



Governance & Policy Committee

September 2024

September 13, 2024

8:00 a.m.

Boardroom, McNamara Alumni Center

GOV - SEP 2024

1. 2024-25 Committee Work Plan

Docket Item Summary - 3

2024-25 Committee Work Plan - 4

2. Public Input to the Board

Docket Item Summary - 6

Presentation Materials - 7

3. Board Committee Structure Adjustments

Docket Item Summary - 15

Presentation Materials - 20

4. Comprehensive Review of the Board's Code of Conduct

Docket Item Summary - 25

Presentation Materials - 26



BOARD OF REGENTS DOCKET ITEM SUMMARY

Governance & Policy

September 13, 2024

AGENDA ITEM: 2024–25 Committee Work Plan

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS:

Regent Janie Mayeron
Brian Steeves, Executive Director & Corporate Secretary

PURPOSE & KEY POINTS

The purpose of this item is to review and discuss the 2024–25 committee work plan.

BACKGROUND INFORMATION

Board of Regents Policy: *Board Operations and Agenda Guidelines* describes the role of the Governance & Policy Committee as follows:

The Governance & Policy Committee (GOV) oversees and makes recommendations to the Board related to policy and processes that seek to ensure the integrity and high performance of the Board. The committee supports effective governance by guiding the Board to: articulate a clear vision for the University and its major components; clarify reserved and delegated authorities; establish institutional benchmarks and performance measures; and thoughtfully considers risks that may impact the performance of the institution.

Specifically, this committee recommends to the Board:

- amendments to the Bylaws and changes to the structure and function of the Board;
- amendments to Board policies not routed through one of the other standing committees; and
- consideration of other University policy matters referred to the committee by the Board chair.

This committee provides oversight to:

- evaluate the effectiveness of the Board through periodic self-assessment;
- ensure that Regents are fully oriented and receive ongoing education; and
- identify best practices in governance for possible implementation.

**Governance & Policy Committee
2024-25 Work Plan**

Date	Topics
2024	
September 12-13	<ul style="list-style-type: none"> • 2024-25 Committee Work Plan • Public Input to the Board The committee will discuss options for amending the Board's <i>Bylaws</i> to provide a different approach to receiving public input at Board meetings. Based on this discussion, potential amendments will return for review at a future meeting. • Board Committee Structure Adjustments This item will build on the Board's retreat discussion related to current committee structure. Based on this discussion, if changes are needed to align policy with current practice, potential amendments will return for review at a future meeting. • Comprehensive Review of the Board's Code of Conduct This year, Board of Regents Policy: <i>Code of Conduct for Members of the Board of Regents</i> is up for comprehensive review. This item will provide an overview of the various elements included in the policy and solicit feedback on areas that the committee may have interest in changing. Based on this discussion, potential amendments to the policy will return at a future meeting.
October 10-11	<ul style="list-style-type: none"> • Board Input into the Regent Selection Process The committee will review and discuss the Selection Criteria used by the Regent Candidate Advisory Committee (RCAC) during the 2023 election cycle. Input from the committee will be shared with RCAC for the 2025 election cycle. • Overview of the Board's <i>Bylaws</i> This item will start the comprehensive review of the <i>Bylaws of the Board of Regent</i>. The committee will engage with an overview of the <i>Bylaws</i> including how it is structured and the types of authorities defined within it. • [Board Committee Structure – Review] The committee will review proposed changes to the Board's committee structure based on discussions at the September meeting. • [Board of Regents Policy: <i>Code of Conduct for Members of the Board of Regents</i> – Review] The committee will review proposed amendments to Board of Regents Policy: <i>Code of Conduct for Members of the Board of Regents</i> based on discussion from the September meeting.
December 12-13	<ul style="list-style-type: none"> • [Board of Regents Policy: <i>Code of Conduct for Members of the Board of Regents</i> – Action] • [Board Committee Structure – Action] • [<i>Bylaws of the Board of Regents</i> – Review] The committee will review proposed amendments to the Board's <i>Bylaws</i> and any affected Board policies, including changes related to the comprehensive review and the committee's discussion on public input.

