Board of Regents

March 2018

March 23, 2018

9:00 a.m. - 12:00 p.m.

Phillips Hall, Siebens Building
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2. Approval of Minutes - Review/Action
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3. Report of the President
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6. Consent Report - Review/Action
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7. Report of the Student Representatives to the Board of Regents
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8. Systemwide Strategic Plan: Research & Discovery
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10. M Health
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11. Report of the Committees
The purpose of this item is to introduce new members of the University's leadership community.

Lori Carrell, Chancellor, University of Minnesota Rochester, began her tenure as UMR's second chancellor in February 2018. In addition to serving as UMR's Interim Chancellor, she previously served as the campus's Vice Chancellor for Academic Affairs and Student Development since 2014. Carrell has been deeply involved in UMR's strategic, fiscal, facilities, and enrollment planning; its integrative planning in the downtown Rochester community; and growing UMR's Living Learning Communities.

Prior to UMR, Carrell worked at the University of Wisconsin Oshkosh for 23 years, playing a key leadership role in directing both the Center for Excellence in Teaching and Learning, a research-based faculty development endeavor, and the University Studies Program, where she facilitated and implemented a large-scale, nationally-acclaimed, curricular reform. Carrell earned her Ph.D. in Speech Communication from the University of Denver, a Master's in Counseling Psychology/Education from University of Alaska Anchorage, and a B.A. from Anderson University in Indiana, where she majored in Speech Communication, Education and Psychology.
A meeting of the Finance & Operations Committee of the Board of Regents was held on Thursday, February 8, 2018 at 7:45 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

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

Student Representatives present: Lauren Anderson and Mina Kian.

**ANNUAL REPORT ON EMPLOYEE COMPENSATION**

Regent Anderson invited Vice President Brown and Ken Horstman, Senior Director of Total Compensation, to provide the annual report on employee compensation, as detailed in the docket.

Brown described total compensation, how the structure is defined by Board policy, the lenses used to appraise compensation, and the focus of moving decision making toward maximizing the impact of compensation. She compared higher education to the private sector and described the factors used to set base compensation throughout employment.

Brown noted that markets differ by employee group and position. She described how market determinations are made and gave examples. She summarized the job family work and how it impacts the determination of the relevant market.

Horstman walked through an example of a single job classification. He outlined the compa ratios that are used to measure how closely an individual’s salary, or group of salaries, compares to the market median. He reported on compa ratios and provided job family examples to illustrate how the compa ratios are used.

Horstman described the ongoing work of the job family program to differentiate job classifications. He offered that additional differentiation within job families and positions will improve management of those positions. He added that differentiation will also help identify areas of University employment with high turnover or that are difficult to fill.

Brown gave an overview of the human resources management system. She reported that merit is being applied across the system to determine annual pay increases, along with other salary adjustment tools that are available to supervisors. She highlighted ongoing challenges to good compensation decision-making.
Regent Omari observed that the Athletics job family has some positions above the market, but the Student Services and Communications job families have none. Brown cautioned against making broad conclusions based on the job family compa ratio data. She explained that popular positions are easy to fill and thus the University does not need to pay a higher salary to attract high-quality candidates. Brown offered that the lower range within a position could be caused by less-experienced employees. She added that those employees might enter the University in a lower-paid position and after a few years move into a higher-paid position in a different job classification. Omari responded that, given the importance of student services, the University should seek to pay those employees higher within the market range.

In response to a question from Regent Hsu, Horstman stated that market data for higher education is adjusted based on market inflation, noting that higher education has been increasing at 2.89 percent per year. He offered examples of institutions that did not give compensation adjustments in one year having to provide a significant bump the following year based on market inflation. Horstman suggested that while inflation adjustments are important, how the University's compensation compares to peers is more important. Brown added the type and number of benefits the University provides is an important attractor for employees but that base salary is still the key component of any initial employment conversation.

Regent Beeson commented that the most important decision with any employee is at the time of hiring, and thus the quality of the hiring process is essential. He shared his view that the University is less different from private companies. He suggested the University consider establishing an advisory group like the Investment Advisory Committee (IAC), made up of both private and public experts to advise the administration in this area. Brown responded that both she and Horstman are involved in peer groups that provide them with meaningful information and best practices.

Regent Powell stressed the need for a clearly defined peer set for each job family. He emphasized that the Board be actively involved in examining the peer groups, the rationale for those groups, and what adjustments are needed. He agreed with Beeson about forming an advisory group like IAC.

Powell asked about challenges regarding compensation based on the decentralized nature of the institution, and whether more employees could be managed under the job family structure. Brown noted that the job family structure does not work well for faculty since compensation depends on the discipline of the faculty member. She noted that the job family structure does not work as well with labor-represented units given their focus on seniority. Brown added that the job family structure is still new and that leaders across the system require additional training to use it effectively. She explained that her office uses HR leads to create consistency across units and network around best practices.

Regent Sviggum stated that he had examined pay within state and county governmental units and suggested that those entities are, for many employment classifications, the University’s peer. While he expressed a desire to pay employees well and be competitive, he argued that the University is currently paying many employees far higher than the state or a county does. He sought clarification on the Administrative job family compa ratio.

Brown responded that good compensation requires a broad range. In determining salary ranges, the University looks at where a job family is and where it needs to move. She suggested that most employees come from private industry and not the state. She added that the Office of Human Resources (OHR) considers all industries when defining the compensation ranges. She cautioned that it is a disservice to the University’s ability to be competitive to look only at the state. She observed that OHR does use local and state governmental units as the markets when looking at police compensation.
Sviggum cited the examples of IT and HR employees as holding positions that are comparable to state positions. Brown acknowledged that HR positions are similar to the state and clarified that OHR does look at what those positions are paid. She reemphasized that far more employees come from private companies. Horstman added that OHR looks closely at state compensation data and partners with the state to share that information.

Powell highlighted the exchange between Sviggum and Brown as an example of the need for the Board to clearly define which peers should be compared to based on job family.

Regent Johnson raised the issue of the total number of employees. He suggested that dividing the number of employees by the number of students shows approximately 3.5 students per employee. He suggested that the University do better in examining how many employees are needed to complete the work efficiently. Brown responded that the focus of Operational Excellence and the need for reallocations within the budget mean many units have restructured and examined ways to be more efficient with less staff.

In response to questions from Student Representative Kian, Brown explained that both full time and part time positions appear in the Student Support Services job family. Horstman explained that many of the jobs included in the job family are direct student support positions like frontline workers, positions within student unions, and student finance counselors.

Hsu asked about the number of employees below $15 an hour. Horstman responded that perhaps 100 or fewer employees are still under $15 an hour, adding that most are included in the proposed contract with the Teamsters before the committee for action at this meeting. Horstman stated that all other employees are above $15 an hour.

Omari noted the Duluth compa ratio of 0.87 and encouraged the committee and administration to pay close attention to that ratio going forward.

Beeson responded to Johnson by noting that last summer, the University reported a 30 percent increase in productivity by employees when compared to revenue. He suggested that perhaps productivity is a good measure to add to the University Progress Card.

FY 2019 BUDGET FRAMEWORK

Regent Anderson invited Associate Vice President Tonneson to discuss the FY 2019 budget framework, as detailed in the docket.

Tonneson summarized the primary components used to develop the budget. She reported that the two fundamental areas of emphasis for budget development are to maintain the core and invest to expand, enhance, and strengthen the University. She emphasized that the budget is constrained by available resources.

Tonneson summarized the state appropriation trend, noting that the appropriation will be reduced by $10 million for FY 2019. She outlined tuition goals across the system and presented the process to repurpose existing resources. She identified funding estimates aimed at maintaining the core and to address strategic plan goals.

Regent Cohen sought clarification of whether the $8.8 million in revenue generated by the Twin Cities undergraduate nonresident/non-reciprocity (NRNR) accounts for the cost of tuition waivers and the additional funding for recruitment. Tonneson responded that allocating $1 million for waivers has been discussed and would need to come out of the incremental expenditures. She reported that this past fall, Undergraduate Education requested $210,000 to hire two additional national recruiters to focus on NRNR students, an expense that will be included in the “maintain and strengthen the core” category.

