEREAS, the University wishes to employ Dr. Ericksen as the University of Minnesota Morris Chancellor and Dr. Ericksen wishes to accept employment as University of Minnesota Morris Chancellor;

WHEREAS, this Employment Agreement is subject to the approval of the Board of Regents of the University of Minnesota and the completion of a background check satisfactory to the University;

THEREFORE, the University and Dr. Ericksen agree as follows, subject to the approval of the Board of Regents:

I. EMPLOYMENT TERM AND DUTIES

Subject to the terms and conditions of this Agreement and University Policies and Procedures, the University appoints Dr. Ericksen as the University of Minnesota Morris Chancellor and she agrees to be so employed by the University for a term commencing on May 15, 2023. The University of Minnesota Morris Chancellor is a 100 percent time, 12-month, L appointment in the professional and academic personnel classification who serves as an at will employee at the pleasure of the President. As such, you report to and serve at the pleasure of the President and your appointment may be terminated at any time without advance notification.

II. DUTIES

During the term of your employment as University of Minnesota Morris Chancellor you will diligently and conscientiously devote your full-time attention and best efforts in performing and discharging the duties of University of Minnesota Morris Chancellor as they are set forth in the job description for this position (attached) including, but not limited to, the following duties:

A. Provide visionary leadership and administrative oversight of, and accountability for, the University of Minnesota Morris;

B. Oversee the responsible planning, stewardship, management and accountability of fiscal, capital, and human resources of the University of Minnesota Morris;

C. Promote and represent the interest of the University of Minnesota Morris in a positive fashion in private and public forums;

D. Recruit and retain distinguished faculty and outstanding students at the University of Minnesota Morris;

E. Integrate the University of Minnesota Morris and its many vital resources into the broader community and surrounding region;

F. Play a major leadership role in fundraising for the institution, leading energetic efforts to secure philanthropic support for its mission;

G. Garner support for the institution and the liberal arts mission from both internal and external stakeholders; and

H. Perform such other duties as related to your employment position and assigned to you by your appointing authority.

III. PERFORMANCE

In accordance with University Policy, you will receive regular annual performance evaluations and, in accordance with University Policy, you will receive a broader systemic review of your performance no later than the end of your third year in the position.

IV. COMPENSATION

A. Subject to the terms of this Agreement for all services provided by you on behalf of the University, the University shall pay you an annual salary of Three Hundred Thousand and No/100 Dollars (\$300,000).

B. All base salary shall be paid in accordance with the University's regular payroll procedures for Professional and Administrative employees and shall be subject to withholding for applicable federal and state income taxes, federal social security taxes, and other applicable taxes and deductions.

C. In accordance with University Policies and Procedures, you shall be eligible for salary increases on an annual basis based upon the evaluation of the appointing authority or his/her designee.

D. The base salary is subject to furloughs, pay freezes, salary reductions or other adjustments to the same extent they are required of other employees of the University.

E. The University shall pay Dr. Ericksen an annual housing allowance of Fifteen Thousand dollars (\$15,000), subject to applicable state and federal tax withholding.

V. BENEFITS

The University shall provide you with a [benefits](#) program as provided generally for its Professional and Administrative employees as described in its Policies and Procedures. These programs shall be subject to amendments and modifications by the University.

VI. SEPARATION

A. Your appointment as University of Minnesota Morris Chancellor is an L appointment which means you serve at the pleasure of your appointing authority. Your appointment may be terminated without any required notice period.

B. In the event you are separated from your administrative position, you may be eligible for certain benefits provided by the University, in accordance with University policy. Any exception from or waiver of University policy related to your separation must be approved by the Board of Regents.

VII. UNIVERSITY POLICIES AND GENERAL CONDITIONS

A. Your appointment is subject to the University's [policies and procedures](#) that govern your position, which may be amended from time to time.

B. **Amendment.** Any amendment to this Agreement shall be in a writing executed and delivered by the parties.

C. **Parties In Interest/Assignment.** This Agreement shall be binding upon and the benefits and obligations provided for herein shall inure to the parties hereto and their respective heirs, legal representatives, successors, assigns, transferees or donees, as the case may be. No portion of this Agreement shall be assignable without the prior written consent of the other party.

D. **Effect of Prior Agreements.** This Agreement is intended by the parties as the final and binding expression of their contract and agreement and as the complete and exclusive statement of the terms thereof. This Agreement supersedes and revokes all prior negotiations, representations, and agreements, whether oral or written, relating to the subject matter hereof.

E. **Enforceability.** If any provision contained herein shall be deemed or declared unenforceable, invalid, or void, the same shall not impair any of the other

provisions contained herein, which shall be enforced in accordance with their respective terms.

F. Construction. The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and shall not in any event be employed or used for the purpose of construction or interpretation of any portion of this Agreement. No waiver by any party of any default or nonperformance hereunder shall be deemed a waiver of any subsequent default or nonperformance. As used herein and where necessary, the singular shall include the plural and vice versa, and masculine, feminine and neuter expressions shall be interchangeable.


VIII. BOARD OF REGENTS APPROVAL

This agreement is subject to the approval of the Board of Regents and a background check that is satisfactory to the University.


IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

By: 
Dr. Janet Ericksen

REGENTS OF THE UNIVERSITY OF MINNESOTA

By: 
Joan T.A. Gabel
President

Approved as to Form and Execution

By: 
Douglas Peterson
General Counsel

Personnel Appointment

Pending approval by the Board of Regents, Alice Roberts-Davis will be appointed Vice President for University Services for the University of Minnesota system, effective June 12, 2023.

Position Overview

As the Vice President for University Services, Alice Roberts-Davis will lead an approximately 3,700-person team, including 2,000 students, comprised of six units: Facilities Management; Planning, Space, and Real Estate; Capital Project Management; Sustainability; Auxiliary Services; and a shared management services team to support the division. This important role spans UMN's five campuses and is responsible for the stewardship of 28,00 acres of land, 950 buildings totaling over 32 million square feet of space, \$1.7 billion in capital project work, and operating budgets of \$433 million. She is also in charge of working with multiple union bargaining units, including AFSCME Clerical and Tech, Teamsters, 1M1B, and Trades. Alice Robert-Davis will be a key member of the Senior Vice President's leadership team and a trusted and reliable partner to the President, the Board of Regents, all four campus Chancellors, and other senior leaders on all issues related to University Services. As a leader of a core business unit within the institution, this role has the incredible capacity to create meaningful long-term impact on UMN's campuses and beyond.

This role requires a strong, systemwide presence. As Vice President for University Services, Alice Robert-Davis will ensure substantive decisions are made from a system perspective. She will be a visionary leader who understands the challenges of process and change management. She will use her superior leadership skills in motivating and driving results and the ability to apply best practices to ensure continuous improvement of services focused on customer service, cost-effectiveness, and accountability in alignment with the University's strategic plans. This role supports the organization by providing leadership on how to approach both legacy (long-term and unlikely to change) and progressive (changing rapidly due to market conditions) services and programs.

Appointee's Background and Qualifications

Alice Roberts-Davis will bring strong leadership to the University of Minnesota system. Currently, she serves as the Commissioner of the Department of Administration for the State of Minnesota and has been in this role since 2019. In this role, she is responsible for leading 25 divisions that provide central services to state agency partners and directly to Minnesotans. Prior to this role, she was the Assistant Commissioner for Property and Procurement at the State of Minnesota (2015-2019) and worked several management roles at Target from 2003-2015.

She has a J.D. from the College of Law at Florida State University and a B. S. in Communications from the University of Illinois, Urbana-Champaign.

Recommended Salary and Appointment Type

Alice Roberts-Davis' annual salary as Vice President will be \$295,000. Her appointment is 100% time, 12-month L appointment in the academic professional and administrative personnel classification who serves as an at-will employee at the pleasure of the Senior Vice President for Finance and Operations. The full employment agreement between the University of Minnesota and Alice Roberts-Davis is attached.

There are no individually negotiated terms of employment or separation agreements.

Comparable Market Data

Benchmarking with the University's Annual Review of Senior Leader Compensation, which is being presented to the Board of Regents this month and shows comparative base salary data among the University of Minnesota Carnegie Classification group for the position of Chief Administration Officer. The report provides market data from the CUPA-HR Administrators and Executive Compensation Surveys in Higher Education Salary Survey encompassing a broad range of participant institutions that includes both public and private institutions.

10th: \$240,519

25th: \$262,382

50th: \$295,544

75th: \$440,367

90th: \$536,192

Recommendation

The Senior Vice President for Finance and Operations recommends the appointment of Alice Roberts-Davis to the position of Vice President for University Services for the University of Minnesota system.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the “University”), and Alice Roberts-Davis (“Alice Roberts-Davis,” “you”).

WHEREAS, the University wishes to employ Alice Roberts-Davis as the Vice President for University Services, and Alice Roberts-Davis wishes to accept employment as the Vice President for University Services; and

WHEREAS, this Employment Agreement is subject to the approval of the Board of Regents of the University of Minnesota and the completion of a background check satisfactory to the University.

THEREFORE, the University and Alice Roberts-Davis agree as follows, subject to the approval of the Board of Regents.

I. EMPLOYMENT TERM AND DUTIES

Subject to the terms and conditions of this Agreement and University Policies and Procedures, the University appoints Alice Roberts-Davis as the Vice President for University Services and she agrees to be so employed by the University for a term commencing on June 12, 2023. The Vice President for University Services is a 100 percent time, 12-month L appointment in the professional and academic personnel classification who serves as an at-will employee at the pleasure of the Senior Vice President for Finance and Operations. As such, you report to and serve at the pleasure of the Senior Vice President for Finance and Operations and your appointment may be terminated at any time without advance notification.

II. DUTIES

During the term of your employment as Vice President for University Services, you will diligently and consciously devote your full-time attention and best efforts in performing and discharging the duties of the Vice President for University Services as they are set forth in the profile for this position (attached) including, but not limited to, the following duties:

- A. Partner with senior leadership and become fully integrated into the leadership team; be perceived as a solid team player who has credibility and integrity and contributes broadly at system, campus, and division leadership meetings;
- B. Establish relationships to effectively maintain and enhance University Services to ensure efficient, complementary, and coordinated approaches to service delivery;
- C. Assess the organizational, structure of University Services to ensure that the structure supports an innovative, highly productive, responsive, customer service oriented service organization;

- D. As part of an overall University of Minnesota initiative, participate in identifying areas of efficiency and cost savings across University Services;
- E. Be an active contributor to the Finance and Operations leadership team that will work across functional support areas to build world-class and cost-effective support services for the University's academic, research, and outreach missions;
- F. Perform such other duties as related to your employment position and assigned to you by your appointing authority.

III. PERFORMANCE

In accordance with University policy, you will receive regular annual performance evaluations and, in accordance with University policy, you will receive a broader systemic review of your performance no later than the end of your third year in the position.

IV. COMPENSATION

- A. Subject to the terms of this Agreement for all services provided by you on behalf of the University, the University shall pay you an annual salary of Two Hundred and Ninety-Five Thousand and No/100 Dollars (\$295,000).
- B. All salary shall be paid in accordance with the University's regular payroll procedures for Professional and Administrative employees and shall be subject to withholding for applicable federal and state income taxes, federal social security taxes, and other applicable taxes and deductions.
- C. In accordance with University policies and procedures, you shall be eligible for salary increases on an annual basis upon the evaluation of the appointing authority or his/her designee.
- D. The salary is subject to furloughs, pay freezes, salary reductions, or other adjustments to the same extent they are required of other employees of the University.

V. BENEFITS

The University shall provide you with a benefits program as provided generally for its Professional and Administrative employees as described in its policies and Procedures (<http://www.umn.edu/ohr/benefits/summary>.) These programs shall be subject to amendments and modifications by the University.

VI. SEPARATION

- A. Your appointment as Vice President for University Services is an L appointment, which means you serve at the pleasure of your appointing authority. Your appointment may be

terminated without any required notice period.

- B. In the event you are separated from your administrative position, you may be eligible for certain benefits provided by the University, in accordance with University policy. Any exception from or waiver of University policy related to your separation must be approved by the Board of Regents.
- C. If you are a faculty member at the end of your administrative appointment, you may return to the faculty at your established faculty salary.