2025	
February 13-14	<ul style="list-style-type: none"> • [Bylaws of the Board of Regents – Action] • Board Onboarding Overview The committee will hear an overview and provide feedback on the planned onboarding process that will be used for new Regents elected in 2025. • Honorary Namings and Renamings Process Update The committee will hear an update on the process being used to sunset honorary namings as defined by Board of Regents Policy: <i>Namings and Renamings</i>, and other changes recommended by the administration. • [Potential Board policy]
June 12-13	<ul style="list-style-type: none"> • [Board of Regents Policy: <i>Namings and Renamings</i> – Review] The committee will review proposed off-cycle amendments based on conversations held in February. • [Potential Board policy] • Information Items <ul style="list-style-type: none"> ○ 2025 Board Policy Report



BOARD OF REGENTS DOCKET ITEM SUMMARY

Governance & Policy

September 13, 2024

AGENDA ITEM: Public Input to the Board

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Jason Langworthy, Associate Secretary
Marlo Welshons, Assistant Executive Director

PURPOSE & KEY POINTS

The purpose of this item is to summarize feedback from the Board regarding how it receives input from the public. The committee will provide comments on potential options for amending the *Bylaws of the Board of Regents* to provide a different approach to considering requests to appear before the Board at its meetings. Also included as part of this item, the committee will discuss the following motion, which was referred to the committee at the December 2023 meeting for its consideration after the Board’s Virtual Forum Pilot Program ended:

To direct the Office of the Board of Regents, in consultation with members of the Board and other relevant stakeholders, to develop a framework and implementation plan for in-person public comment to be scheduled in alignment with the regularly scheduled board meeting weeks, beginning February 2024.

Based on feedback from the committee, potential amendments will return for review at a future meeting.

BACKGROUND INFORMATION

The committee engaged in a multi-part series of discussions on public input and engagement over the 2022–23 academic year. That discussion resulted in the Board’s Virtual Forum Pilot Program. That program was implemented during the 2023–24 academic year. The final pilot program report was received by the Governance & Policy Committee at the June 2024 meeting. Additional feedback on public input was also provided during the Board’s July 2024 retreat.

Public Input to the Board

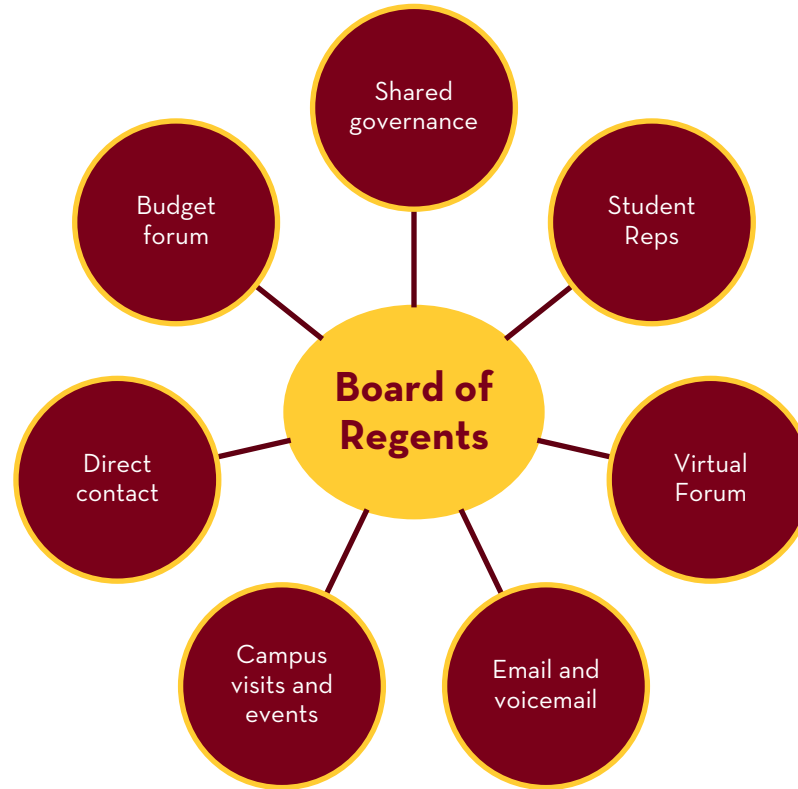
Jason Langworthy
Associate Secretary

Marlo Welshons
Assistant Executive Director

September 13, 2024



How Does the Board Receive Input?