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Regent Sviggum commented that he anticipated needing to find $44 million given a two percent salary increase for all employees, while seeking to provide a zero percent increase in resident undergraduate tuition. He stated his goal of passing a zero percent tuition increase and finding savings through attrition, additional Operational Excellence reallocations, and potential additional state support.

Senior Vice President Burnett responded that reallocations can be used to cover gaps in the budget by providing revenue to fund new investments. He emphasized that to close the budget gap, reallocations will be used to help pay for items like a compensation increase. He agreed that there could be an opportunity to request additional funding from the state and the potential opportunity to gain back the $10 million gap in the second year of this biennium. Burnett explained that like the University’s capital request to the state, this operating budget is seeking to maintain and take care of the University’s current operations and will most likely not include large new initiatives.

Regent Powell expressed his appreciation for the regular updates and discussion regarding the operating budget. He offered that his priority is to remain competitive on salary and fringe and agreed that delaying salary increases only sets the University up for a significant increase later. He challenged the administration to define what it means to be competitive in this area and propose a plan to accomplish it. He stated that he could support a 1 percent tuition increase if needed, and suggested that the University must first solve core issues before looking at significant new investments.

Regent Lucas asked about the elasticity of the incremental resource numbers within the budget framework. Tonneson clarified that the $8.8 million in NRNR revenue for the Twin Cities includes the minimum investments needed to provide waivers and additional recruiting resources. She explained that the tuition revenue estimates are based on current enrollment and adjusted based on discussions with academic units. She added that she is reasonably confident with the stated estimates. Tonneson explained that the reallocation targets are given to units based on what is needed by the unit to meet core costs. Based on those reallocation needs, some units will need to reallocate more, some less.

Lucas asked about the difficulty of additional reallocations for units, stressing the need for the University to remain excellent. Tonneson responded that she could not provide a definitive answer. She stated that the administration has heard from units that it is getting more difficult to find what she characterized as smart reallocations. She explained that there are not as many items to cut as there were at the start of the process, requiring units to make tough decisions on the size of their workforce. She gave the example of units not filling positions that they might want to in order to reallocate the needed resources.

President Kaler agreed with Tonneson and noted that the Board is applying pressure to reduce expenditures and cut costs. He stated that his administration will do that, but offered that it will affect people and programs. Kaler asserted that if the Board continues to insist, as he believes the Board should, on a reduction in expenditures, then the Board must continue to support and endorse the cuts even when it is painful.

Regent Beeson renewed his suggestion for expanding recruitment of students by investing more and creating additional resources like a call center. He observed that the most striking part of the budget is the defunding of the University by the state. He stressed that the University is more efficient and more productive than other state agencies.

Regent Omari agreed with Kaler that the Board needs to remember, when it hears from members of the University community who are affected by cuts, that it is asking the administration to make them. He noted the need for strong communications and public relations strategy in place when cuts result in the closing of University programs and centers.
He observed that the University might have more graduate and professional students than any other institution in the nation but that the Board has not had an in-depth discussion on those tuition rates. He encouraged a deeper look.

Regent McMillan observed that the University is informing its spending decisions through fundamental spending decisions made by prior administrations. He suggested that neither the Board nor administration has gone back and examined those funding decisions. He offered that he looks forward to basing future spending decisions on the systemwide strategic plan.

Kaler agreed with McMillan and stressed the importance of the systemwide strategic planning process. He shared that recent conversations around the plan have led to the realization that delivering the long-range financial plan the Board has requested is nearly impossible. He explained that the unpredictable nature of the state allocation makes it extremely difficult to create that type of plan. He conveyed his desire to have conversations that examine what the base allocations are being used for and how they should shift based on the systemwide strategic plan.

Cohen supported Powell’s comments related to competitive compensation and Lucas’s focus on maintaining the University’s excellence. She challenged Kaler to guard the University’s excellence by not cutting the budget too much. She added that she supports a small increase in resident undergraduate tuition.

Student Representative Anderson told the committee about a recent discussion of the Rochester Student Association. She shared two student comments that highlight the differing student views on tuition. One student expressed that if the full burden to fund the University is on the student, the Board and administration should reexamine how the University is funded. The second student selected the University for its excellence and is willing to pay to increase that excellence.

Anderson agreed with Beeson’s comments that the Board must work with the state to address the need for additional state support and the value that the University and Minnesota State provide.

Regent Hsu asked where additional funding for the Law School is shown in the budget framework and whether additional funding will be needed. Burnett responded that the administration continues to work on funding issues with a number of units. He suggested that the funding for the Law School could be placed in the “maintaining and strengthen the core” category and that he would ensure the budget materials make that clear. He noted that he meets monthly with the Law School and that a committee is working to find a solution.

Hsu agreed with McMillan that the Board has been working toward basing budget decisions on the objectives of a systemwide strategic plan. He provided feedback on the budget framework, stating that he prefers a compensation increase closer to 1 percent and as large an internal reallocation as possible. He suggested that this allows for a freeze for undergraduate tuition and the ability to catch up on competitive salaries. Hsu noted that since he joined the Board, the budget had increased by more than 10 percent, arguing that continuing to increase the budget at that rate is unsustainable. While he expressed agreement with Beeson that the University should seek additional funding from the state, he offered that the University must also demonstrate that it is being efficient with the funds provided.

Kaler cautioned against discussing the total amount of the budget since there are components in the budget that cost more, noting the cost of research and the addition of MnDRIVE initiatives as examples. He agreed that the University has to be careful on how much of the burden is placed on undergraduates through tuition and emphasized that over the past six years, the University has been able to bend the cost curve on tuition increases. He cited the
industry average of employee cost per net asset dollar as one possible measure of employee
productivity, cautioning that an employee-to-student measure is not a valid measure.

CAMPUS COMMUNITY RELATIONS UPDATE

Regent Anderson invited J.D. Burton, Chief Government Relations Officer, and Erick Garcia
Luna, Director of Community and Local Government Relations, to provide an update on
campus community relations, as detailed in the docket.

Burton gave an overview of the work being done to build community relations and the role that
Garcia Luna plays in advancing that work. Garcia Luna reviewed activities in support of Board
action in 2014 to strengthen external engagement with local communities. He expressed his
appreciation for the work of his predecessor, Jan Morlock, in creating a solid foundation to
carry out the Board’s directives.

Garcia Luna outlined current work with community partners and the University’s
communication strategy with local governmental organizations across the system. He explained
that communications to those groups will focus on the broader scope of work being done by the
University and show how that work affects the University’s neighbors. He added that the
University’s social media presence is a key component of that strategy.

Garcia Luna reviewed the role of the University District Alliance (Alliance) relative to the Twin
Cities campus and presented goals for achieving the purpose of the Alliance. He provided
eamples of the systemwide potential for community relations work.

Regent Lucas offered her belief that the community relations staff has done a great deal of work
with few resources, characterizing the University’s support in this area as anemic. She
emphasized the need to fund reasonable requests and the importance of the community
relations work. She encouraged the University to learn from other institutions with urban
campuses.

Regent Beeson observed that community relations has moved from being reactive to its
neighbors to proactively filling a void in development and planning. He offered his view that the
University’s relationship with the City of Minneapolis is the University’s second most important
governmental relationship.

Regent Omari encouraged the University to view community relations as reciprocal engagement
between the institution and its neighbors. He suggested that many of the University’s close
neighbors do not fully understand the work of the University. He highlighted the relationship
between the University of Minnesota Police Department and the Minneapolis Police Department
as a model to emulate. Omari expressed his excitement to see this work across the system.

Burton responded that listening is the most important role of community and government
relations. He suggested that the more the University can engage with and understand the
community, the more success the University will have in those relationships. He explained that
Garcia Luna’s top priority is to reinvest and reengage with local community organizations and
governmental entities.

In response to a question from Regent Powell, Garcia Luna stated that the main concerns for
local communities tend to be available and affordable housing, parking, and public safety.
BOARD OF REGENTS POLICY: ENDOWMENT FUND

Regent Anderson invited Associate Vice President Mason and Andrew Parks, Senior Director, Office of Office of Investments & Banking (OIB), to present for review proposed amendments to Board of Regents Policy: Endowment Fund, as detailed in the docket.

Mason outlined the proposed changes, explaining that the majority of the amendments seek to codify the new asset allocation guidelines recently approved by the Board, while also adjusting other aspects of the policy to accommodate those guidelines. Parks described the new liquidity and leverage language and the impact that it will have on the endowment. Mason defined co-investments and the situations when they will be used.