VII. UNIVERSITY POLICIES AND GENERAL CONDITIONS

- A. Your appointment is subject to the University's policies and procedures that govern your position (<http://policy.umn.edu>), which may be amended from time to time.
- B. **Amendment.** Any amendment to this Agreement shall be in a writing executed and delivered by the parties.
- C. **Parties In Interest/Assignment.** This Agreement shall be binding upon and the benefits and obligations provided for herein shall inure to the parties hereto and their respective heirs, legal representatives, successors, assigns, transferees, or donees, as the case may be. No portion of this Agreement shall be assignable without the prior written consent of the other party.
- D. **Effect of Prior Agreements.** This Agreement is intended by the parties as the final and binding expression of their contract and agreement and as the complete and exclusive statement of the terms thereof. This Agreement supersedes and revokes all prior negotiations, representations, and agreements, whether oral or written, relating to the subject matter hereof.
- E. **Enforceability.** If any provision contained herein shall be deemed or declared unenforceable, invalid, or void, the same shall not impair any of the other provisions contained herein, which shall be enforced in accordance with their respective terms.
- F. **Construction.** The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and shall not in any event be employed or used for the purpose of construction or interpretation of any portion of this Agreement. No waiver by any party of any default or nonperformance hereunder shall be deemed a waiver of any subsequent default or nonperformance. As used herein and where necessary, the singular shall include the plural and vice versa, and masculine, feminine, and neuter expressions shall be interchangeable. This Agreement shall be interpreted and construed in accordance with the laws of the State of Minnesota, which shall be the forum for any lawsuit arising from or incident to this Agreement.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

A Roberts-Davis

Alice Roberts-Davis

04.20.2023

Date

BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Myron Frens

Myron Frens
Senior Vice President, Finance and Operations

4-19-2023

Date

Personnel Appointment

Pending approval by the Board of Regents, Paul Hanstedt will be appointed Vice Chancellor of Academic Affairs and Innovation (VCAAI) at the University of Minnesota Rochester (UMR) campus, effective August 14, 2023.

Position Overview

This Vice Chancellor for Academic Affairs and Innovation serves as the strategic and innovative academic leader for the University of Minnesota Rochester campus, driving practices that support student success and contributing to the progress, growth, and vision of the health-focused innovation campus and its faculty. As the chief academic officer and intellectual community builder, this role is broadly responsible for teaching and learning, scholarship, and service with the Rochester faculty, including curricular and pedagogical innovation.

Core responsibilities of the vice chancellor include providing academic leadership and working collaboratively with members of the chancellor's senior advisory council as well as faculty governance leadership. Reporting directly to the chancellor, this position has leadership and oversight for the academic functions of faculty evaluation including the tenure process, faculty development, academic innovation and partnerships, registration, library, academic technology, and institutional research, assessment, and accreditation, with shared oversight for student success coaching. Ongoing collaboration with the student development leadership and staff is expected, to sustain UMR's established, integrated approach to student learning and development. Further, ongoing collaboration with enrollment management leadership will be expected and vital to the growth imperative of this young campus. This leader provides budgetary oversight for academic operating budgets and coordinates with System colleagues to advance the campus-level aims of the University of Minnesota System Strategic Plan.

Appointee's Background and Qualifications

Paul Hanstedt is an accomplished academic leader and faculty member who comes to the University of Minnesota Rochester from Washington and Lee University in Lexington, Virginia, where he has extensive experience in various areas of academic administrative leadership from the department to the campus level. He is currently the Founding Director of The Houston H. Harte Center of Teaching and Learning, overseeing and supporting various committees to assess student needs for learning and pedagogical innovation and improvement, anti-racism pedagogies, and ongoing student support and faculty pedagogical development. Further, Dr. Hanstedt has a national reputation as an innovation leader in higher education, contributing to new academic endeavors on dozens of campuses, keynoting at major teaching and learning conferences, and authoring multiple books and articles on learning innovation.

Prior to this appointment, Hanstedt served as Professor of Education Studies (2019 - 2023); Contributing Editor at *The Teaching Professor* (2022 - 2023); Faculty Member at the Institute for General Education and Assessment at the Association of American Colleges and Universities (AAC&U) (2016 - 2023); Professor of Literature at Roanoke College (2018 - 2019); Director of Pedagogical Innovation at Roanoke

College (2015 - 2019); Professor of English at Roanoke College (2009 - 2018); Coordinator of Assessment and ePortfolios (2013 - 2017); Acting Director for the Center for Teaching and Learning at Roanoke College (2012 - 2013); and Project Manager and Fulbright Scholar at The Hong Kong Institute of Education (2009 - 2010).

Hanstedt holds a Ph.D. from The Ohio State University, an M.A. from Iowa State University, and a B.A. from Luther College. In addition to his academic career, he was a Higher Education Consultant (2011 - 2023) and a Coach at the National Institute for Learning Outcomes Assessment (NILOA) (2017 - 2020).

Recommended Salary and Appointment Type

Paul Hanstedt's annual salary as Vice Chancellor of Academic Affairs and Innovation at UMR will be \$194,000. His appointment as Vice Chancellor of Academic Affairs and Innovation is a 100%-time, A-term (12-month) L-type (limited) appointment in the academic professional and administrative personnel classification, an at-will employee position reporting to and serving at the pleasure of the Chancellor. The full employment agreement between the University of Minnesota and Paul Hanstedt is attached as an exhibit.

There are no individually negotiated terms of employment or separation agreements.

Comparable Market Data

Benchmarking with the University's Annual Review of Senior Leader Compensation, which was presented to the Board of Regents last year and showed comparative base salary data among University of Minnesota peers for the position of Vice Chancellor of Academic Affairs and Innovation. The report provides market data from the CUPA-HR Administrators in Higher Education Salary Survey and the CUPA-HR Executive Compensation and Benefits in Higher Education survey, encompassing a broad range of participant institutions that includes both public and private institutions. The Office of Human Resources has further detailed comparable market data for base compensation for this position aged to July 2023 for FY23, benchmarked with institutions in Rochester's Carnegie Classification: Special Focus 4-yr: Other Health Professions.

10th: \$151,600
25th: \$172,000
50th: \$201,600
75th: \$277,500
90th: \$350,600

Recommendation

The President recommends the appointment of Paul Hanstedt to the position of Vice Chancellor of Academic Affairs and Innovation at the University of Minnesota Rochester (UMR) campus.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of this 28th day of March, 2023, by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the "University"), and Paul Hanstedt ("you").

WHEREAS, the University wishes to employ you as Vice Chancellor for Academic Affairs and Innovation at the University of Minnesota Rochester (UMR) campus and wishes you to accept employment as Vice Chancellor for Academic Affairs and Innovation;

WHEREAS, this Employment Agreement is subject to the approval of the Board of Regents of the University of Minnesota and the completion of a background check satisfactory to the University;

THEREFORE, the University and you agree as follows, subject to the approval of the Board of Regents:

I. EMPLOYMENT TERM AND DUTIES

Subject to the terms and conditions of this Agreement and University Policies and Procedures, the University appoints you as Vice Chancellor for Academic Affairs and Innovation and you agree to be so employed by the University for a term commencing on August 14, 2023. The Vice Chancellor for Academic Affairs and Innovation is a 100-percent time, 12-month L appointment in the professional and academic personnel classification who serves as an at-will employee at the pleasure of the University of Minnesota Rochester Chancellor. As such, you report to and serve at the pleasure of the Chancellor and your appointment may be terminated at any time without advance notification.

II. DUTIES

During the term of your employment as Vice Chancellor for Academic Affairs and Innovation, you will diligently and consciously devote your full-time attention and best efforts in performing and discharging the duties of Vice Chancellor for Academic Affairs and Innovation as they are set forth in the job description for this position (Exhibit A).

III. PERFORMANCE

In accordance with University policy, you will receive regular annual performance evaluations and you will receive a broader systemic review of your performance no later than the end of your third year in the position.

IV. FACULTY APPOINTMENT

In addition to your appointment as Vice Chancellor for Academic Affairs and Innovation, you will also be eligible to hold an appointment as a tenured professor in UMR's Center for Learning Innovation. During the time you serve as Vice Chancellor for Academic Affairs and Innovation, you will not receive any compensation for your faculty appointment, but a salary for this appointment will be established each year by the University. In the event you are no longer employed as Vice Chancellor for Academic Affairs and Innovation, and you choose to retain this faculty appointment, this annually calculated salary will be your established faculty salary.

V. COMPENSATION

- A.** Subject to the terms of this Agreement for all services provided by you on behalf of the University, the University shall pay you an annual salary of One Hundred and Ninety-four Thousand and No/100 Dollars (\$194,000).
- B.** All base salary shall be paid in accordance with the University's regular payroll procedures for Professional and Administrative employees and shall be subject to withholding for applicable federal and state income taxes, federal social security taxes, and other applicable taxes and deductions.
- C.** In accordance with University policies and procedures, you shall be eligible for salary increases on an annual basis based upon the evaluation of the appointing authority or his/her designee.
- D.** The base salary is subject to furloughs, pay freezes, salary reductions or other adjustments to the same extent they are required of other employees of the University.

VI. BENEFITS

- A.** The University shall provide you with a benefits program as provided generally for its Professional and Administrative employees as described in its policies and Procedures (<http://www.umn.edu/ohr/benefits/summary/>). These programs shall be subject to amendments and modifications by the University.

VII. SEPARATION

- A.** Your appointment as Vice Chancellor for Academic Affairs and Innovation is an L appointment, which means you serve at the pleasure of your appointing authority. Your appointment may be terminated without any required notice period.
- B.** In the event you are separated from your administrative position, you may be eligible for certain benefits provided by the University, in accordance with University policy.

C. Because you will be a faculty member, at the end of your administrative appointment you may return to the faculty at your established faculty salary.

VIII. UNIVERSITY POLICIES AND GENERAL CONDITIONS

A. Your appointment is subject to the University's policies and procedures that govern your position (<http://policy.umn.edu/>), which may be amended from time to time.

B. **Amendment.** Any amendment to this Agreement shall be in writing executed and delivered by the parties.

C. **Assignment.** No portion of this Agreement shall be assignable without the prior written consent of the other party.

D. **Effect of Prior Agreements.** This Agreement is intended by the parties as the final and binding expression of their contract and agreement and as the complete and exclusive statement of the terms thereof. This Agreement supersedes and revokes all prior negotiations, representations, and agreements, whether oral or written, relating to the subject matter hereof.


E. **Enforceability.** If any provision contained herein shall be deemed or declared unenforceable, invalid, or void, the same shall not impair any of the other provisions contained herein, which shall be enforced in accordance with their respective terms.

F. **Construction.** The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and shall not in any event be employed or used for the purpose of construction or interpretation of any portion of this Agreement. No waiver by any party of any default or nonperformance hereunder shall be deemed a waiver of any subsequent default or nonperformance. As used herein and where necessary, the singular shall include the plural and vice versa, and masculine, feminine and gender neutral expressions shall be interchangeable.

IX. BOARD OF REGENTS APPROVAL

This agreement is subject to the approval of the Board of Regents, completion of an I-9, and a background check that is satisfactory to the University.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

By: 
Paul Hansted

REGENTS OF THE UNIVERSITY OF MINNESOTA

By: Lori J. Carrell

Lori J. Carrell

Chancellor

University of Minnesota Rochester

Approved as to Form and Execution

Personnel Appointment

Pending approval by the Board of Regents, Rosemary Erickson Johnsen will be appointed Senior Vice Chancellor of Academic Affairs of the University of Minnesota, Crookston Campus, effective May 15th, 2023.

Position Overview

As the Senior Vice Chancellor, Rosemary E Johnsen will be the chief academic officer and provide overall leadership for academic affairs at UMN Crookston, striving toward excellence in teaching, learning, and scholarship across the disciplines while working collegially with internal and external constituencies. The Senior Vice Chancellor will hold the responsibility to advance the academic mission of excellence by developing new academic programs (both on-campus and online), expand partnerships, and advance the integration of academic technologies and technology-based learning modalities.