December 2023 Motion

To direct the Office of the Board of Regents, in consultation with members of the Board and other relevant stakeholders, to develop a framework and implementation plan for in-person public comment to be scheduled in alignment with the regularly scheduled board meeting weeks, beginning February 2024.

Referred to Governance & Policy Committee for consideration after conclusion of Virtual Forum Pilot Project



What We Heard

- Continue **Virtual Forum** as an ongoing part of the Board's input ecosystem.
- Make **engagement activities** more strategic and coordinated; decouple from Board meetings to provide more space and time for quality interactions.
- Pilot **listening activities** across the system to meet people where they are and hear their input, rather than in-person public comment at each regular meeting.



New Engagement Framework

Regent Six-Year Term



Annual Activities

- | | |
|---|--|
| <ul style="list-style-type: none">- Commencements- New Student Convocation- March engagement day- Home Gopher football games | <ul style="list-style-type: none">- Virtual Forum, emails, voicemails- Annual Budget Forum- Support the U Day at the Capitol- Marquee events and lectures |
|---|--|

Odd Years

- Onboarding-focused campus visits
 - small group meetings
 - campus tours
- Systemwide Listening Activities
- Meals/receptions focused on key constituents

Even Years

- Visits focused on Twin Cities colleges and Greater MN research centers
- Systemwide Listening Activities
- Meals/receptions focused on deeper engagement aligned with Board priorities

Goal: Coordinated exposure to the University's depth and breadth across a Regent's six-year term.



Systemwide Listening Activities

- Pilot being launched in 2024–25.
- Sessions will:
 - Be widely promoted and meet people where they are by having a physical presence on each campus.
 - Focus on listening, but create space for some dialogue too.
 - Feature pop-up tables, along with possible roundtables, shadowing; etc.
- All Regents will have opportunity to participate.



Requests to Appear Before the Board

- *Bylaws* require that requests to appear be made to the Board secretary and ruled on by the Board chair.
- Seems to be consensus that this process should be adjusted.
- Potential options:
 - Expand approval from Board chair to Board leadership
 - Have the Board formally vote on each request
 - Eliminate request process and reference other engagement methods (e.g., shared governance; Virtual Forum; listening activities)





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

Governance & Policy

September 13, 2024

AGENDA ITEM: Board Committee Structure Adjustments

Review Review + Action Action Discussion

This is a report required by Board policy.

PRESENTERS: Brian Steeves, Executive Director & Corporate Secretary
Jason Langworthy, Associate Secretary

PURPOSE & KEY POINTS

The purpose of this item is to discuss potential adjustments to the Board’s standing committee structure based on feedback provided by the Board and this committee during previous discussions. Based on this discussion, if changes are needed to align policy with current practice, potential amendments will return for review at a future meeting.

BACKGROUND INFORMATION

The committee has engaged on this topic at the September, October, and December 2023, and February 2024 meetings. The Board also discussed it at the July 2024 retreat.

Current Standing Committee Portfolios

Below are the portfolios for each standing committee of the Board, as established by Board of Regents Policy: *Board Operations & Agenda Guidelines*.

Subd. 4. Audit & Compliance Committee Charter.

The Audit & Compliance Committee oversees the University’s system of risk assessment and internal controls, audits, financial reporting practices, and the institutional compliance program. The committee is to assist the Board in discharging its oversight responsibilities related to the audit and compliance functions by:

- promoting the development of an effective, efficient, and continuously improving control environment, in concert with the administration, to achieve the institution's objectives through an appropriate system of risk assessment and internal control;
- overseeing the University's integrated framework of internal control, risk management practices, and institutional compliance program to ensure that the administration executes the provisions of Board of Regents Policy: *Internal Control*;

- serving as an informed voice on the Board by relaying the audit and compliance perspective when related issues are brought before the Board and its standing committees; and
- providing a direct channel of communication to the Board for the chief auditor and the independent public auditor.