In response to a question from Anderson, Mason stated that the Investment Advisory Committee reviewed the proposed language and the underlying principles and supported the change.

Student Representative Kian asked how the required environmental, social, and governance responsibilities are evaluated. Mason responded that the evaluation of such responsibilities has become an industry standard. He detailed how companies with a strong record in those areas tend to perform better and generate a better return on investment. He asserted that environmental, social, and governance factors are an integral part of the University’s consideration of possible investments.

Anderson asked about a listing of companies or an association that certifies that stocks or investments meet the environmental, social, and governance responsibilities. Mason noted that the United Nations supports the Principles of Responsible Investment, which establishes six principles for evaluating companies. He added that there is no specific list of companies that meet those principles.

Regent Beeson highlighted the importance of environmental, social, and governance factors by noting that Laurence Fink, CEO of BlackRock, sent letters to companies advocating that those companies do more to contribute to society. He offered that this shows the change in companies seriously considering how they operate in these areas. Mason agreed, adding that the policy requires reporting in this area and that OIB envisions expanding that section of the report given the language being proposed.

BOARD OF REGENTS POLICY: HEALTH AND SAFETY

Regent Anderson invited Vice President Berthelsen to present for review proposed changes to Board of Regents Policy: Health and Safety, as detailed in the docket.

Berthelsen explained that after a comprehensive review, the President recommends the addition of a new definition for member of the University community and removing “monetary” from the definition of health and safety.

Given the limited scope of the amendments, a motion was made and seconded, and the committee voted unanimously to recommend adoption of the proposed amendments to Board of Regents Policy: Health and Safety.

REAL ESTATE TRANSACTION: KEELER APARTMENT BUILDING

Regent Anderson invited Vice President Berthelsen and Associate Vice President Volna to present for review and action the purchase of the Keeler apartment building located at 317-331 17th Avenue SE, as detailed in the docket.
Volna summarized the building location and proposed use, and outlined the terms of the purchase. He noted that the University already master leases Keeler, along with additional leasing of the first floor for the University International Center. He added that over the next eight years, the building is projected to generate approximately $830,000 of net positive income. Volna offered that the purchase price is significantly below the appraised value, and that the purchase includes the ground lease but does not include the lot.

In response to a question from Regent Lucas, Berthelsen reported that he is unsure why the Wedum Foundation is selling but that they appear to be interested in divesting from student housing around the Twin Cities campus. He noted that the building is not at the same construction quality as a residence hall, but that the University’s condition review showed the building to be in better condition than other private buildings in the area. He added that the current master lease gave the University a better sense for how to operate the building.

Regent McMillan expressed his support for the purchase. He asked for clarification on how the purchase will affect the University’s master lease program. Berthelsen responded that when the master lease program was created, there was no thought of being able to purchase the Keeler. He shared that the master lease of the Radius is going well and that Housing and Residential Life is learning from that experience. He noted that the Radius is a larger building and the master lease provides additional housing to align with student housing priorities. McMillan responded that he hopes the master lease program will continue, as it provides great access to housing for students.

Anderson offered his support for the purchase, noting that the purchase provides additional capacity for transfer students while offering affordability versus the private market.

In response to concerns raised by Student Representative Kian on the building’s physical condition, Berthelsen responded that the University is aware of the plumbing and elevator issues and is working on solutions that can be implemented once the building is purchased. He noted he is unsure if there are already plans to connect Keeler with the University’s WiFi network but speculated that like other residence halls, the Keeler will be brought up to University WiFi network standards.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the purchase of the Keeler apartment building located at 317-331 17th Avenue SE.

**CAPITAL BUDGET AMENDMENT: WRESTLING PRACTICE FACILITY RENOVATION (TWIN CITIES CAMPUS)**

Regent Anderson invited Bruce Gritters, Interim Assistant Vice President, and Mark Coyle, Director of Intercollegiate Athletics, Twin Cities campus, to present for review a capital budget amendment related to the renovation of the Wrestling Practice Facility (facility), as detailed in the docket.

Gritters described the facility’s purpose and location. Coyle outlined the rationale for the renovation, explaining that the wrestling program is currently in the basement of Bierman Field Athletic Building (Bierman) and that renovation of the former basketball practice area will provide a better facility for student athletes. Gritters reviewed the scope and cost, explaining that the project will be paid for entirely by donations.

Regent Johnson expressed his appreciation to the donors funding the project. He suggested that the committee take action on the project today, noting that while it is listed for review, it is fully funded by donors and ready to move forward.
A motion was made and seconded to recommend approval of the renovation of the Wrestling Practice Facility.

In response to a question from Anderson, Coyle explained that the donation came as the result of developing strong relationships with those who are interested in Gopher Athletics. He added that given the availability of space and the kindness of the donors, Gopher Athletics was able to secure the full funding.

Regent Omari asked how Athletes Village is affecting projects of this type for the current space in Bierman. Coyle reported that the opening of Athletes Village allowed a chain reaction of existing space that could be repurposed. He noted the example of softball and baseball moving into the former football facilities.

Regent Lucas asked about the plan for other sports, including women’s and men’s gymnastics and volleyball. Coyle responded that Gopher Athletics is currently working on a long-term plan to address their facility needs.

Regent McMillan offered that while he is willing to move forward with action today, he stressed the importance of reviewing items in one meeting and taking action in a subsequent meeting. He asked about the value of acting on this project now. Coyle offered that athletics in general always has a sense of urgency to it and that action today allows the work to begin, shortening the time until the space is available.

The committee voted unanimously to recommend approval of the renovation of the Wrestling Practice Facility.

COLLECTIVE BARGAINING AGREEMENT:
REGENTS OF THE UNIVERSITY OF MINNESOTA AND AFSCME LOCALS 3800 AND 3801, CLERICAL AND OFFICE UNIT

Regent Anderson invited Vice President Brown and Patti Dion, Senior Director for Employee and Labor Relations, to present for review and action a collective bargaining agreement with the AFSCME Council 5, Locals 3800 and 3801, Clerical and Office Unit (CBA), as detailed in the docket.

Dion outlined the terms and conditions of the CBA. She described the type of work done by the employees covered by the CBA.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the resolution related to the proposed labor agreement with AFSCME Council 5, Locals 3800 and 3801.

COLLECTIVE BARGAINING AGREEMENT:
REGENTS OF THE UNIVERSITY OF MINNESOTA AND GRAPHIC COMMUNICATIONS CONFERENCE OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL 1-M

Regent Anderson invited Vice President Brown and Patti Dion, Senior Director for Employee and Labor Relations, to present for review and action a collective bargaining agreement with the Graphic Communications Conference of the International Brotherhood of Teamsters Local 1-M (CBA), as detailed in the docket.

Dion outlined the terms and conditions of the CBA. She described the type of work done by the employees covered by the CBA.
A motion was made and seconded, and the committee voted unanimously to recommend approval of the resolution related to the proposed labor agreement with Graphic Communications Conference of the International Brotherhood of Teamsters Local 1-M.

COLLECTIVE BARGAINING AGREEMENT:
REGENTS OF THE UNIVERSITY OF MINNESOTA AND TEAMSTERS LOCAL 320 SERVICE, MAINTENANCE, AND LABOR UNIT

Regent Anderson invited Vice President Brown and Patti Dion, Senior Director for Employee and Labor Relations, to present for review and action a collective bargaining agreement with Teamsters Local 320 Service, Maintenance, and Labor Unit (CBA), as detailed in the docket.

Dion outlined the terms and conditions of the CBA. She described the type of work done by the employees covered by the CBA.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the resolution related to the proposed labor agreement with Teamsters Local 320.

CONSENT REPORT

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

General Contingency:

- There were no items requiring approval this period.

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

- To Friends and Neighbors (Human, Inc.) for an estimated $2,000,000 for services provided in the development and implementation of the University’s integrated marketing campaign for University Relations for the period of February 15, 2018 through February 14, 2019, with possible contract extensions through February 14, 2023 for an additional $8,000,000. Total value of the contract if all options are exercised would be $10,000,000. The integrated marketing campaign will be funded through the President’s Initiative Fund provided by the University of Minnesota Foundation and funding through O & M funds. Supplier was selected through a competitive process.