This position is responsible for coordinating faculty personnel actions including recruitment and onboarding of new faculty, re-appointment, promotion, and tenure and serves as the primary negotiator for administration during faculty collective bargaining. Leading and managing academic affairs with particular attention to academic planning, program review and development, faculty development, accreditation and assessment, diversity initiatives, academic student success and retention, policy development/governance, developing and administering academic budgets and resources, and overall coordination of academic affairs.

Appointee's Background and Qualifications

Rosemary Erickson Johnsen will bring strong academic leadership to the campus and experience both on our campus and in previous academic affairs roles. Currently, Dr. Johnsen serves as our division head for Business, Arts and Education and previously was the Associate Provost and Associate Vice President of Academic Affairs (2018 –22) at Governors State University in Chicago, IL. In those roles, she oversaw the HLC accreditation for the campus, helped to craft their strategic and academic master plans, and worked closely with their enrollment management group. Dr. Johnsen has also held faculty appointments at Governors State University (2009-15), Michigan State University (2000-01,2006), and Grand Valley State University (2001-04).

Her academic research and national scholarly profile is crime fiction and public scholarship. She is an elected member of the executive council of a national scholarly organization, the Society for the Advancement of Scandinavian Study. Her Ph.D. is in English literature, with M.A. and B.A. in English, all from Michigan State University.

Recommended Salary and Appointment Type

Rosemary Johnsen's annual salary as Senior Vice Chancellor will be \$185,000. Her appointment is 100% time, 12-month term contract in the academic professional and administrative personnel classification. This position will be reporting to the Chancellor of the University of Minnesota, Crookston Campus. The full employment agreement between the University of Minnesota and Rosemary E. Johnsen is attached.

There are no individually negotiated terms of employment or separation agreements.

Comparable Market Data

Benchmarking with the University's Annual Review of Senior Leader Compensation, which is being presented to the Board of Regents this month and shows comparative base salary data among the University of Minnesota Crookston Carnegie Classification group for the position of Chief Academic Affairs Officer or Provost. The report provides market data from the CUPA-HR Administrators in Higher Education Salary Survey encompassing a broad range of participant institutions that includes both public and private institutions. The Office of Human Resources has further detailed comparable market data for base compensation for this position aged to July 2023 for FY24, benchmarked among Twin Cities peer group institutions as follows:

10th: \$112,042

25th: \$145,020

50th: \$161,073

75th: \$196,330

90th: \$213,419

Recommendation

The Chancellor recommends the appointment of Rosemary Johnsen to the position of Senior Vice Chancellor of Academic Affairs at the University of Minnesota, Crookston.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of this 19th day of April, 2023, by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the “University”), and Rosemary Johnsen (“you”).

WHEREAS, the University wishes to employ you as Senior Vice Chancellor for Academic Affairs at the University of Minnesota Crookston (UMN Crookston) campus and wishes you to accept employment as Senior Vice Chancellor for Academic Affairs;

WHEREAS, this Employment Agreement is subject to the approval of the Board of Regents of the University of Minnesota and the completion of a background check satisfactory to the University;

THEREFORE, the University and you agree as follows, subject to the approval of the Board of Regents:

I. EMPLOYMENT TERM AND DUTIES

Subject to the terms and conditions of this Agreement and University Policies and Procedures, the University appoints you as Senior Vice Chancellor for Academic Affairs and you agree to be so employed by the University for a term commencing on May 15th, 2023. The Vice Chancellor for Academic Affairs is a 100-percent time, 12-month L appointment in the professional and academic personnel classification who serves as an at-will employee at the pleasure of the University of Minnesota Crookston Chancellor. As such, you report to and serve at the pleasure of the Chancellor and your appointment may be terminated at any time without advance notification.

II. DUTIES

During the term of your employment as Vice Chancellor for Academic Affairs, you will diligently and consciously devote your full-time attention and best efforts in performing and discharging the duties of Vice Chancellor for Academic Affairs as they are set forth in the job description for this position (Exhibit A).

III. PERFORMANCE

In accordance with University policy, you will receive regular annual performance evaluations and you will receive a broader systemic review of your performance no later than the end of your third year in the position.

IV. FACULTY APPOINTMENT

In addition to your appointment as Vice Chancellor for Academic Affairs, you will also be eligible to hold an appointment as a tenured professor in UMC's division of business, arts and education. During the time you serve as Vice Chancellor for Academic Affairs, you will not receive any compensation for your faculty appointment, but a salary for this appointment will be established each year by the University. In the event you are no longer employed as Vice Chancellor for Academic Affairs, and you choose to retain this faculty appointment, this annually calculated salary will be your established faculty salary.

V. COMPENSATION

A. Subject to the terms of this Agreement for all services provided by you on behalf of the University, the University shall pay you an annual salary of One Hundred and Eighty-five Thousand and No/100 Dollars (\$185,000).

B. All base salary shall be paid in accordance with the University's regular payroll procedures for Professional and Administrative employees and shall be subject to withholding for applicable federal and state income taxes, federal social security taxes, and other applicable taxes and deductions.

C. In accordance with University policies and procedures, you shall be eligible for salary increases on an annual basis based upon the evaluation of the appointing authority or his/her designee.

D. The base salary is subject to furloughs, pay freezes, salary reductions or other adjustments to the same extent they are required of other employees of the University.

VI. BENEFITS

A. The University shall provide you with a benefits program as provided generally for its Professional and Administrative employees as described in its policies and Procedures (<http://www.umn.edu/ohr/benefits/summary/>). These programs shall be subject to amendments and modifications by the University.

VII. SEPARATION

A. Your appointment as Vice Chancellor for Academic Affairs is an L appointment, which means you serve at the pleasure of your appointing authority. Your appointment may be terminated without any required notice period.

B. In the event you are separated from your administrative position, you may be eligible for certain benefits provided by the University, in accordance with University policy.

C. Because you will be a faculty member, at the end of your administrative appointment you may return to the faculty at your established faculty salary.

VIII. UNIVERSITY POLICIES AND GENERAL CONDITIONS

A. Your appointment is subject to the University's policies and procedures that govern your position (<http://policy.umn.edu/>), which may be amended from time to time.

B. **Amendment.** Any amendment to this Agreement shall be in writing executed and delivered by the parties.

C. **Assignment.** No portion of this Agreement shall be assignable without the prior written consent of the other party.

D. **Effect of Prior Agreements.** This Agreement is intended by the parties as the final and binding expression of their contract and agreement and as the complete and exclusive statement of the terms thereof. This Agreement supersedes and revokes all prior negotiations, representations, and agreements, whether oral or written, relating to the subject matter hereof.

E. **Enforceability.** If any provision contained herein shall be deemed or declared unenforceable, invalid, or void, the same shall not impair any of the other provisions contained herein, which shall be enforced in accordance with their respective terms.

F. **Construction.** The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and shall not in any event be employed or used for the purpose of construction or interpretation of any portion of this Agreement. No waiver by any party of any default or nonperformance hereunder shall be deemed a waiver of any subsequent default or nonperformance. As used herein and where necessary, the singular shall include the plural and vice versa, and masculine, feminine and gender neutral expressions shall be interchangeable.

IX. BOARD OF REGENTS APPROVAL

This agreement is subject to the approval of the Board of Regents, completion of an I-9, and a background check that is satisfactory to the University.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

By: 

Rosemary Johnsen

REGENTS OF THE UNIVERSITY OF MINNESOTA

By: 

Mary Holz-Clause

Chancellor

University of Minnesota Crookston

Approved as to Form and Execution

BOARD OF REGENTS FINANCE & OPERATIONS COMMITTEE
CONSENT REPORT
EMPLOYMENT AGREEMENT – DAWN PLITZUWEIT
MAY 2023

Pending approval by the Board of Regents, Dawn Plitzuweit’s employment agreement as Head Women’s Basketball Coach, University of Minnesota, Twin Cities, will be approved.

Position Overview

The head women’s basketball coach is a leadership position adept at building and maintaining a women’s basketball program of more than 13 students and an approximate staff of seven full-time staff that achieves at high levels academically, athletically, and socially.

Summary of Employment Extension/Amendments

- Term begins on March 19, 2023.
- Coach Plitzuweit’s annualized base salary in year one will be \$800,000, with annual increases at \$20,000.
- The salary rank is tied at 6th place in the Big Ten for head women’s basketball coaches.
- If the University terminates the agreement without cause before April 12, 2026, the termination fee is equal to the full amount of the remaining salary that the Coach would have earned if she had remained employed for the full Term of Employment. If notice of termination is given between April 13, 2026, and April 12, 2027, the University will pay a termination fee equal to seventy-five percent (75%) of the remaining salary that the Coach would have earned if she had remained employed for the full Term of Employment. If notice of termination is given between April 13, 2027, and April 12, 2028, the University will pay a termination fee equal to fifty percent (50%) of the remaining salary that the Coach would have earned if she had remained employed for the full Term of Employment. If notice of termination is given between April 13, 2028, and April 12, 2029, the University will pay a termination fee equal to twenty-five percent (25%) of the remaining salary that the Coach would have earned if she had remained employed for the full Term of Employment.
- If Coach Plitzuweit terminates the agreement before April 12, 2025, she will pay a termination fee of 100 percent (100%) of what she would have earned over the remainder of her contract. If she terminates the agreement between April 13, 2025 and April 12, 2029, she will owe 50% of the remainder of her contract.
- The University will cover the cost of any buyout or early termination provision in Coach’s employment agreement with West Virginia, up to and not to exceed Three Hundred and Eighty Thousand Dollars (\$380,000) as a result of terminating Coach’s contract to accept the position at the University. The University will also hold her harmless for tax liability related to the reimbursement, up to One Hundred Eighty-Five Thousand Dollars (\$185,000).
- The University will provide Coach with a one-time lump sum of Nineteen Thousand Five Hundred Dollars (\$19,500) which Coach may use to cover relocation expenses.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of March 19, 2023 between Regents of the University of Minnesota (the "University"), on behalf of its Department of Intercollegiate Athletics, and Dawn Plitzuweit ("Coach").

WHEREAS, subject to the terms and conditions of this Agreement, the University desires to employ Coach as head coach of its intercollegiate women's basketball team at its Twin Cities campus (the "Team"), and Coach desires to accept the position and perform the services and duties of the position;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and such other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties agree as follows:

I. EMPLOYMENT TERM AND DUTIES

1.1. Term. Subject to the terms and conditions of this Agreement, the University hereby employs Coach as the head coach of the Team, and Coach agrees to be so employed by the University, for a term that runs from March 19, 2023 through April 13, 2029 (the "Term of Employment"). For purposes of this Agreement, contract year one refers to the period from March 19, 2023 through April 13, 2024. Subsequent contract years run from April 14 through April 13 (e.g., contract year two runs from April 14, 2024, through April 13, 2025, etc.). Within sixty (60) days of the end of contract year two, the parties agree to engage in a good faith review of provisions of this Agreement to determine whether enhancements should be made.

1.2. Duties.

1.2.1. During the Term of Employment, Coach shall diligently and conscientiously devote Coach's full time, attention, and best efforts in performing and discharging the usual and customary duties of a head coach of a NCAA Division I women's basketball team, including, but not limited to, the following duties:

- a. Conducting usual and customary coaching activities;
- b. Recruiting, and managing the recruitment of, student athletes;
- c. Fostering and providing accountability for the academic progress of student athletes in the program;
- d. Representing the University's women's basketball program before, and cooperating with the department in fulfilling contracts or

reasonable requests from, the news media, including appearances on radio and television;

- e. Assisting with departmental or University fund raising and public relations;
- f. Representing in a positive fashion the University and its athletic programs in private and public forums; and
- g. Performing such other duties as reasonably requested by the Director of Intercollegiate Athletics at the Twin Cities campus or the Director's designee; provided, however, that such duties are consistent with those of an NCAA Division I head women's basketball coach.