Consistent with Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section X, the Board reserves to itself authority to adopt policies regulating the audit function; approve selection of external public accountants and the chief auditor; review audit plans; and evaluate the performance of the independent auditor and, jointly with the president, the performance of the internal audit function.

Specific duties of the Audit & Compliance Committee include the following:

- (a) Oversight of the Independent Auditor. The independent auditor reports directly to the Board through the Audit & Compliance Committee. The committee shall recommend for Board approval the engagement and related fees of the independent auditor to perform the annual financial statement and federal compliance audits. The committee shall approve in advance all audit and non-audit services provided by the independent auditor with a value greater than \$100,000 or that may impair the audit firm's independence regarding the University. Such impairment of independence is currently limited to prohibited non-audit services as defined in the United States General Accounting Office Government Auditing Standards. Engagements not requiring approval by the Board shall be reported to the Audit & Compliance Committee at the next scheduled meeting of the committee. The committee shall annually review and evaluate the independent auditor's performance, independence, and effectiveness of coordination with other assessment activities, including internal audit.
- (b) Oversight of the Internal Audit Function. The Audit & Compliance Committee shall recommend for Board approval changes to the Office of Internal Audit's charter and any material revisions to internal audit plans or budgets. In consultation with management and the chief auditor, the committee shall review the annual internal audit plan and the extent to which it addresses high risk areas.
- (c) Review of the Annual Financial Report. The Audit & Compliance Committee shall review, in advance of final issuance, the proposed formats and wordings of the annual financial report, including the management's discussion and analysis, financial statements, footnotes, statistics, and disclosures.
- (d) Review of Audit Results. The Audit & Compliance Committee shall review the internal and external audit results and discuss significant issues of internal control and compliance with the independent auditor, chief auditor, and management. The committee shall monitor management's progress in addressing audit recommendations.
- (e) Investigation of Reported Concerns Regarding Accounting or Auditing Matters. The Audit & Compliance Committee shall be apprised of investigations conducted under administrative policy.
- (f) Requests for Audits. The Audit & Compliance Committee is authorized to request supplemental reviews or other audit procedures by the chief auditor, the independent auditor, or other advisors.
- (g) Approval of Engagements of Audit Firms Other Than the University's Principal External Auditors. The Audit & Compliance Committee shall approve all

engagements of external audit firms to perform work or provide services with a value greater than \$100,000 or that may impair the audit firm's independence regarding the University. Such impairment of independence is currently limited to prohibited non-audit services as defined in (a) of this section. Engagements not requiring approval by the Board shall be reported to the committee at the next scheduled meeting of the committee.

- (h) This committee provides additional oversight of compliance initiatives and enterprise risk management processes, including risk identification and mitigation.

This committee also reviews:

- The annual financial statements, prior to issuance.
- annual report on institutional risk and financial reports.
- The independent auditor's annual audit and management letter.
- The chief auditor's annual audit plan.
- Responses to questions regarding audit issues, reports on enterprise systems, administrative program reviews, investigations conducted under administrative policy, and other items relevant to the audit function.
- annual institutional compliance report.
- The institutional conflict of interest report.
- External auditor engagements not requiring approval by the Board. Any engagements shall be reported to the Audit & Compliance Committee at the next scheduled meeting of the committee.

Subd. 5. Finance & Operations Committee.

The Finance & Operations Committee oversees and makes recommendations to the Board related to the University's operations, fiscal stability, physical assets (e.g., land, buildings, infrastructure, technology, and equipment), and long-term economic health. The committee also advises the administration on faculty and staff compensation strategy, benefits, recruitment, and engagement.

Specifically, this committee approves on behalf of the Board:

- appointments reserved to the Board as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section IV. Subd. 1 and 3.
- budgetary, financial, and investment matters reserved to the Board as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section VII.
- property, facilities, and capital budgets reserved to the Board as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section VIII.
- employment and labor relations matters reserved to the Board as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section XI.