- To SAGE for an estimated $1,460,000 for subscription to SAGE Premier as needed for the University Libraries for the period of January 1, 2018, through December 31, 2020. The $1,460,000 allotted as payment to SAGE over the next three years is included in the University Libraries FY 2018, 2019 and 2020 budgets, as well as the FY 2018, 2019 and 2020 budgets for Duluth. Supplier was selected by University Libraries under the authority granted by Board of Regents Policy: Libraries and Archives and under the Purchasing of Goods and Services policy.

- To Schindler Elevator Corporation for an estimated $5,667,000 for providing vertical transportation maintenance services as needed for the Facilities Management Department for a period of July 1, 2018 through June 30, 2021, with possible contract extensions through June 30, 2024 for an additional $5,838,716. Total contract value if all additional options are exercised would be $11,505,716. Maintenance and operations of elevators and escalators is included in the facilities cost budgets of a variety of organizations on the Twin Cities campus. Supplier was selected through a competitive process.
Schematic Designs:

- Biological Sciences Center 3rd/4th Floor Renovation (Twin Cities Campus)
- Golf Practice Facility (Twin Cities Campus)
- Public Safety Facility (Twin Cities Campus)

Appointment of Chancellor, University of Minnesota, Rochester:

- Lori Carrell as Chancellor, UMR

Employment Agreements

- Deferred compensation agreement for Karen Hanson, Executive Vice President and Provost
- Deferred compensation agreement for Lendley Black, Chancellor, UMD

In response to a question from Regent Hsu, Vice President Kramer clarified that the Friends and Neighbors contract included both the expense to produce the marketing campaign and the air time.

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

INFORMATION ITEMS

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

- Annual Capital Financing and Debt Management Report
- Annual Report on Central Reserves Fund
- Annual Risk Management and Insurance Report
- Debt Management Advisory Committee Update
- Emergency Approval: Kaufman Hall Contract
- Fair Labor Standards Act Update
- Quarterly Purchasing Report
- Results of the 2017 Employee Engagement Survey
- State Capital Appropriation Expenditure Report
- Visual Impact of North Church Street Corridor Reconstruction

The meeting adjourned at 10:56 a.m.
A meeting of the Audit & Compliance Committee of the Board of Regents was held on Thursday, February 8, 2018, at 11:00 a.m. in the West Committee Room, 600 McNamara Alumni Center.

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

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

Student Representatives present: Marta Dean and Apoorva Malarvannan.

INSTITUTIONAL RISK PROFILE, PART IV: IDENTIFY MITIGATION PRIORITIES

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

Burnett reminded the committee of the process for developing the risk profile and noted that it identifies risks as short-term or ongoing. Burnett and Hanson summarized the risk mitigation strategies employed to address the University’s greatest risks. Burnett explained that the mitigation plan for revenue sources includes partnership with Government Relations to ensure a positive relationship with the legislature. Hanson summarized the risk mitigation strategies to address faculty retention and campus climate, safety, security, and free speech. She noted that both risks are ongoing and critical to the University’s core mission.

Regent Omari commented that the risk profile identifies the Mission Fulfillment and Finance & Operations committees for further oversight of risk and asked whether oversight should be assigned to the Governance & Policy Committee. Cohen responded that the committee could consider that.

Regent Lucas asked about access to quality child care services and the recent announcement of the closure of the University’s Child Development Center (CDC) as it relates to faculty retention. Hanson explained that the University is working to address the concerns that have been raised since the closure announcement.

Regent Powell asked that the presenters provide the committee with a mitigation plan for each of the risks identified on the risk profile. Regent McMillan echoed Powell’s comments and explained that the committee should work to refine mitigation plans as a next step in the process. Cohen agreed and asked the presenters to provide additional mitigation plan examples at the committee’s next meeting.
THE UNIVERSITY’S CYBER LANDSCAPE AND RISK MITIGATION STRATEGIES

Regent Cohen invited Bernard Gulachek, Vice President for Information Technology and Chief Information Officer, and Brian Dahlin, Chief Information Security Officer, to discuss the University’s cyber landscape and risk mitigation strategies, as detailed in the docket.

Gulachek provided an overview of the University’s security framework and risk mitigation strategies and shared examples of recent information security breaches. He explained that cyber threats are increasing across all industries, but that higher education is especially vulnerable given that it is highly regulated and collaborative.

Dahlin reviewed evolution of the security framework model since 2011 and explained that the University’s model is well ahead of peer institutions. He reported that the University recently purchased cyber insurance for protection in case of a cyber-security breach.

In response to questions from Regent Hsu, Dahlin reported that the University is working to address the issue of email access for former employees. He noted progress in areas of highest priority, such as former employees who may have had patient care records sent to their email.

Hsu inquired about the University’s cyber insurance. Cohen invited Senior Vice President Burnett and Associate Vice President Volna to respond. Burnett explained that cyber insurance is a relatively new product and that the University added it to the risk management portfolio in December 2017. Volna noted that $10 million in coverage costs approximately $215,000 annually.

In response to questions from Regent Powell, Gulachek reported that phishing attempts are the most frequent cyber threat. He explained that two-factor authentication is available to all students, faculty, and staff and that full implementation would greatly reduce risk of a security breach. Gulachek added that two-factor authentication is required for some systems and optional for others.

UPDATE ON INTERCOLLEGIATE ATHLETICS CONTROL ENVIRONMENT

Regent Cohen invited Mark Coyle, Director of Intercollegiate Athletics; Michael Volna, Associate Vice President and Assistant Chief Financial Officer; and Rhonda McFarland, Deputy Athletics Director and Chief Financial Officer, Intercollegiate Athletics, to present an update on the Intercollegiate Athletics control environment, as detailed in the docket.

Coyle reviewed the controls and oversight in place for Intercollegiate Athletics (ICA) and explained that he works to promote a culture of accountability across the department. McFarland reported that ICA staff receive ongoing financial training as well as monthly updates from the Athletics Business Office. She added that ICA recently acquired a new financial reporting software that interfaces with PeopleSoft and generates reports in the format required by the NCAA. Volna explained that central administration continues to work with ICA to better align policies and provide guidance when alignment is not possible.

Coyle noted that revenue from broadcast rights, ticket sales, and implications of the new tax code on scholarship seating are expected to affect ICA’s financial future.

Regents McMillan and Lucas expressed their satisfaction with Coyle’s tone at the top and transparency with the Board.

Regent Hsu asked if scandals can be avoided, citing a recent example at Michigan State University. Coyle explained the measures ICA has taken to increase the amount of required sexual misconduct training for student athletes and ICA staff.
INTERNAL AUDIT UPDATE

Regent Cohen invited Chief Auditor Klatt to present the Internal Audit Update, as detailed in the docket.

Klatt reported that since the last update in October 2017, University departments implemented 48 percent of the outstanding recommendations rated as “essential,” exceeding the expected implementation rate of 40 percent. Six units fully implemented all remaining “essential” recommendations. Eleven audit reports containing 37 recommendations rated as “essential” were issued in the last four months.

Klatt referred the committee to the other items included in the Internal Audit Update, including summaries of FY 2018 audit activities, six-year trends, and information security audit coverage and risk assessment. Regent Omari remarked that it was helpful to review this additional information.

INFORMATION ITEMS

Chief Auditor Klatt referred the committee to information items contained in the docket materials.

The meeting adjourned at 12:50 p.m.

BRIAN R. STEEVES
Executive Director and Corporate Secretary

Audit & Compliance Committee
February 8, 2018
A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, February 8, 2018 at 11:00 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

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

Others present: Brent Benrud, Shelley Carthen Watson, Sarah Dirksen, Tim Pramas, Brian Slovut, Jon Steadland.

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

The meeting convened in public session at 11:06 a.m. A motion was made and seconded that the following resolution be adopted:

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

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

I. Regents of the University of Minnesota v. Gilead Sciences, Inc.

II. Regents of the University of Minnesota v. AT&T, et al.

III. Regents of the University of Minnesota v. LSI Corporation and Avago Technologies U.S. Inc.

IV. Potential litigation by former student

V. Potential litigation by former employee

VI. Yolanda Majors v. Regents of the University of Minnesota

VII. Steven Uhr v. Regents of the University of Minnesota

VIII. Shannon Miller, Jen Ranford and Annette Wiles v. The Board of Regents of the University of Minnesota
The committee voted unanimously to adopt the resolution and the public portion of the meeting ended at 11:10 a.m.