1.2.2. Unless otherwise expressly permitted in this Agreement or subsequently in a mutually executed writing, Coach shall not engage in any other business activity or be employed by any other person, firm, or entity, whether or not such activity is pursued for gain, profit, or other pecuniary benefit, without the prior written consent of the Athletics Director, for which consent will not be unreasonably denied or delayed; provided, however, subject to NCAA and University rules, during each year of the Term of Employment, Coach may conduct summer camps.

1.2.3. Coach shall not undertake commercial endorsements without the prior written consent of the Athletics Director, for which consent will not be unreasonably denied or delayed. Coach shall not engage in any activity, if identified as head coach of the Team, that directly or indirectly implies approval or endorsement of any good or service, including, but not limited to, the wearing of garments which display a manufacturer's trademark, name, or other logo, unless such activity is first approved in writing by the Athletics Director, for which consent will not be unreasonably denied or delayed. Coach acknowledges that the University has entered into a MultiSport Agreement with Nike USA Inc., which includes the Team. Coach will comply with the University's obligations under the Nike Agreement.

1.2.4. Coach shall not appear on radio, television, or any other media in return for a fee, in cash or in kind, without the prior written consent of the Athletics Director, for which consent will not be unreasonably denied or delayed.

1.3. Classification. Coach's employment is a professional appointment subject to the University's Academic Professional and Administrative Policies and Procedures (the "Policies and Procedures"), as the same may be amended from time to time. In the

event of a conflict between the terms of this Agreement and the terms of the Policies and Procedures, the terms of this Agreement shall govern.

1.4. Compliance. Throughout the term of this Agreement, Coach shall comply with the current and hereafter enacted or promulgated laws, policies, rules, and regulations of and governing the University and its employees, and the current and hereafter enacted or promulgated constitutions, bylaws, rules and regulations of the National Collegiate Athletic Association (“NCAA”), the Big Ten Conference (“Big Ten”), and any other conference or organization with which the University becomes associated or which affects intercollegiate athletics (individually or collectively, the “Governing Associations”). Coach shall use her best efforts to ensure that all assistant coaches of the Team or any other University employee for whom Coach is administratively responsible, comply with the foregoing laws, policies, rules, and regulations.

1.5. Other Employment. During the term of this Agreement, Coach agrees not to personally seek, apply to, or accept other full-time employment without first having notified the Athletics Director in writing, which may also include e-mail or text message communication.

1.6. Hiring Authority / Background Check. Coach understands and acknowledges that Coach will not have authority to unilaterally make or accept offers of employment for assistant coaches or other support staff; and that ultimate authority over such hiring decisions rests with the Athletics Director, for which approval will not be unreasonably denied. Coach further understands and acknowledges that all Team hires are subject to and contingent upon a review of the applicant’s background and experience, and a formal background check, including any history of NCAA violations, to be conducted by the Athletics Director and/or his designee(s). As part of this process, Coach will be required to sign an acknowledgment form attesting that Coach has disclosed all material information related to Coach’s past employment to the University. The University will provide Coach an annual assistant coach salary budget of at least Five Hundred Twenty-Five Thousand Dollars (\$525,000).

II. COMPENSATION

2.1. Base Salary.

2.1.1. Subject to the terms of this Agreement, for all services rendered by Coach on behalf of the University, for the Term of Employment, the University shall pay the annual base salary of Eight Hundred Thousand Dollars (\$800,000). On April 14, 2024, Coach's base salary will increase to \$820,000, and increase annually by \$20,000 on April 14th during each subsequent contract year of the Term of Employment. Any additional increases shall be at the discretion of the Athletics Director.

2.1.2. All compensation hereunder shall be paid in accordance with the University's regular payroll procedures for Professional and Administrative employees, and shall be subject to withholding for applicable federal, state, and local income taxes, federal social security taxes, and other applicable taxes and deductions.

2.1.3. The base salary is subject to furloughs, pay freezes, salary reductions or other adjustments to the same extent they are required of all other employees of the University or the Athletic Department.

2.2 Payment to Previous Employer. Coach has informed the University that Coach is contractually obligated to pay Coach's previous employer, West Virginia University, a termination fee of Three Hundred Sixty Thousand Three Hundred Eight Dollars and Twenty-Two Cents (\$360,308.22) as the result of Coach terminating her previous contract to accept the position at the University. The University will therefore cover the cost of that termination fee to West Virginia University. The University will hold Coach harmless for tax liability related to the payment, up to One Hundred Eighty-Five Thousand Dollars (\$185,000). Coach will be responsible for any remaining obligations above these amounts.

2.3. Benefits. Unless otherwise addressed in this Agreement, the University shall provide Coach with a benefit program as provided generally for its Professional and Administrative employees as described in the Policies and Procedures.

2.4. Automobile. As a member of the University's Wheel Club, Coach will either receive the use of an automobile, or a monthly car stipend of four hundred fifty dollars (\$450.00), subject to the terms, conditions, availability, and requirements of the Wheel Club program. Determination of the use of an automobile or stipend will be made by the University.

2.5. Cell Phone, Computer. The University shall provide to Coach a cell phone and a laptop computer.

2.6. Incentive Compensation. Throughout the Term of Employment, Coach shall participate in the Incentive Bonus Program set forth in Exhibit A and shall not participate in the Intercollegiate Athletic Department Bonus Program. The University shall make payment to Coach for competition-related bonuses within thirty (30) days of being earned, and for all other bonuses on or before August 1 of each contract year. No bonus under this section will be earned or paid unless/until the University has determined that the conditions related to the payment have been met, including Coach's compliance with the material terms of this Agreement and any other conditions set forth in Exhibit A. Further, no competition-related bonus will be earned or paid unless Coach is employed as head coach of the Team on the final day of the regular season or any post-season play for each season, whichever is later; and no other bonus will be earned or paid

unless Coach is employed on the final day of classes for the University's spring semester each academic year.

2.7. Family Travel. The University shall cover reasonable travel and lodging expenses for Coach's spouse and children to accompany Coach for the Big Ten Tournament during the time the team is playing, any NCAA Tournament in which the team is playing, and one regular season away trip that may include a multi-game trip in which Team is playing. The University Athletics Department Guest Travel Policy will apply to regular season away trips. The University shall cover reasonable travel and lodging expenses for Coach's spouse to accompany Coach to the annual Women's Basketball Coaches Association Convention. Subject to advance approval through the Guest Travel Policy, the University may cover travel and lodging expenses not listed above, or permit travel with no incremental expenses, for Coach's spouse and children.

2.8. Relocation Expenses. The University will provide Coach with a one-time lump sum of Nineteen Thousand Five Hundred Dollars (\$19,500) which Coach may use to cover relocations expenses. This payment is provided in lieu of any relocations or moving expenses available under the Policies and Procedures.

2.9. Business and Travel Expenses. The University will reimburse Coach for business related travel and expenses in accordance with the Policies and Procedures, including requirements regarding preapproval, reimbursement caps, and supporting documentation. For the period before Coach relocates to the Twin Cities, this will include all travel, lodging, local travel, meal per diems, and business expenses for up to fourteen (14) days. Any additional pre-relocation expenses will only be reimbursed if approved in advance by the Athletics Director or his designee.

2.10. Tickets. The University shall provide Coach, pending approval of the Athletic Director, not to be unreasonably denied, access to the following tickets each season to University athletic events: up to ten (10) season tickets to each women's basketball regular season home competitions; up to twenty (20) post-season women's basketball tickets in which the Team participates; up to six (6) season tickets to any other ticketed sport. No additional parking will be provided for these tickets, but guests of Coach may use Coach's parking privileges for these events when not being used by Coach.

2.11. Tax Consequences of Additional Compensation. It is understood that there may be personal tax consequences attributable to Coach as a result of the compensation, benefits and amenities associated with Coach's employment as head coach of the Team, and that Coach is personally responsible for all such taxes. All such taxable income and benefits will be processed through the regular payroll procedures and will be subject to appropriate tax withholding and reporting.

2.12. Exclusive Compensation. The parties acknowledge and agree that the compensation, cash and otherwise, provided to Coach under this Article II shall constitute the total and exclusive compensation owed by the University to Coach for rendering services to the University.

III. TERMINATION

3.1. The University's Right to Terminate for Cause. The University may terminate this Agreement, suspend payments required hereunder, or take other disciplinary action against Coach, at any time, for Cause. If the University terminates Coach's employment for Cause, Coach will not be entitled to any further benefits or payments from the University, with the exception of any earned but unpaid wages, bonuses, and incurred by unreimbursed expenses earned but unpaid through the date of termination. "Cause" as used in this Agreement shall include the following:

- a. A Level I or II violation of a rule of a Governing Association by Coach as reasonably determined by the University, and for which the University has submitted notice to the Governing Association;
- b. A Level I or II violation of a rule of a Governing Association by an assistant coach of the Team or other individual related to the Team which, in the reasonable judgment of the University, Coach knew or should have known about with reasonable diligence and oversight and failed to report, and for which the University has submitted notice to the Governing Association;
- c. Multiple Level III or IV violations of the rules of a Governing Association that, taken together, constitute a Level I, II, or equivalent violation, as reasonably determined by the University, and for which the University reasonably determines Coach knew or should have known about with reasonable diligence and oversight and failed to report;
- d. Failure to report Level I, II, III, and IV violations of the rules of a Governing Association related to the Team, when the University reasonably determines that Coach knew or should have known about such failure with reasonable diligence and oversight;
- e. A substantial failure to perform Coach's material duties/responsibilities under this Agreement following written notice from the Athletics Director specifying such failure and providing, where practicable, a twenty (20) day opportunity to cure such failure;
- f. Fraud or dishonesty by Coach in the performance of Coach's duties/responsibilities under this Agreement, as reasonably determined by the University;

- g. Fraud or dishonesty by Coach in preparing, falsifying, submitting or altering documents or records of the University or a Governing Association, or documents or records required to be prepared or maintained by law, Governing Association rules or University rules, or other documents or records pertaining to any recruit or student-athlete; or condoning such fraudulent or dishonest acts by any other person, as reasonably determined by the University;
- h. Failure by Coach to respond accurately and fully, to the best of Coach's ability and within a reasonable time, to any request or inquiry relating to the performance of Coach's duties/responsibilities hereunder or the performance of Coach's duties/responsibilities during Coach's prior employment at any other institution, propounded by the University, a Governing Association, or any other body having oversight of the athletic programs of the University or other University functions, or required by law, Governing Association rules or University rules, as reasonably determined by the University;
- i. Coach's instruction to any coach, student, or other person to respond inaccurately or incompletely to any request or inquiry concerning a matter relevant to the University's athletic programs or other University functions, propounded by the University, a Governing Association, or any other body having oversight of the athletic programs of the University or other University functions, or required by law, Governing Association rules or University rules, as reasonably determined by the University;
- j. Material or intentional failure by Coach to manage the Team in a manner consistent with the academic values of the University, as reflected in the University's Mission Statement, the University's Student Conduct Code, the policies of the Lindahl Academic Center, and the rules of the Governing Associations;
- k. Coach's soliciting, placing or accepting a bet on any intercollegiate or professional athletic contest; Coach's permitting, condoning or encouraging any gambling, bookmaking or betting involving any intercollegiate or professional athletic contest; or Coach's furnishing information or data relating in any manner to the Team or any other sport to any individual known by Coach or whom Coach should reasonably know to be involved in gambling, betting or bookmaking;
- l. Sale, use or possession by Coach of any narcotics, drugs, controlled substances, steroids or other chemicals (excluding any substances that are prescribed by a physician), in violation of law, Governing Association rules or University rules, or Coach's encouraging or condoning such sale, use or

possession by a student-athlete, assistant coach, or other athletic staff member, as reasonably determined by the University;

- m. Use or consumption by Coach of alcoholic beverages, drugs, controlled substances, or other chemicals (excluding any substances that are prescribed by a physician) that materially impairs Coach's ability to perform Coach's duties/ responsibilities hereunder, as reasonably determined by the University;
- n. Failure by Coach to fully cooperate in the enforcement of any drug testing program established by the University for student-athletes;
- o. Failure by Coach to obtain prior approval for outside activities, or to report accurately all sources and amounts of income and benefits, as required by this Agreement, NCAA rules, or University rules, as reasonably determined by the University;
- p. Failure by Coach to honor the authority of team doctors, trainers, and other sports medicine staff to make decisions regarding student athlete health and well-being, including decisions regarding fitness to practice, train, or compete; or encouraging or pressuring student athletes to ignore or deviate from medical advice or directives from team doctors, trainers, and other sports medicine staff; or condoning or directing others (including but not limited to assistant coaches, other team or Department staff, other student athletes, parents) to directly or intentionally encourage or pressure student athletes to ignore or deviate from medical device or directives from team doctors, trainers, and other sports medicine staff; or taking any intentional or negligent action that poses a direct threat to student athlete health and well-being; or
- q. Coach's commission of or participation in any act, situation, or occurrence, which, in the University's reasonable judgment, brings Coach or the University into public disrepute, contempt, scandal or ridicule; or failure by Coach to conform Coach's personal conduct to conventional and contemporary standards of good citizenship, in a manner that offends prevailing social mores and values or reflects unfavorably on the University's reputation and overall mission and objectives. This paragraph is intended to apply to serious acts of misconduct that support immediate termination, without an opportunity to remedy or correct, as determined by the University. Less serious conduct will be considered a failure to perform material duties/responsibilities and will be handled according to subparagraph e. above.