This committee provides oversight of:

- long-range financial planning strategies, including total indebtedness of the University and investment portfolio;

- the financial relationship between the University and its partners, including affiliated foundations, clinical operations, and external entities;
- potential risks within University finance and operations;
- long-range physical asset planning strategies, including technology infrastructure;
- public safety and emergency preparedness;
- operational services such as housing, parking, transportation, and dining;
- faculty and staff employment, compensation and benefits policy, including senior leader compensation, benchmarking, and terms of employment; and
- employee engagement and workforce development.

This committee also reviews:

- the annual central reserves fund report;
- the annual capital financing and debt management report;
- annual strategic facilities and real estate report, which includes updates on the University's facilities condition assessment and space utilization, real estate transactions from the past fiscal year, and capital project management updates for projects in process that have been approved in the annual capital improvement budget and have a value equal to or greater than \$1,000,000;
- exceptions to a competitive bid process for purchases requiring Board approval;
- annual asset management report;
- the annual financial report;
- selected financial metrics that measure the University's fiscal condition;
- periodic updates on future facilities projects;
- design guidelines when a project design represents an exception to adopted campus master plans; and
- other financial reports, employment reports, and facilities management reports and significant issues.

Subd. 6. Governance & Policy Committee.

The Governance & Policy Committee oversees and makes recommendations to the Board related to policy and processes that seek to ensure the integrity and high performance of the Board. The committee supports effective governance by guiding the Board to: articulate a clear vision for the University and its major components; clarify reserved and delegated authorities; establish institutional benchmarks and performance measures; and thoughtfully considers risks that may impact the performance of the institution.

Specifically, this committee recommends to the Board:

- amendments to the *Bylaws* and changes to the structure and function of the Board;
- amendments to Board policies not routed through one of the other standing committees; and
- consideration of other University policy matters referred to the committee by the Board chair.

This committee provides oversight to:

- evaluate the effectiveness of the Board through periodic self-assessment;
- ensure that Regents are fully oriented and receive ongoing education; and
- identify best practices in governance for possible implementation.

Subd. 7. Litigation Review Committee.

The Litigation Review Committee reviews litigation matters and obtains legal advice regarding specific University actions and their legal consequences. This committee typically meets in non-public session and consults with the general counsel on cases and claims, consistent with Board of Regents Policy: *Attorneys and Related Services* and Board of Regents Policy: *Legal Claims and Settlements*. The committee determines which matters shall be referred to the Board for review or approval.

Subd. 8. Mission Fulfillment Committee.

The Mission Fulfillment Committee oversees and makes recommendations to the Board related to the University's mission, as articulated in Board of Regents Policy: *Mission Statement* and carried out on five campuses and across the state, the nation, and the world. The committee oversees and advises the administration on academic priorities, activities, programs, and initiatives central to the threefold mission of research and discovery, teaching and learning, and outreach and public service.

Specifically, this committee approves on behalf of the Board:

- academic matters reserved to the Board as defined by Board of Regents Policy: *Reservation and Delegation of Authority* Article I, Section V.

This committee provides oversight of:

- academic program reviews and strategic plans of academic units;
- admissions practices, demographic trends and enrollment planning;
- curricular and co-curricular educational, research and engagement opportunities;
- diversity and campus climate;
- faculty development, recruitment and retention;
- faculty promotion and tenure;
- international partnerships and global research and educational programs;
- health education and academic medicine;
- issues related to the University's academic profile such as accreditation, reputation, and academic ranking;
- online learning;
- public engagement and community partnerships that fulfill the University's land-grant mission;
- scholarship, artistic activity and commercialization of technology and intellectual property;
- sponsored projects and research support infrastructures;
- student affairs, student wellness and the student experience;
- student experience and academic performance of student-athletes;
- undergraduate, graduate, and professional education.