The meeting adjourned at 12:21 p.m.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary
A meeting of the Mission Fulfillment Committee of the Board of Regents was held on Thursday, February 8, 2018, at 1:30 p.m. in the Boardroom, 600 McNamara Alumni Center.

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

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

Student Representatives present: Sean Chen and Parker Smith.

**UPDATE ON TWIN CITIES 5-YEAR ENROLLMENT PLAN**

Regent Omari invited Provost Hanson and Robert McMaster, Vice Provost and Dean of Undergraduate Education, to provide an update on the Twin Cities 5-Year Enrollment Plan, as detailed in the docket.

Hanson introduced the item, reminding the committee that the Board endorsed the plan at the March 2016 meeting. McMaster provided an overview of plan’s 10 points and the progress of each item. He referred the committee to additional detail and data in the docket.

McMaster reported on the status of admissions applications for fall 2018. He explained changes to application deadlines and noted that more students are utilizing the Common App to apply.

In response to a question from Regent Beeson, McMaster reported that President Kaler has charged a group to examine the University’s reciprocity agreements.

In response to questions from Regent Anderson, McMaster confirmed that four-year graduation rates have been increasing due in part to freshman students entering the University with college credits from Advanced Placement courses and other programs. He added that the three-year graduation rate is also increasing quickly due to those factors.

Regent Sviggum asked why enrollment goals for the 2018 entering class were lower than for 2017. McMaster clarified that the fall 2017 incoming class exceeded the enrollment goal and that classes that size would be difficult to maintain.

In response to questions from Regent Hsu, McMaster acknowledged that lab space continues to be a bottleneck for students in introductory chemistry courses. He explained that some changes have been made to prioritize students who need to take chemistry for their major. McMaster noted that the College of Science and Engineering (CSE) has grown and has capacity in some majors but that the University needs to find a way to grow majors that do not have capacity in order to attract Minnesota students and compete with peer institutions. President Kaler added that CSE is constrained by space on campus. Hanson noted work across colleges...
to address this concern, too, citing collaboration between CSE and the College of Biological Sciences.

In response to a question from Regent Powell, McMaster stated that graduation rates and ACT scores are critical metrics for the University to monitor in the coming years. He emphasized the need to monitor graduation rates among specific populations of students.

Regent Cohen observed that the University received fewer applications in 2017 than 2016, but the incoming class was larger. She inquired about the trend for 2018. McMaster reported that while the number of applications was not significantly higher, the yield rates were higher for students from non-resident, non-reciprocity states, likely as a result of the Common App.

In response to a question from Cohen, McMaster noted a downward trend in transfer applications, offering the decrease could be the result of the Minnesota State system encouraging students to transfer from their two-year colleges to their four-year colleges and universities.

**RESOLUTION RELATED TO DIVERSITY IN TWIN CITIES UNDERGRADUATE ENROLLMENT**

Regent Omari invited Robert McMaster, Vice Provost and Dean of Undergraduate Education, to discuss the resolution related to diversity in Twin Cities undergraduate enrollment, as detailed in the docket.

McMaster explained that the only change to the resolution since the December meeting is the specific inclusion of American Indian students. He noted that while the committee expressed some concern over whether the goals were too aspirational, they remain in the resolution because they are attainable. McMaster explained that the resolution is specific to the Twin Cities campus, but that all campuses are working to improve the recruitment and success of students of color and American Indian students.

A motion was made and seconded to recommend approval of the resolution related to diversity in Twin Cities undergraduate enrollment.

Regent Beeson commented that the focus of the conversation about diversity is important but that the resolution’s goals are unattainable. He moved to amend the Resolution Related to Diversity in Twin Cities Undergraduate Enrollment as follows:

*NOW, THEREFORE, BE IT RESOLVED that the Board of Regents (Board) directs the president to increase diversity in undergraduate education on the Twin Cities campus in the following ways:*

1. Enhance and measure efforts with the Minneapolis and St. Paul public high schools to increase participation in University-sponsored recruitment events held throughout the Twin Cities.
2. Record and evaluate, on an annual basis, the number of direct contacts with students, and the specific places where the University is recruiting.
3. Reduce the four- and six-year graduation rate gaps for African-American, Latinx, and American Indian students by 35 percent by 2025 and establish a separate graduation rate goal for transfer students.
4. Collect, record, and monitor the rates for locally significant underrepresented populations not currently recorded, including but not limited to Hmong and East African populations in order to identify gaps in the four- and six-year graduation rates.
5. Improve the satisfaction of students of color and American Indian students with the Twin Cities campus climate by reducing the difference compared to all other domestic students by 50 percent by 2025, as measured by the Student Experience in the Research University (SERU) survey of undergraduates.

The motion was not seconded.

Regent McMillan expressed his support for the resolution, noting that he prefers a systemwide approach to the issue rather than one focused on one campus.

Regent Hsu remarked that diversity varies across the colleges on the Twin Cities campus and the issue must be resolved at the college level to achieve the goals outlined in the resolution. McMaster agreed that diversity varies across the colleges and assured the committee that the campus-wide goals outlined in the resolution are attainable.

The committee voted unanimously to recommend approval of the resolution related to diversity in Twin Cities undergraduate enrollment.

**SYSTEMWIDE STRATEGIC PLAN: ACADEMIC INVESTMENT STRATEGY PRINCIPLES AND DIRECTION**

Regent Omari invited President Kaler and Provost Hanson to discuss the Systemwide Strategic Plan academic investment strategy and direction, as detailed in the docket.

Kaler reported that a committee of University leaders recently met for a half-day retreat to discuss their work on the Systemwide Strategic Plan. He explained that the committee’s conversation will inform the work of the Systemwide Strategic Plan and shape the future of each campus. Hanson provided an overview of the principles that guide academic planning across the University system and invited feedback from the committee on a number of discussion questions.

Regent Powell urged the presenters to be intentional with the balance of decision-making centrally versus at the local level. He noted that although outreach and engagement are difficult to measure, they are critical components of the University’s mission.

Omari remarked on the challenge of investing money in areas without an immediate return on that investment but that give the University a competitive advantage in the marketplace.

**UPDATE ON TWIN CITIES CAMPUS CLIMATE REPORT**

Regent Omari invited Provost Hanson; Michael Goh, Interim Vice President for Equity and Diversity; and Maggie Towle, Interim Vice Provost for Student Affairs and Dean of Students, to provide an update on Twin Cities campus climate, as detailed in the docket.

Hanson reminded the committee that President Kaler launched a campus climate initiative in 2014 and charged a work group to identify challenges and develop solutions to improve climate on the Twin Cities campus. That group issued a Campus Climate Report in 2015 that outlined priority strategies to improve campus climate. Kaler provided a summary of efforts to improve campus climate on the system campuses.

Goh noted that campus climate is central to the mission of the University and to the success of students. He provided an overview of the Office for Equity and Diversity’s efforts to improve campus climate and referred committee members to the examples of initiatives in the docket. Towle summarized the work of the Office for Student Affairs (OSA) to improve campus climate...
since 2015. She explained that OSA is primarily responsible for the student experience outside of the classroom, so their efforts to improve campus climate are widespread and diverse.

Regent Hsu asked about measuring campus climate. Goh explained that the University utilizes student responses to the Student Experience at the Research University (SERU) survey and faculty and staff responses to the employee engagement survey. He added that the University is ahead of peer institutions in efforts to measure campus climate.

In response to a question from Regent Cohen, Goh explained that living-learning communities, similar to fraternities and sororities, help students by fulfilling a desire for affinity on campus. Omari added that students must feel safe and welcome before they can succeed, and that living-learning communities offer safe and welcoming spaces.

In response to questions from Regent Anderson, Towle explained that the Washington Avenue Bridge painting project and everyday activities on the second floor of Coffman Memorial Union allow opportunities for interaction with a diverse mix of student groups. She added that this interaction also happens within student government.

**SYSTEM-WIDE ENROLLMENT PLANNING: CROOKSTON CAMPUS**

Regent Omari invited Mary Holz-Clause, Chancellor of the University of Minnesota Crookston (UMC), to discuss enrollment planning for the campus, as detailed in the docket.