3.2. The University's Right to Terminate Without Cause.

3.2.1. The University may terminate this Agreement at any time without Cause upon thirty (30) days prior written notice to Coach. If this occurs, the University shall pay Coach a Termination Fee in accordance with the following schedule:

- a. If notice of termination is given on or before April 13, 2026, the Termination Fee is equal to the full amount of the remaining salary Coach would have earned if Coach had remained employed for the full Term of Employment.
- b. If notice of termination is given between April 14, 2026, and April 13, 2027, the University will pay a Termination Fee equal to seventy-five percent (75%) of the remaining salary Coach would have earned if Coach had remained employed for the full Term of Employment.
- c. If notice of termination is given between April 14, 2027, and April 13, 2028, the University will pay a Termination Fee equal to fifty percent (50%) of the remaining salary Coach would have earned if Coach had remained employed for the full Term of Employment.
- d. If notice of termination is given between April 14, 2028, and April 13, 2029, the University will pay a Termination Fee equal to twenty-five percent (25%) of the remaining salary Coach would have earned if Coach had remained employed for the full Term of Employment.

The Termination Fee shall be subject to withholding for all applicable taxes and deductions. The Termination fee shall be paid to Coach in installments through the end of the Term of Employment on the University's payroll schedule or on some other schedule mutually agreed to by the parties.

Coach understands and acknowledges that the Termination Fee provisions set forth in Section 3.2 constitute Coach's exclusive remedy in the event of termination by the University without Cause, and Coach waives the right to seek any additional compensation or damages from the University, with the exception of any earned but unpaid wages, bonuses, and incurred by unreimbursed expenses earned but unpaid through the date of termination. Termination under this Section 3.2 shall supersede all rights Coach may have under the Policies and Procedures including but not limited to any rights to notice of termination or to participation in any layoff program. The parties acknowledge that the tax withholding and payment obligations, including any obligation under Section 457 of the Internal Revenue Code to collect and make payment for the taxes due on the entire Termination Fee, could result in an overpayment of taxes (e.g., if installment payments end before the entire Termination Fee is paid because Coach finds comparable employment, etc.) If that occurs, the University is entitled to recover from Coach, and Coach is obligated to reimburse the University for any tax

overpayment. The tax overpayment will be calculated as follows: (A) The amount of taxes withheld, calculated at the supplemental withholding rates, of the full Termination Fee less (B) the amount of taxes due, calculated at the supplemental withholding rates, of the Termination Fee actually paid. Such reimbursement will be due to the University no later than sixty days after the due date of the individual tax return filing for the calendar year of such payments.

3.2.2. As a condition to receipt of any payment under Section 3.2, Coach is required to mitigate the University's obligations under Section 3.2 by making reasonable and diligent efforts (under the circumstances and opportunities then prevailing) to obtain a Comparable Position (as defined herein) as soon as practicable following termination of employment. Payments shall be suspended as of the date Coach accepts comparable employment and shall remain suspended for as long as Coach' new compensation is equal to or greater than the University's obligation under Section 3.2. In the event Coach's new compensation, excluding usual non-monetary fringe benefits such as health and life insurance, club memberships, use of vehicles, use of cell phones, is less than the University's obligation under Section 3.2, the University's obligation shall be reduced by an amount equal to Coach's new compensation, excluding usual non-monetary fringe benefits such as health and life insurance, club memberships, use of vehicles, use of cell phones. Payments shall also cease if Coach fails to make reasonable and diligent mitigation efforts. Comparable Positions include head coach of a Division I NCAA women's basketball program, head coach or assistant coach of a WNBA team, head coach or assistant coach of a national women's basketball program (e.g., team USA, etc.), administrator or director of a Division I NCAA or national women's basketball program (each a, "Comparable Position").

3.2.3. Coach agrees that as a condition of receiving any portion of the Termination Fee, Coach or, in the case of any amounts due after Coach's death, the person to whom those amounts are payable (collectively, the "Payee") must execute a comprehensive release mutually agreed to by both parties within twenty-one (21) days of the date of termination.

3.2.4. For purposes of this Section 3.2, any reference to Coach's "termination of employment" by the University (or any form of the phrase "termination of employment") shall mean Coach's "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") and Treasury Regulation Section 1.409A-1(h).

3.3. NCAA Enforcement Provisions. (NCAA Bylaw 11.2.1). Notwithstanding any other provision of this Agreement to the contrary, Coach and the University stipulate that if Coach is found in violation of any NCAA rule or regulation (following all timely

appeals), Coach is subject to disciplinary or corrective actions as set forth in the provisions of the NCAA enforcement procedures.

3.4. Procedure. In the event of any proposed disciplinary action, the Athletics Director shall give Coach, orally or in writing, notice of the allegations and an opportunity to present, in person, information relating to the allegations. If the Athletics Director then determines that discipline is appropriate, the Athletics Director shall, in writing, notify Coach of the discipline and the reasons therefore.

3.5. Limited Liability. Subject to the terms of this Agreement, in no event shall the University be liable for the loss by Coach of any bonuses, benefits, perquisites, or income, including, but not limited to, those arising out of or relating to consulting relationships, camps, clinics, media appearances, or from any other sources whatsoever, that may ensue as a result of the University's breach or termination of this Agreement, unless otherwise expressly stated herein.

3.6. Coach's Right to Terminate Without Cause. In the event Coach terminates this Agreement during the Term of Employment without Cause to accept a position for a Comparable Position, then Coach will be entitled to any earned but unpaid wages, bonuses, and incurred by unreimbursed expenses earned but unpaid through the date of termination, and Coach shall pay the University a Termination Fee in accordance with the following schedule:

- a. If Coach leaves the University on or before April 13, 2025, Coach shall pay the University the full amount of the remaining base salary Coach would have earned if Coach had remained employed for the full Term of Employment.
- b. If Coach leaves the University between April 14, 2025 and April 13, 2029, Coach will pay the University fifty percent (50%) of the remaining base salary Coach would have earned if Coach had remained employed for the full Term of Employment.

Coach shall make the payment described in this Section 3.6 within sixty (60) days of the date when Coach gives notice of termination.

IV. PROVISIONS OF GENERAL APPLICATION

4.1. Agreement Renewal. Prior to the end of the Term of Employment, Coach will be given notice of the renewal or non-renewal of this Agreement and the terms of the renewal. If the Agreement is not renewed, Coach shall be given thirty (30) days notice of non-renewal and if such notice is not given thirty (30) days before the end of the Term of Employment, the Agreement shall be extended to cover the notice period.

4.2. Assignment of Rights. Coach acknowledges that the total compensation to be paid to Coach as head women's basketball coach is intended to include any and all amounts Coach might have expected to receive from (1) any television and radio shows and advertising revenues derived from those shows; and (2) any arrangements with athletic shoe, apparel or equipment companies on behalf of the University per Section 2.2. It is therefore understood and agreed that any and all rights Coach has in the production and compensation for any television and radio shows and related advertising and any shoe, apparel or equipment arrangements are hereby assigned in their entirety to the University, during the Term of Employment.

In connection with said assignment, Coach agrees as follows:

- a. Grants University the right to use the Coach's name and likeness in promoting any television or radio show;
- b. Grants University the right to permit others to sell all or a portion of the advertising for any such show;
- c. Grants University the right to collect and retain the revenues generated from the sale of advertising on any such show;
- d. Agrees to appear on any such show and to work cooperatively with the producer of such shows in scheduling taping sessions and other related production issues, so long as demands are reasonable and do not detract from primary responsibilities and duties as the Head Women's Basketball Coach; and
- e. Agrees to work cooperatively with any shoe, apparel or equipment company to assist in the fulfillment of the University's obligations under any arrangement with the shoe, apparel or equipment company.

It is further expressly understood that the University may reassign any and all of the rights assigned to it by Coach.

4.3. Report of Athletically Related Income. (NCAA Bylaw 11.2.2.) The University and Coach hereby stipulate that Coach shall annually provide to the President and the Athletics Director a written detailed account of all athletically related income and benefits from sources outside the University including, but not limited to, the following:

- a. Annuity income related in any way to Coach's coaching, recruiting, or educational duties at the University;
- b. Sports camps;
- c. Housing benefits (including preferential housing arrangements);

- d. Country club memberships;
- e. Complimentary ticket sales;
- f. Television and radio programs; or
- g. Endorsement or consultation contracts with athletic shoe, apparel or equipment manufacturers.

In addition, Coach shall comply with University of Minnesota policy and procedures regarding "Outside Consulting and Commitments by Intercollegiate Athletic Staff." The policies and procedures include, but are not limited to, receiving prior approval of any endorsement of a product or service, use of University trademarks and outside consulting commitments.

4.4. Notices/Administration. All notices, requests, and other communications from one of the parties to the other shall be in writing and shall be delivered personally, or by electronic mail (provided such delivery is confirmed), or by courier service to the respective party at his address set forth below or to such other address set forth below or to such other address as such party may designate by notice given pursuant to this section:

As to Coach:

Dawn Plitzuweit
Bierman Field Athletic Building
516 15th Avenue SE
Minneapolis, MN 55455
E-mail Address: Dplitzuw@umn.edu

With a Copy to:

Brian D. Stanchak
The BDS Agency
PO Box 422
Mountain Top, PA 18707
Email Address: brian@thebdsagency.com

As to the University:

University of Minnesota
Department of Intercollegiate Athletics
Attention: Director
226 Bierman Field Athletic Building
516 15th Avenue SE
Minneapolis, MN 55455
E-mail Address: mcoyle@umn.edu

With a copy to:

University of Minnesota
Office of the General Counsel
Attention: General Counsel
360 McNamara Alumni Center
200 Oak Street SE
Minneapolis, MN 55455
Facsimile No. 612-626-9624
E-mail Address: doug@umn.edu

4.5. Amendment. Any amendment to this Agreement shall be in writing, executed and delivered by the parties.

4.6. Parties In Interest/Assignment. This Agreement shall be binding upon and the benefits and obligations provided for herein shall inure to the parties hereto and their respective heirs, legal representatives, successors, assigns, transferees or donees, as the case may be. No portion of this Agreement shall be assignable without the prior written consent of the other party.

4.7. Effect of Prior Agreements. This Agreement is intended by the parties as the final and binding expression of their contract and agreement and as the complete and exclusive statement of the terms thereof. This Agreement supersedes and revokes all prior negotiations, representations, and agreements, whether oral or written, relating to the subject matter hereof.

4.8. Enforceability. If any provision contained herein shall be deemed or declared unenforceable, invalid, or void, the same shall not impair any of the other

provisions contained herein, which shall be enforced in accordance with their respective terms.

4.9. Construction. The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and shall not in any event be employed or used for the purpose of construction or interpretation of any portion of this Agreement. No waiver by any party of any default or nonperformance hereunder shall be deemed a waiver of any subsequent default or nonperformance. As used herein and where necessary, the singular shall include the plural and vice versa, and masculine, feminine and neuter expressions shall be interchangeable.