Board Committee Structure Adjustments

Brian Steeves
Executive Director & Corporate Secretary

Jason Langworthy
Associate Secretary

September 13, 2024



Current Committees & Special Committees

Standing Committees

- Audit & Compliance
- Finance & Operations
- Governance & Policy
- Litigation Review
- Mission Fulfillment
- Nominating
- Presidential Performance Review

Special Committees

- Academic Health
- Student Affairs
- University Workforce



What We Heard

- Retain Finance & Operations and Mission Fulfillment as standing committees of all 12 Regents
 - Consider retitling Mission Fulfillment to a more descriptive title of what the committee does
- Retain Audit & Compliance, Governance & Policy, and Litigation Review as committees of 6 Regents each
 - Codify that Litigation Review meets off-cycle from regular Board meetings
- Elevate the Special Committee on Academic Health to a standing committee of 6 Regents
- Continue to use special committees for timely topics of particular interest or focus by the Board
- Add Board work sessions to agendas when needed for deeper, more informal conversations



Open Questions

- Should human resources/workforce topics permanently move from Finance & Operations to a new standing committee?
- Should student affairs topics permanently move from Mission Fulfillment to a new standing committee?
- Are there any other gaps in the committee charges?





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

Governance & Policy

September 13, 2024

AGENDA ITEM: Comprehensive Review of the Board’s Code of Conduct

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

This is a report required by Board policy.

PRESENTERS: Brian Steeves, Executive Director & Corporate Secretary
Jason Langworthy, Associate Secretary

PURPOSE & KEY POINTS

The purpose of this item is to provide the committee with an overview of topics covered by Board of Regents Policy: *Code of Conduct for Members of the Board of Regents*. The policy is currently under comprehensive review and this discussion will solicit feedback on areas that the committee may have interest in changing. Based on this discussion, potential amendments to the policy will return at a future meeting.

Code of Conduct for Members of the Board of Regents governs the conduct and activities of Regents. The policy is required by the *Bylaws of the Board of Regents* and defines the ethical standards and fiduciary duties to which the Board holds itself accountable. The policy also outlines specific procedures for handling items like conflicts of interest, communication outside of meetings, gifts, Regent expenses, information requests by Regents, and potential violations and breaches of the policy.

BACKGROUND INFORMATION

Board of Regents Policy: *Code of Conduct for Members of the Board of Regents* was adopted by the Board in 2020 as the result of a comprehensive review of the Board’s previous code of ethics.

Comprehensive Review of the Board's Code of Conduct

Brian Steeves
Executive Director & Corporate Secretary

Jason Langworthy
Associate Secretary

September 13, 2024



What is the Board's Code of Conduct?

- Required by the *Bylaws*
- Governs Regent conduct and defines ethical standards and fiduciary duties
- Sets expectations to which the Board holds itself accountable and implementation procedures



BOARD OF REGENTS POLICY: *Code of Conduct for Members of the Board of Regents*

SECTION I. SCOPE.

This policy governs the conduct and activities of members of the Board of Regents (Board) of the University of Minnesota (University). In addition to this policy, the Board further defines its role and authority, the conduct and activities of Regents, and guiding principles for the University through the *Bylaws of the Board of Regents (Bylaws)* and other Board policies and actions.

SECTION II. GUIDING PRINCIPLES.

The Board, created under Minnesota Territorial Laws of 1851 by the passage of the University Charter and perpetuated by the Constitution of the State of Minnesota, is the governing body of the University. Exercising its constitutional autonomy, the Board defines a vision and mission for the University and ensures that the University fulfills its land grant legacy.

Regents shall adhere to the highest ethical standards. Regents bring to their task varied backgrounds and expertise, but are expected to put aside personal interests and keep the welfare of the entire University, not just a particular constituency, at all times paramount.

SECTION III. FIDUCIARY DUTIES.



Policy Framework

Code of Conduct for Members of the Board of Regents

Article I - Scope

Article II – Guiding Principles

Article III – Fiduciary Duties

Article IV – Definitions

Article V – Financial Disclosure Requirements

Article VI – Gifts



Policy Framework

Code of Conduct for Members of the Board of Regents

Article VII - Expenses

Article VIII – Conflicts of Interest

Article IX – Communication Outside of Meetings

Article X – Information Requests

Article XI – Violations and Breaches

Article XII – Annual Review



Potential Areas to Review

- Clarify definitions and cross references between sections
- Adjustments to Article IX – Communication Outside of Meetings
 - Use of Board letterhead by Regents
 - Letters of recommendation within the University
 - Additional guidance on speaking to the media and/or in other forums
- Other areas?





UNIVERSITY OF MINNESOTA

Driven to Discover®

Crookston Duluth Morris Rochester Twin Cities

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