Holz-Clause reported that increasing on-campus enrollment at UMC is her highest priority. She explained the unique role of UMC in the University system as an experiential learning campus focused on career readiness with niche programs in agriculture. Holz-Clause added that UMC is a technology-rich campus and leader in providing online undergraduate degrees. She provided an overview of enrollment data and trends, and summarized strategies to increase recruitment and retention. Holz-Clause described UMC’s adoption of recommendations from the Systemwide Strategic Plan Framework and the Systemwide Enrollment Management Plan. She also shared goals for UMC’s enrollment and desired student profile, enrollment challenges, and long-term strategies.

In response to a question from Regent Omari, Holz-Clause explained that UMC student-athlete GPAs increased in fall 2014 because of collaboration with coaches and academic leaders.

Regent McMillan applauded Holz-Clause for quickly identifying the enrollment challenges at UMC. Holz-Clause reported that UMC will be making strategic, data-based decisions about enrollment going forward.

Regent Johnson suggested UMC consider using current students to recruit new students to the campus, and encouraged her to employ creative recruiting strategies to increase enrollment. Holz-Clause reported that UMC offers a scholarship to current students who are successful at recruiting new students to UMC and that the campus will continue to develop recruitment strategies to meet enrollment goals.

In response to questions from Regent Lucas, Holz-Clause reported that UMC has collaborative programs with the University of North Dakota and explained that they are an important partner in addition to being a regional competitor.

In response to a comment from Regent Anderson, Holz-Clause agreed that UMC needs to increase awareness of the campus across the region and the state.
Regent Powell commented that students who do not ultimately enroll at UMC likely attend more-expensive colleges. He suggested including the value proposition in marketing materials and recruiting conversations with prospective students. Holz-Clause agreed that UMC has not articulated its value proposition well in the past.

Regent Hsu suggested UMC consider test-optional admissions as a recruitment strategy.

CONSENT REPORT

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

- **Request for Approval of New Academic Programs**
  - Academic Health Center (Twin Cities campus)—Create Master of Medical Laboratory Sciences degree and deliver the degree partially online
  - College of Design (Twin Cities campus)—Create post-baccalaureate certificate in Advanced Wearable Products
  - College of Education and Human Development (Twin Cities campus)—Create graduate minor in Infant and Early Childhood Mental Health and deliver online
  - College of Liberal Arts (Duluth campus)—Create Master of Tribal Resource and Environmental Stewardship degree and deliver online
  - The Crookston Campus—Create a B.S. degree in Agricultural Communication College of Science and Engineering
  - College of Biological Sciences (Twin Cities campus)—Create B.S. degree in Cellular and Organismal Physiology

- **Request for Approval of Changed Academic Programs**
  - Carlson School of Management—Deliver the Master of Business Administration degree online
  - The Crookston Campus—Deliver the B.S. and undergraduate minor in English online
  - College of Liberal Arts (Duluth campus)—Create sub-plans in Business Administration and Organizational Leadership within the B.A. degree in Cultural Entrepreneurship
  - College of Liberal Arts (Duluth campus)—Create sub-plans in American Indian Studies and Business Administration within the B.A. degree in Tribal Administration and Governance
  - College of Liberal Arts (Twin Cities campus)—Change the name of sub-plans in Global Culture and Analysis to Cultural Production and Everyday Practice, Global Political Economy to Political Economy and Environmental Change, and Population, Migration, Identity to Global Health and Mobile Populations within the Global Studies B.A. degree
  - College of Science and Engineering (Twin Cities campus)—Discontinue the Rochester campus sub-plans in the Computer Science M.S. and Master of Computer Science degrees.

- **Request for Approval of Discontinued Academic Programs**
  - College of Science and Engineering (Twin Cities campus)—Discontinue the Ph.D., M.S., and graduate minor in Scientific Computation
  - College of Liberal Arts (Duluth campus)—Discontinue B.A. degree and undergraduate minor in Environment and Sustainability
  - College of Liberal Arts (Duluth campus)—Discontinue B.A. degree and undergraduate minor in Geography
• College of Liberal Arts (Duluth campus)—Discontinue B.A. degree in Urban and Regional Studies
• College of Liberal Arts (Duluth campus)—Discontinue undergraduate minor in Russian Area Studies
• Swenson College of Science and Engineering (Duluth campus)—Discontinue graduate minor in Engineering Management

INFORMATION ITEMS

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

The meeting adjourned at 4:43 p.m.

BRIAN R. STEEVES
Executive Director and Corporate Secretary
A meeting of the Governance & Policy Committee of the Board of Regents was held on Friday, February 9, 2018 at 7:45 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Michelle Behr, Lendley Black, and Mary Holz-Clause; Interim Chancellor Lori Carrell; Senior Vice President Brian Burnett; Vice Presidents Michael Berthelsen, Kathryn Brown, Matt Kramer and Allen Levine; Interim Vice President Michael Goh; General Counsel Douglas Peterson; Executive Director Brian Steeves; Chief Auditor Gail Klatt; and Associate Vice President Michael Volna.

BOARD OF REGENTS POLICY:
RESERVATION AND DELEGATION OF AUTHORITY (APPROVAL THRESHOLDS)

Regent Beeson invited Executive Director Steeves to present for action proposed changes to the Board’s approval thresholds as stated in Board of Regents Policy: Reservation and Delegation of Authority, as detailed in the docket.

Beeson explained that he and Regent Rosha had worked with Board staff and the administration to refine the proposed thresholds. He outlined the principles used to define the new thresholds, offering that while some will be lowered and some raised, on the whole the proposed language is a modest tightening of the thresholds. He noted that the new thresholds create simplicity while using the consent report to create an efficient flow of business when appropriate. He reminded the committee that any Regent has the ability to pull an item from a consent report.

Steeves outlined the changes made to the proposed language since the committee reviewed draft policy language in December. He noted the revised umbrella language, explained the new $1 million standard across thresholds, and described the new employment agreement language. Steeves explained that the revised thresholds require the administration to bring to the Board only those items that exceed the thresholds, and offered an example to illustrate the concept.

Regent McMillan expressed his appreciation to committee leadership and Steeves for their work to create a comprehensive and thoughtful approach to an essential part of the Board’s governance. He observed that the proposed language strikes the right balance between effective governance and efficient management, noting the long process to get to this point. He stated his belief that Regents and administrators find certain items imperfect, but suggested that is part of coming to a balance between governance and management.

Regent Hsu suggested that this draft is better than what might have been approved in the past. He noted that the original intent of threshold changes was to ensure that high-dollar contracts come to the Board for approval. He asked Steeves to highlight the specific section of policy that reserves authority to the Board to approve those types of contracts.
Steeves explained that in Section 4, the Board articulates specific positions that require appointment approval. In Section 11, Subdivision 4, the policy requires employment agreements with a total value of more than $1 million to come for Board approval.

Hsu noted that the threshold for faculty members might not be triggered for quite some time. He added his support for the proposed language.

In response to a question from Beeson, President Kaler stated that his administration realizes it is the Board’s desire to make the proposed changes. He offered his belief that while the changes will create more work and slow the approval process, the administration will do what the Board asks.

A motion was made and seconded, and the committee voted unanimously to recommend adoption of the proposed changes to the Board’s approval thresholds as stated in Board of Regents Policy: Reservation and Delegation of Authority.

**BOARD OF REGENTS POLICY: BOARD OPERATIONS AND AGENDA GUIDELINES**

Regent Beeson invited Executive Director Steeves to review proposed changes to Board of Regents Policy: Board Operations and Agenda Guidelines (BOAG), as detailed in the docket.

Steeves reminded the committee that the proposed changes were the result of a comprehensive review that took place over the last 18 months. He noted that review involved several conversations on various aspects of the policy with the committee. He reported that in addition to aligning the policy with current practice and clarifying language based on the committee’s discussions, the draft also codifies the Board’s new committee structure. Steeves outlined the major policy changes.

Regent Hsu sought clarification that under the proposed emergency approval language the Board chair, vice chair, and respective committee chair have the authority to approve an item that would otherwise be approved by the Board. He asked if this approval applies to the new approval thresholds just reviewed by the committee, suggesting that the language of when this approval process may be used seems too vague.