4.10. Applicable Law. The laws of the state of Minnesota shall govern and be applicable to this Agreement and any construction or interpretation thereof.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

COACH

Dated: 4-3-23


Dawn Plitzuweit

**REGENTS OF THE
UNIVERSITY OF MINNESOTA**

Dated : April 4, 2023

By: 

Joan T. A. Gabel
President

Recommended for Approval:

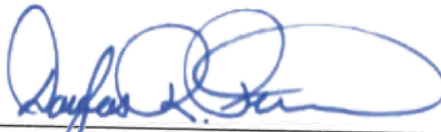
Dated: 4/3/23

By: 

Mark Coyle
Athletics Director

Reviewed as to Form

Dated: April 4, 2023

By: 

Douglas Peterson
General Counsel

EXHIBIT A
SCHEDULE OF INCENTIVES

In lieu of any other performance-based bonus plan the University may adopt for sports coaches or other University employees, the University shall pay Coach the following incentive Bonuses, consistent with the requirements of all other terms of this Agreement:

I. **NCAA Tournament.** The University shall pay Coach a bonus based upon the Team's participation and finish in the NCAA Tournament that concludes during each year of the Term of Employment, as follows:

NCAA Champion	\$100,000
Final Four Participant	\$75,000
Elite Eight Participant	\$50,000
Sweet Sixteen Participant	\$25,000
NCAA Tournament Participant	\$20,000

Coach shall receive the highest single bonus amount achieved under this schedule I. Bonus amounts under this schedule I are not cumulative.

II. **Big Ten Finish.** The University shall pay Coach a bonus based upon the Team's Big Ten finish that concludes during each year of the Term of Employment, as follows:

Big Ten Regular Season Champion	\$30,000
Big Ten Tournament Champion	\$15,000
Winning Record in Big Ten Conference Regular Season Play	\$10,000

Coach is eligible to receive any or all of the amounts under this schedule II. Bonus amounts under this Schedule II are cumulative.

III. Academic Performance. The University shall pay Coach a bonus based on the single year Annual Academic Progress Rate ("APR") for the Team as established each year by the NCAA, beginning at the end of the 2023-2024 academic year, as follows:

APR greater than or equal to 960	\$5,000
APR greater than or equal to 980	\$10,000
APR equal to 1000	\$15,000

Coach shall receive the highest single bonus amount achieved under bonus schedule III. Bonus amounts on this schedule III are not cumulative.

IV. Coach of the Year Honors. The University shall pay Coach a bonus for any year in which Coach is named Coach of the Year, as follows:

Big Ten Coach of the Year	\$20,000
Werner Ladder Naismith or AP Women's Coach of the Year	\$25,000

Coach is eligible to receive either or both amounts under this schedule IV. Bonus amounts under this Schedule IV are cumulative.

V, Annual Team Cumulative Grade Point Average ("GPA"). The University shall pay Coach a bonus for any academic year in which the Team earns a cumulative Grade Point Average (GPA) above specific thresholds, beginning at the end of the 2023-2024 academic year, as follows:

Cumulative Team GPA of 3.0 or above	\$5,000
Cumulative Team GPA of 3.25 or above	\$10,000
Cumulative Team GPA of 3.5 or above	\$15,000

Coach shall receive the highest single bonus amount achieved under this bonus schedule V. Bonus amounts on this schedule V are not cumulative.

**LEASE FOR A TEN-YEAR TERM
FOR THE DEPARTMENT OF PEDIATRICS
BLYTHE BRENDEN CHILDREN'S CLINICAL RESEARCH CENTER
REHABILITATION BUILDING
2512 SOUTH 7TH STREET, MINNEAPOLIS
(TWIN CITIES CAMPUS)**

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to execute a ten-year lease with one five-year renewal option for approximately 2,890 usable square feet (USF) of clinic space located at 2512 South 7th Street, Minneapolis in the building known as the Rehabilitation Building, for occupancy by the Department of Pediatrics.

2. Description of Leased Premises

The leased premises will consist of approximately 2,890 usable square feet (USF) of space to be used for the Blythe Brenden Children's Clinical Research Center and related purposes on the first floor at 2512 South 7th Street, Minneapolis, MN (see attached map).

3. Basis for Request

In October 2021, the University of Minnesota Foundation received a gift to launch and sustain the Blythe Brenden Children's Clinical Research Center, which will ensure a safe, comfortable, and convenient environment for children and families who participate in clinical research studies. The gift will cover all costs associated with the Center's creation and ongoing infrastructure support.

Convenient space for the lease and construction of this center has been identified on the first floor of the Rehabilitation Building located at 2512 South 7th Street, Minneapolis. The gift includes, but is not limited to, a Center Manager position, ongoing lease costs, as well as the initial one-time capital costs for leasehold improvements and the procurement of furniture and equipment. The Center will provide a dedicated pediatric outpatient space for clinical research needs near the MHealth Fairview Masonic Children's Hospital and other Pediatric Specialty Clinics. The Blythe Brenden Children's Clinical Research Center fulfills a need that has existed since the opening of the Masonic Children's Hospital in 2011 and will facilitate collaboration between clinical and research teams and promote a positive research participant and family experience.

4. Details of Transaction

The new lease for approximately 2,890 USF will commence December 1, 2023 or upon substantial completion of improvements and will continue for a ten-year period (through November 30, 2033), with one five-year renewal option (which, if exercised, could potentially extend the lease through November 30, 2038).

The ongoing lease costs will consist of gross rent, (including costs for common area maintenance costs, janitorial, repairs/maintenance, and utilities), and telephone/data services for the leased premises.

5. Lease Costs

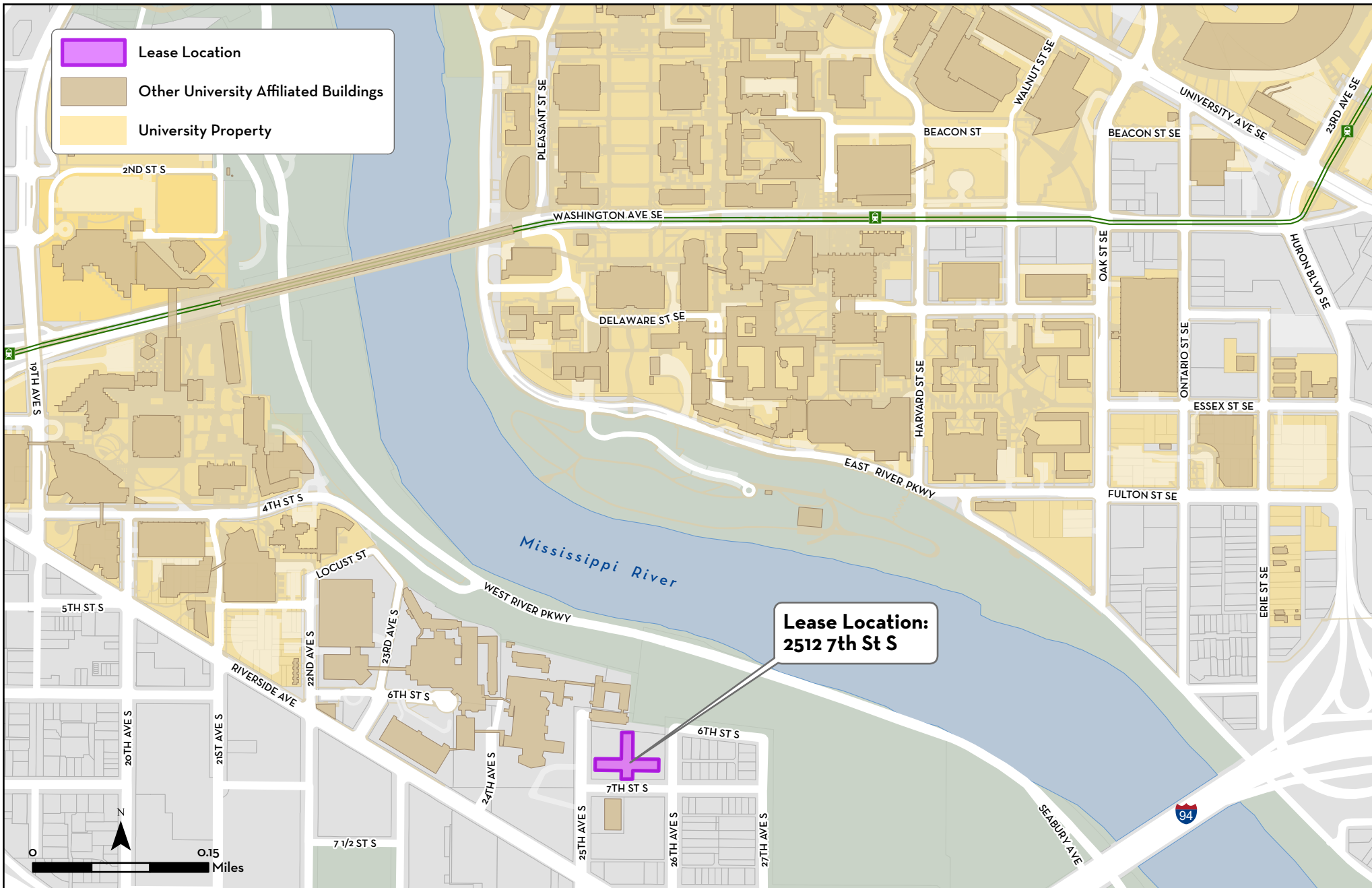
The gross rent for the leased premises for year one will be \$35.00 per usable square foot (USF), or \$101,150.00. Gross rent will increase by 3% per year during the initial term. The total gross rent for this lease over the initial term is \$1,159,571.

The University will reimburse the Landlord for leasehold improvements to renovate the premises for occupancy at an estimated cost of \$1,312,900, which includes design and construction. Additional University costs are estimated at \$380,600, which includes University Information Technology, furniture and equipment, and Capital Project Management fees. Capital Project Management has been engaged by the Medical School to provide oversight for the planning and construction of the leasehold improvement project (though the landlord will hire the design and construction professionals). Any additional services desired by the University or required in the operation of the clinic shall be at the University's sole cost and covered under a separate Service Level Agreement with Fairview Health Services.

The total cost of the lease over the initial term, including the University's upfront leasehold improvement funding and internal costs, is approximately \$2,853,000.

6. Source of Funds

The ongoing lease costs and initial University requested leasehold improvements will be funded through the Blythe Brenden Children's Clinical Research Center gift funds held at the University of Minnesota Foundation (the "M Health Fairview Funds").



PLANNING, SPACE,
AND REAL ESTATE

UNIVERSITY OF MINNESOTA
Driven to Discover®

Lease at 2512 7th St S for Blythe Brenden Pediatrics Clinical Research Center Twin Cities Campus, Minneapolis

This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office,
University Services GIS, MnDNR, Met
Council, Hennepin Co

4/10/2023

**PURCHASE OF 78 ACRES – MCBREARTY FAMILY TRUST
UDOLPHO TOWNSHIP, MOWER COUNTY, MN
(University’s FAARM Program)**

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to purchase 78 acres of farmland in Udolpho Township, Mower County, Minnesota.

2. Location and Description of the Property

The subject property is located at the northwest corner of 310th Street and 560th Avenue. It consists of 78 acres of farmland with no on-site structures. The farmland has been tilled and rotated for corn and soybeans for many years. Drain tile has been installed.

The legal description of the property is as follows:

Tax parcel ID number: 18.013.0041, Udolpho Township, Mower County, Minnesota. The legal description will be finalized upon completion of an ALTA land title survey.

3. Basis for Request

The Future of Advanced Agricultural Research in Minnesota (FAARM) program is a key component of the MPact 2025 Systemwide Strategic Plan goal to develop and deploy new techniques and partnerships for smart farming and sustainable food supplies, as well as expanding, developing, and retaining agricultural and food system talent in rural communities and agribusinesses. FAARM centers around the development of an integrated and advanced agricultural research and education complex dedicated to improving the health of animals, humans, and the environment at local, regional, and global scales. The University, in collaboration with Riverland Community College of Minnesota State, will facilitate the development of a new digital, autonomous, and integrated advanced agricultural complex that studies the intersection of human, animal, plant and environmental health.