Steeves responded that BOAG currently allows the Board chair, vice chair, and respective committee chair to take action on behalf of the Board between regular meetings for specific situations stated in the policy. He reported that the current approval process is not used frequently and that he does not anticipate the revised language will increase its use. He observed that the emergency approval process, relabeled as the urgent approval process in the proposed language, is meant only for situations where waiting for a Board meeting will jeopardize a project or the ability of the University to move an initiative forward.

Hsu responded that the Board has the ability to call an emergency meeting and asked why that option would not be used instead. Steeves reported that calling an emergency meeting is at the discretion of the Board chair. He explained that regular, special, and emergency meetings all have different notice periods as defined by Minnesota Open Meeting Law. Hsu expressed concern that there could be both proper and improper uses of this delegation and noted his desire to ensure that the responsibility of the Board is not being usurped by a few members.

Regent Sviggum offered that the intent of the language is not different from current policy. He asked Hsu if that is his view as well. Hsu noted some question in the past regarding the interpretation of current policy. He restated his concern that decisions could be made that could not be undone and the Board would not be aware of them until afterward.
Sviggum asked whether significant changes were proposed for the approval process beyond the clarification in language. He offered his view that the Board should have a vehicle that gives a president an immediate decision when there is a serious health or safety risk without having to assemble the full Board.

Steeves noted that the emergency approval process is infrequently used, about eight times over the past two to three years. He explained that the proposed language does not seek to substantially change the way the approval works but adds increased transparency for the rest of the Board to be notified of an approval within five days.

Regent Omari noted that Hsu’s concern is about the current language and that the proposed language is not a substantial change. He offered that he shares Hsu’s concern and that the approval process could become problematic. He noted he tends to err on the side of the Board making a good judgment on who is elected to positions of leadership, both for the Board and administration.

Regent McMillan commented that the addition of the word “judicious” and the new timely reporting requirement are improvements. He offered that neither he nor Vice Chair Powell intends to use this process frequently. He explained that when it has been used, it is usually in a commercial context when there are short-term contracts that require approval before the next Board meeting, adding the last contract approved through emergency approval was fully cancelable after three months. McMillan stressed that the process will not be used to surprise the Board.

Sviggum offered his support for the proposed language and process. He suggested the notification of the full Board could happen within one day, not five.

Regent Johnson asked Hsu about his comments regarding obtaining information on this type of decision. He offered that while leadership has to take responsibility for decisions, good leadership will ensure that those decisions are vetted with those whom they are leading. He acknowledged that the vetting process is not always perfect in ensuring that all members are consulted.

Hsu shared a hypothetical example of a coach contract approval with a large buyout provision that the Board was unaware of. He stressed that he views the emergency approval process as possibly allowing a large contract to be approved by a subset of the Board, when the full Board should approve it. He stated that the process is not very transparent and does not allow the Board to exercise its fiduciary responsibilities.

Johnson responded that in his experience, Kaler and his administration would call Regents to consult and inform the Board on important issues. He noted that he has been impressed by that practice. He stated that he believes in transparency but that what is important is how that transparency is carried out in practice.

**TRANSPARENCY OF THE BOARD AND PUBLIC ENGAGEMENT**

Regent Beeson invited Executive Director Steeves and Maggie Flaten, Board Associate, Communications & Committees, to discuss transparency of the Board and how the Board engages with the public, as detailed in the docket.

Steeves explained the Board’s commitment to accountability. He noted that the Board’s operations, both in spirit and in practice, fall under the umbrella of Minnesota’s Open Meeting Law. He offered that the Office of the Board of Regents (OBR) works to ensure an open process to establish or amend Board policies, while ensuring that the Board’s 91 policies are clear and readily available online. He outlined ways the public has direct access to Regents, reminding
the committee that Regents each have an email that goes directly to them without any screening or access by OBR. He described examples of the wide variety of events across the system and around the state where the public can directly engage with the Board.

Flaten described the Board’s use of public forums and the reestablishment in 2017 of holding a Board meeting on a system campus outside the Twin Cities. She noted that the Board has used public forums to receive input on a variety of topics, from the operating budget to human participant research. She described the online forum process used last year for the operating budget in place of an in-person forum.

Flaten explained that with the Board’s new committee structure, more meetings are live streamed and archived on the Board’s YouTube channel. She noted that the Board’s approval process for substantial items, with a gap between review at one meeting and action at a subsequent meeting allowing time for the public to share input with the Board. She highlighted the Board’s website as a key tool for public engagement and transparency.

Flaten reported on the Board’s website usage statistics, the most visited pages, and the type of information users access. She highlighted the number of meeting material downloads and YouTube views in terms of live views and playback, noting that YouTube views have increased with the new committee structure. When compared to other Big Ten governing boards, the Board is one of only four using video streaming and archiving.

The committee engaged in a discussion regarding the use of public forums and broader public engagement for the operating budget process; the desire for the Board to be more actively engaged in public forums; linking public forums to other University events; holding public forums for other topics beyond the operating budget; and the possibility of holding forums across the system and around the state.

INFORMATION ITEMS

Executive Director Steeves referred the committee to the information items in the docket:

- Completed Comprehensive Review of Board Policy

The meeting adjourned at 9:15 a.m.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary
A meeting of the Board of Regents of the University of Minnesota was held on Friday, February 9, 2018 at 9:30 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

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

INTRODUCTIONS

Dean, Medical School

President Kaler introduced Jakub Tolar, Dean, Medical School, who began his appointment on October 23, 2017. He briefly addressed the Board.

APPROVAL OF MINUTES

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

- Mission Fulfillment Committee – December 14, 2017
- Audit & Compliance Committee – December 14, 2017
- Litigation Review Committee – December 14, 2017
- Finance & Operations Committee – December 14, 2017
- Governance & Policy Committee – December 15, 2017
- Board of Regents – December 15, 2017

REPORT OF THE PRESIDENT

President Kaler reported on several items, including the employee engagement survey; updates from around the system and on the Driven campaign; new initiatives related to transfer students; and the closing of the Child Development Center on the Twin Cities campus.

A copy of the Report of the President is on file in the Board Office.
REPORT OF THE CHAIR

Regent McMillan offered examples from the Board’s February agenda that demonstrate how the Board is working to achieve its priorities, including the recommendation by the Mission Fulfillment Committee of the Resolution Related to Diversity in Undergraduate Education on the Twin Cities campus; action on three collective bargaining agreements, which highlight the essential work of the University’s unionized employees; and through recent conversations and events with legislators regarding the University’s capital request.

McMillan explained that the University community has shared many comments and concerns regarding the proposed student group amendment to Board of Regents Policy: Student Conduct Code. To provide more time for consultation with students, faculty, and staff, McMillan stated that action on the proposed amendment will be postponed pending further consultation.

McMillan noted that the March meeting will be held at the Rochester campus. A copy of the Report of the Chair is on file in the Board Office.

RECEIVE AND FILE REPORTS

Regent McMillan noted the receipt and filing of the Summary of Expenditures.

CONSENT REPORT

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

- Gifts
- Report of the Naming Committee

McMillan stated that Regent Lucas is recusing herself from action on the Consent Report due to a potential conflict of interest related to a gift she made that is included in the report.

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

2017 UNIVERSITY PLAN, PERFORMANCE, AND ACCOUNTABILITY REPORT

Regent McMillan invited Provost Hanson to present for action the 2017 University Plan, Performance, and Accountability Report (report), as detailed in the docket.

Hanson outlined the changes made to the report since the Board reviewed it in December. She highlighted a summary document, created in collaboration with Vice President Kramer, that will be sent to state legislators and available for download on the University’s website. She expressed thanks to those who wrote the report, especially Marlo Welshons.

President Kaler thanked Hanson for the preparation of what he called an exceptional summary of the University’s work. He noted that while the summary document reflects the Board’s feedback, he is open to suggestions on how to make the report even more effective as a communication piece.
Regent Cohen expressed her thanks for the work on the report and noted the new summary document. She described the summary document as clear and effective, emphasizing the important information it contains. She suggested that while a legislator might not have time to read the full report, the summary document can be helpful in communicating the key information.