The FAARM feasibility study conducted by Flad Architects for the University identified the need to acquire approximately 1,600 acres of nearly contiguous land in Mower County to support the FAARM program. Pursuant to this feasibility study, the University identified several potential areas in Mower County that met our location criteria. The University has been working with landowners in the area on this complex land assembly process. This 78-acre parcel is central to the University’s acquisition strategy.

4. Details of the Transaction

The sellers are Jerome F. McBrearty and Kathryn E. McBrearty, as Trustees of the McBrearty Family Trust dated January 20, 1989. The total purchase price for this transaction is \$975,000 or \$12,500 per acre, which is consistent with the market appraisal range for the area.

Under this Purchase Option Agreement, within 3 days of the effective date (execution by both parties), the University will deposit a \$5,000 option payment with the Title Company. The option period runs through December 31, 2023. The University may exercise its option at any time during the option period by providing notice to the sellers and depositing \$19,500 of earnest money.

Under this Purchase Option Agreement, closing would occur within 30 days of exercising the option (likely sometime in January 2024) and could accommodate a 1031 exchange transaction by the sellers. The option payment and earnest money deposit are applied to the purchase price at closing. If the University does not exercise its option, the \$5,000 option payment is retained by the sellers as compensation for restricting their ability to sell the property to another buyer during the option period.

There is an existing farm lease on the property. The University will have the option to continue this lease arrangement with the tenant based upon the timing of closing and the plans for the property.

The University will use the option period to complete its due diligence and obtain Board of Regents approval.

5. Use of Property

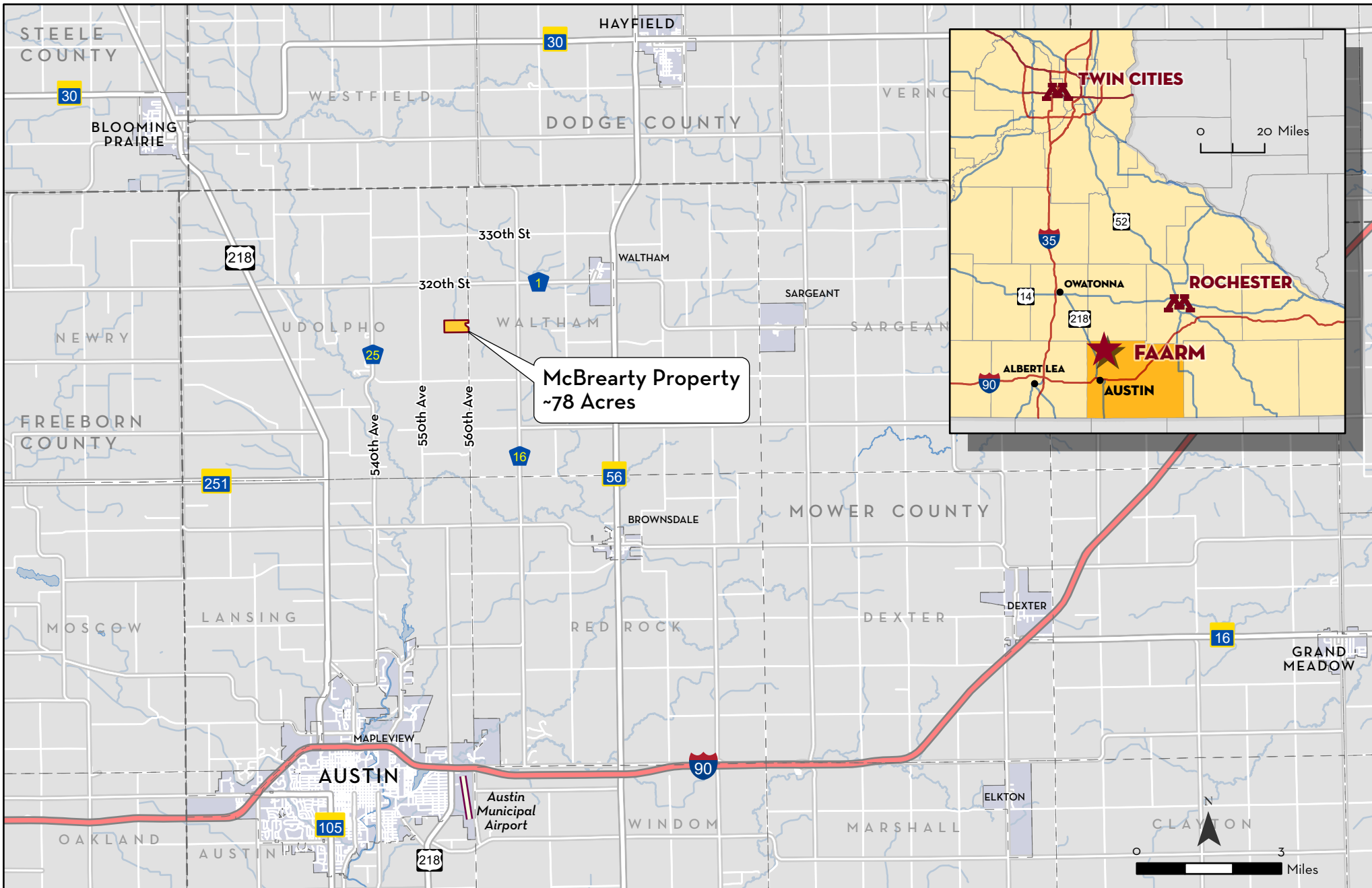
The University will use the property for the FAARM program. The specific use of the site will be determined during the design process.

6. Environmental

The University will complete the necessary environmental due diligence prior to exercising its option.

7. Source of Funding

The University will use a combination of debt and cash to fund the purchase.



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**FAARM Acquisition:
McBrearty Family Trust
~78 Acres, Sec. 13, Udolpho Twp, Mower County**

This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office,
University Services GIS, MnDOT,
MnDNR, MnGeo

4/11/2023

**PURCHASE OF 150 ACRES – DAVID AND JULIE ZILM
UDOLPHO TOWNSHIP, MOWER COUNTY, MN
(University’s FAARM Program)**

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to purchase 150 acres of farmland in Udolpho Township, Mower County, Minnesota.

2. Location and Description of the Property

The subject property is located south of 320th Street and west of 550th Avenue. It consists of 150 acres of farmland with no on-site structures. The farmland has been tilled and rotated for corn and soybeans for many years. Drain tile has been installed.

The legal description of the property is as follows:

Tax parcel ID numbers are: 18.014.0030 (Building site to be excluded from Option and made subject to Right of First Option) and 18.014.0035, Udolpho Township, Mower County, Minnesota. The legal description will be finalized upon completion of an ALTA land title survey.

3. Basis for Request

The Future of Advanced Agricultural Research in Minnesota (FAARM) program is a key component of the MPact 2025 Systemwide Strategic Plan goal to develop and deploy new techniques and partnerships for smart farming and sustainable food supplies, as well as expanding, developing, and retaining agricultural and food system talent in rural communities and agribusinesses. FAARM centers around the development of an integrated and advanced agricultural research and education complex dedicated to improving the health of animals, humans, and the environment at local, regional, and global scales. The University, in collaboration with Riverland Community College of Minnesota State, will facilitate the development of a new digital, autonomous, and integrated advanced agricultural complex that studies the intersection of human, animal, plant, and environmental health.

The FAARM feasibility study conducted by Flad Architects for the University identified the need to acquire approximately 1,600 of nearly contiguous acres of land in Mower County to support the FAARM program. Pursuant to this feasibility study, the University identified several potential areas in Mower County that met our location criteria. The University has been working with landowners in the area on this complex land assembly process. This 150-acre parcel is central to the University’s acquisition strategy.

4. Details of the Transaction

The owners/sellers are David and Julie Zilm. The total purchase price for this transaction is \$2,025,000 or \$13,500 per acre, which is slightly above the market appraisal range for the area.

Under this Purchase Option Agreement, within 3 days of the effective date (execution by both parties), the University will deposit a \$5,000 option payment with the Title Company. The option period runs through December 31, 2023. The University may exercise its option at any time during the option period by providing notice to the sellers and depositing \$40,500 of earnest money.

Under this Purchase Option Agreement, closing would occur within 30 days of exercising the option (likely sometime in January 2024) and could accommodate a 1031 exchange transaction by the sellers. The option payment and earnest money deposit are applied to the purchase price at closing. If the University does not exercise its option, the \$5,000 option payment is retained by the sellers as compensation for restricting their ability to sell the property to another buyer during the option period.

The Zilms currently farm their land. At closing, the University and the sellers will enter into a lease for the 2024 growing season. The University will have the option to continue this lease arrangement with the tenant, based upon the timing of closing and the plans for the property.

The Purchase Option Agreement also includes a right of first offer for the 10-acre building site at the southwest corner of 320th Street and 550th Avenue, which is not included in the 150-acre Purchase Option Agreement area. If the Zilms decide at a later date to sell that property, the University will have the right to make a first offer on the property.

The University will use the option period to complete its due diligence and obtain Board of Regents approval.

5. Use of Property

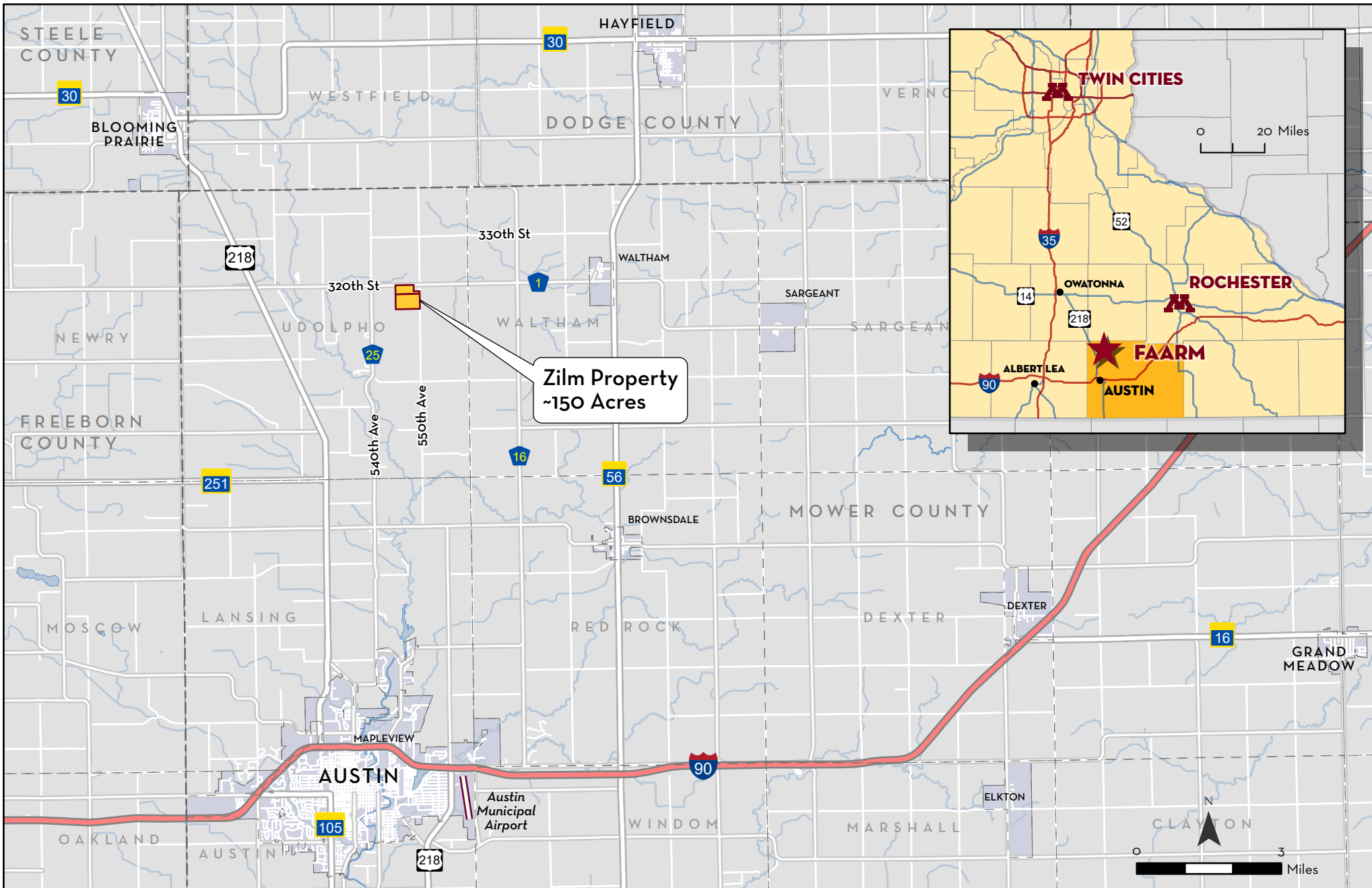
The University will use the property for the FAARM program. The specific use of the site will be determined during the design process.

6. Environmental

The University will complete the necessary environmental due diligence prior to close.

7. Source of Funds

The University will use a combination of debt and cash to fund the purchase.



Zilm Property
~150 Acres



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**FAARM Acquisition:
David and Julie Zilm
~150 Acres, Sec. 14, Udolpho Twp, Mower County**

This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office,
University Services GIS, MnDOT,
MnDNR, MnGeo

2/24/2023



BOARD OF REGENTS DOCKET ITEM SUMMARY

Finance & Operations

May 11, 2023

AGENDA ITEM: Information Items

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Myron Frans, Senior Vice President

PURPOSE & KEY POINTS

- A. Central Reserves General Contingency Allocations
- B. Debt Management Advisory Committee Update
- C. Investment Advisory Committee Update
- D. Intent to Dispose of Property - Conagra Land Exchange at Southern Research and Outreach Center

Central Reserves General Contingency Allocations

Allocations from the Central Reserves General Contingency greater than \$250,000 require Board approval. There are no items requiring approval during this period. A current summary of General Contingency allocations for this fiscal year is included in the docket.

Debt Management Advisory Committee Update

The purpose of this item is to provide a summary of the Debt Management Advisory Committee meeting held on April 10, 2023. The agenda for the meeting included the following:

- Discussion about possible refunding of debt, including review of draft Resolution Related to
- Refunding of Debt
- MPact 2025 Capital Financing Program planning and discussion
- Future Debt Planning
- MPact 2025 Innovative Health Care Strategy – update and discussion

Investment Advisory Committee Update

The purpose of this item is to provide a report on the quarterly meeting of the Investment Advisory Committee held on February 8, 2023. The agenda for the meeting included the following:

- CEF Performance and Portfolio Overview
- Manager Recommendation: DCVC Bio III – Approved
- Manager Recommendation: Rally Ventures V – Approved
- Manager Recommendation: Platinum Equity VI and Platinum Small Cap II – Approved

- Manager Recommendation: RoundShield Partners V - Approved
- Portfolio Strategy Discussion: Public Equity Re-Underwriting
- Portfolio Strategy Discussion: Illiquidity Management Strategies

Intent to Dispose of Property - Conagra Land Exchange at Southern Research and Outreach Center

The purpose of this item is to advise the Board regarding the intent to dispose of the following properties, consistent with Board of Regents Policy: *Real Estate and Facilities*:

- Conagra Land Exchange at Southern Research and Outreach Center

ConAgra Land Exchange at Southern Research and Outreach Center

The intent is to enter into a land exchange agreement with Conagra at the Southern Research and Outreach Center (SROC) in Waseca. Conagra is interested in acquiring a 12-acre parcel of land from the University at the SROC. Conagra wishes to acquire the parcel to install environmental monitoring infrastructure for its operations. In exchange, Conagra proposes to transfer to the University approximately 26 acres. The difference in acreage is because the land the University will receive has been fallow for a number of years. The extra acreage received by the University is intended to offset the uncertainty regarding soil performance and how it may impact the SROC's research programs.

Additional details and a site map are included in the docket.

Central Reserves General Contingency Allocations Finance & Operations Committee May 2023

Fiscal Year 2023 (7/1/2022-6/30/2023)

	Recipient	Amount	Running Balance	Purpose
1	Carryforward from FY22 to FY23		\$1,173,773	
2	FY23 General Contingency Allocation	\$1,000,000	\$2,173,773	
3	Capital Project Management	(\$70,440)	\$2,103,333	Duluth Health Sciences Project: Preliminary planning and site visits for Academic Health Center in downtown Duluth.
4	Capital Project Management	(\$55,811)	\$2,047,522	Morrill Hall Project: staff programming and location analysis for relocation of building occupants. Initial transfer.
5	University Health & Safety	(\$31,457)	\$2,016,065	Mondale Memorial Service: Support for event on May 1, 2022 at Northrup Auditorium.
6	Capital Project Management	(\$73,819)	\$1,942,247	Eastcliff: Replace mechanical service gate and repave service driveway.
7	Capital Project Management	(\$47,760)	\$1,894,486	Morrill Hall Project: staff programming and location analysis for relocation of building occupants. Final transfer.
8	New items this reporting period:			
9	University Health & Safety	\$31,457	\$1,925,943	Mondale Memorial Service: Support for event on May 1, 2022 at Northrup Auditorium covered by University of Minnesota Foundation. General Contingency funds returned.
10	UHS Health Emergency Response Office	(\$85,994)	\$1,839,950	COVID Testing: payment to Vault Health for COVID testing services denied/unpaid insurance claims to provide equitable availability to students. Final payment.
11	Current Balance		\$1,839,950	

* Items \$250,000 or more subject to Board approval.

Intent to Dispose of Property
Land Exchange with Conagra at the
Southern Research and Outreach Center (SROC), Waseca

Policy Overview

According to Board of Regents Policy: *Real Estate and Facilities*, acquisition and disposition of property have a significant impact on the future of the University, and as a result, the University must be circumspect in its decision-making and in alignment with the Regents Policy guiding principles. The Administrative Policy *Acquiring and Disposing of University Real Estate*, which implements Board policy, states that dispositions may occur when it is determined the real estate is no longer required to fulfill the University's mission *or* the disposition of the real estate better meets the University's needs or better supports the University's mission. In this case, the Administration has made the determination that the land acquired as part of the proposed exchange with Conagra will better support the University's mission.

According to the Administrative Procedure *Real Estate Transactions*, real estate identified for disposition may be sold to an abutting property owner when the real estate is essential to the economic well-being of the abutting property owner, provided the price is not less than the appraised value of the property. In this instance, Conagra's property abuts the University land identified for disposal.

Background

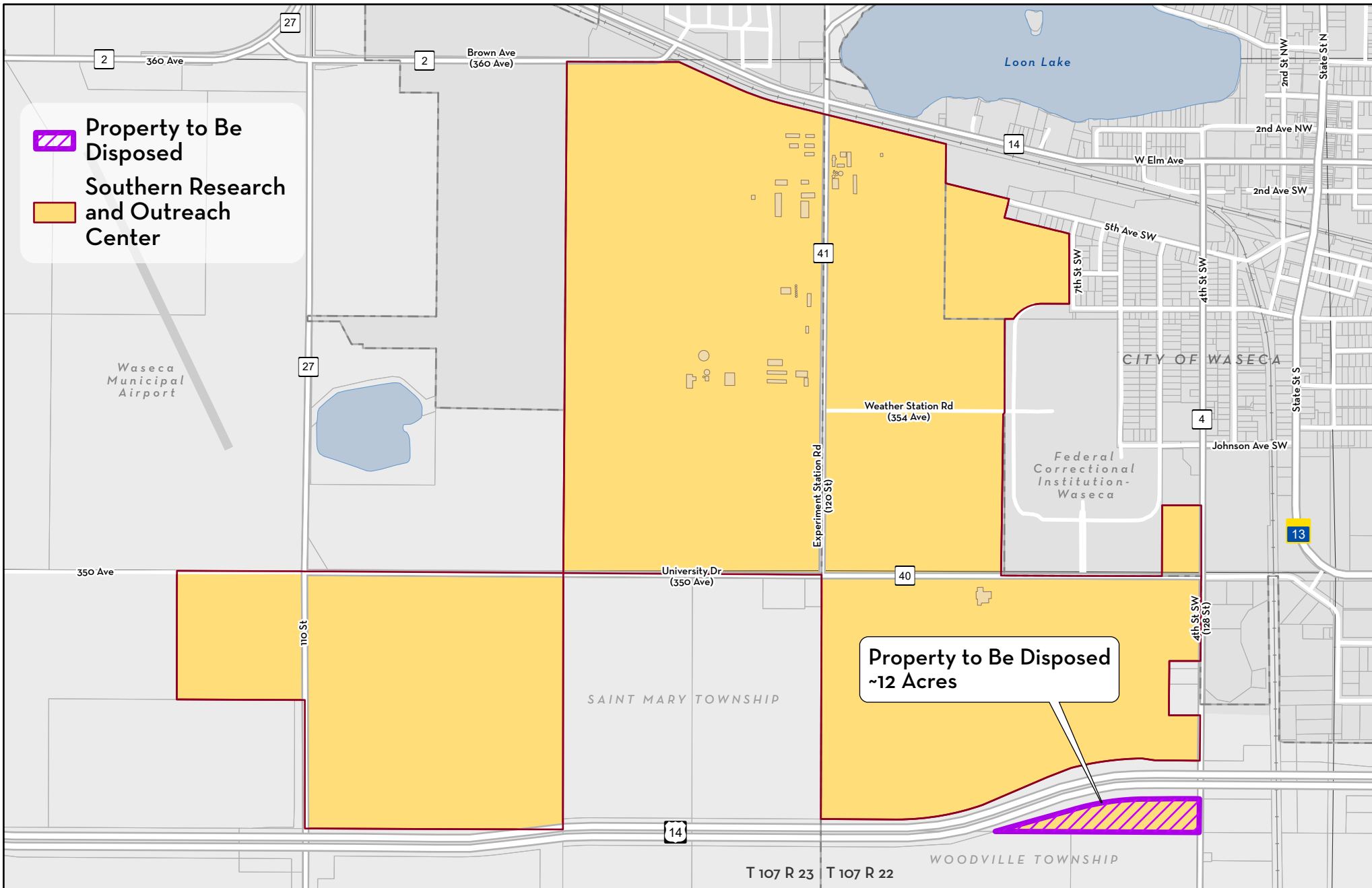
Earlier this year, the University was approached by Conagra requesting that the University consider a possible land exchange. Conagra is interested in acquiring a 12-acre parcel of land from the University at the SROC. The parcel is separated from the core of the SROC campus by Highway 14 (see map). Conagra wishes to acquire the parcel to install environmental monitoring infrastructure for its operations.

In exchange, Conagra proposes to transfer to the University approximately 26 acres. The boundaries of the 26 acres parcel have yet to be finalized but are adjacent to other SROC property. The proposal is for the University to receive more land than it is contributing to the exchange. This difference is due to the fact that the University will receive land that has been fallow for a number of years. The extra acreage received by the University is intended to offset the uncertainty regarding soil performance and how it may impact the SROC's research programs in the short term. The SROC intends to rebuild the soil content to support vegetable and crop production over time, and the extra acreage will accommodate that delay.

Alignment with Regents Policy Guiding Principles

The potential disposition is aligned with the guiding principles in Board of Regents Policy: *Real Estate and Facilities*. The College of Food, Agricultural, and Natural Resource Sciences (CFANS) has assessed the proposed exchange and has determined that it is in the best interest of the SROC. Specifically, the additional acres that the University will receive as part of the exchange will advance the University's research mission (principle A), and the University property to be exchanged will positively impact the community – allowing us to advance our relationships with industry and supporting industry's environmental compliance (principle D).

The Administration will continue to keep the Board apprised as it engages in the exchange process, with the goal of presenting the real estate transaction to the Board for review and action later in 2023.



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Intent to Dispose of University Property Southern Research and Outreach Center Waseca County



As of June 30, 2022

This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office
University Services GIS, MnDOT,
Waseca County, MnDNR