A motion was made and seconded, and the Board voted unanimously to accept the 2017 University Plan, Performance, and Accountability Report and approve the resolution, as follows:

WHEREAS, the Board of Regents (Board) and the president of the University are entrusted with the responsibility in their oversight of the University to be good stewards of the public interest, resources, and facilities; and

WHEREAS, it is the responsibility of the Board, in cooperation with the president, to articulate the directions and priorities of the institution; identify and analyze the critical issues and challenges confronting the University; assess its operations; and evaluate the performance and success of its colleges and campuses; and

WHEREAS, it was resolved that the University Plan, Performance, and Accountability Report (Report) shall include the priorities of the institution; statistical profiles of the University at the campus level; selected statistics related to system trends; University-wide strategies to achieve goals; summaries of accomplishments and investments; progress in institutional performance measures; and summaries of special institutional studies and reports; and

WHEREAS, on the recommendation of the executive vice president and provost, the president of the University requests the Board accept the 2017 Report.

NOW, THEREFORE, BE IT RESOLVED that the Board accepts the 2017 Report as submitted by the administration.

PROGRESS REPORT AND IMPLEMENTATION PLANS FOR PRESIDENT’S INITIATIVE TO PREVENT SEXUAL MISCONDUCT

Regent McMillan invited Dean John Finnegan, School of Public Health, and Associate Professor Karen Miksch, Department of Organizational Leadership, Policy, and Development, Twin Cities campus, to provide a progress report on the President’s initiative to prevent sexual misconduct (initiative), as detailed in the docket.

President Kaler reviewed the work being done to implement the initiative. He connected the initiative to the University’s mission, stating its objective as the creation of a culture of respect and safety in which all members of the University community are provided with opportunities to fulfill their goals.

Finnegan described the initiative’s goal of creating a climate of respect at the University to prevent sexual misconduct. He explained that the creation of such a climate requires the University to choose to change, and then to seek to lead and thrive. He placed the initiative within the context of public health and explained the key aspects of such an approach. He noted the categories of prevention and the essential shifts needed.

Finnegan defined the initiative’s assumptions and what is required to change University culture. He noted that a successful initiative may initially result in increased reporting of sexual misconduct. He indicated that as the culture shifts, communication and reporting will improve, which often increases the total number of reports.
Miksch presented the structure of the initiative’s working group and coordinating committee, noting that the initiative was shaped by a 30-day comment period. She described the two phases envisioned for faculty and staff training. She summarized the public health awareness campaign and progress around its design and implementation. Miksch also provided an update on student education and engagement; identified progress being made in the research and evaluation section of the initiative; and summarized the initiative’s goal for creating institutional responsibility and accountability.

Miksch reported that the University will again host content expert Alan Berkowitz. The visit will include a systemwide conference with chancellors and campus leaders, bystander training, and social norms training. She explained that the initiative will seek to ensure that every person in the University community has a way to meaningfully engage.

Regent Johnson commented that sexual harassment is a prevalent cultural idea. He offered his view that each individual has a responsibility to confront inappropriate behavior whenever they see it happening. He referenced his work as a pastor, and stressed the need for an environment where individuals can report sexual misconduct without fear of reprisal. Johnson stated his belief that the ease of digital communications used to harass individuals must be a part of any conversation addressing sexual misconduct. Johnson stressed that the University must move toward a culture where all people at all levels are treated with respect.

Regent Powell offered his agreement for the need to shift culture within the University, noting that it requires a firm and visible commitment by leadership. He complimented President Kaler on his visible leadership and encouraged all of the University’s leaders to be equally visible, including the Board. Powell shared that his goal is to reduce incidents of sexual misconduct to zero. He encouraged the administration to think of how the University can share what it is learning with other organizations across the state, including the Minnesota State system and high schools.

Finnegan agreed that academic institutions across all levels of education are dealing with the same issues. He noted that the University’s strength is the number of researchers who work in this or related fields who can help implement and evaluate the initiative. He added that this area of research needs improvement and that the University is uniquely positioned to do so. Finnegan concluded by stating that the initiative will seek to broadly disseminate the information it collects.

Regent Omari expressed his support for the public health approach and noted it is also an iterative process. He commented that the initiative requires individuals to examine what they are doing. He offered that Regents and administrators should question whether they are referring to female presenters by their first names when they refer to men by their titles. He stated that individuals need to think about microaggressions and how those maintain the current culture.

Omari explained his initial apprehension that employee training is only one 45-minute session. After reviewing the docket and noting the multiple phases of training outlined in the presentation, he supports the training process. Omari underscored the ways individuals identify along the spectrum of sexuality and how that relates to sexual misconduct. He noted that sexual misconduct existed before cell phones, adding that in his view, technology has also enabled increased reporting.

Miksch responded that Omari’s comments make her question how the University’s training can ensure that individuals are being introspective in the way he describes. She proposed that for too long, graduate and professional students, as well as post-doctoral students, have been told not to report sexual misconduct for fear it could negatively affect their careers. She emphasized the need to ensure that narrative is no longer tolerated. Miksch
agreed that the required training must be ongoing and ensure that employees develop the skills to report sexual misconduct.

Regent Beeson agreed with the other Regents and noted the University’s unique ability to use its expertise to address this issue broadly. He noted work already being done by the Aurora Center and other University resources that could be used to further the initiative.

In response to related questions about resources for research from McMillan and Beeson, Finnegan explained that the Centers for Disease Control has an active request for proposals to fund the type of research the University would pursue. He added that the National Science Foundation has a rule in place that creates the possibility that an institution could lose funding if issues like this go unaddressed.

Regent Lucas referred to the secondary prevention category, noting that it includes risk reduction. She suggested that alcohol often plays a role and wondered what steps can be taken to help new students to reduce that risk.

Finnegan commented that the initiative distinguishes alcohol as a possible contributing factor, but not a cause, of sexual violence. He acknowledged that many students have far easier access to alcohol at the University than what they experienced in high school, noting that the University has done a significant amount of work in this area, including training for incoming students. He reported a statistic that shows young women as being far more vulnerable to physical sexual assault and rape in the first few months of their first year of college, stressing that while he does not view alcohol as a cause, it as an amplifying factor as students move into young adulthood. He proposed integrating current trainings more as the initiative moves forward.

Miksch added that all students are encouraged to take a training on alcohol use and that the University has a high rate of completion. She emphasized the need for students to see campus as a place for assistance, even before they enter the University. She stressed the need to send a strong signal that the University is moving beyond compliance toward a model of prevention.

Regent Hsu expressed his appreciation for implementation, and recounted the Office of Civil Rights agreement leading to revised policies recently adopted by the Board. He referenced concerns shared with him by some employees regarding the new mandatory reporting provisions, noting his desire for the administration to be aware of those concerns as implementation proceeds. Hsu stressed the need for the University to fully investigate all reports that come in, noting issues experienced by other Big Ten institutions like Michigan State and Penn State. He reminded the Board of his concerns regarding some of the information and conclusions in the report related to Gopher Football, and reiterated that he would like to discuss that report.

McMillan stated that the Board and administration have worked to comprehensively overhaul and restructure the University’s policies and procedures. He offered that he looks forward to implementation of this public health approach and to further dialogue around services and support.

**REPORT OF THE FINANCE & OPERATIONS COMMITTEE**

Regent Anderson, chair of the committee, reported that the committee voted unanimously to recommend:
1) Adoption of proposed amendments to Board of Regents Policy: Health and Safety. A motion was made and seconded, and the Board voted unanimously to adopt the proposed amendments to the policy, as follows:

SECTION I. SCOPE.
This policy provides for the health and safety of the University of Minnesota (University) community.

SECTION II. DEFINITIONS.
Subd. 1. Health and Safety. Health and safety encompasses personal security; public safety; emergency preparedness; public health; workplace safety; protection of environmental and physical resources; and safe and healthful facilities.

Subd. 2. Member of the University Community. Member of the University community shall mean any:
   (a) University student;
   (b) University employee; or
   (c) third party who is engaged in any University activity or program, or who is otherwise interacting with the University, including, but not limited to, volunteers, contractors, vendors, visitors, and guests.

SECTION III. GUIDING PRINCIPLES.
The following principles shall guide the health and safety of the University community:
   (a) The University seeks to provide a safe, secure, and healthy environment in which members of the University community can achieve their educational, research, outreach, service, and employment goals.
   (b) The University is committed to providing a safe environment for members of the University community who participate in events or use resources, facilities, and services.
   (c) The University is committed to monitoring and addressing emerging health and safety issues.

SECTION IV. IMPLEMENTATION.
Subd. 1. Mutual Responsibility. Members of the University community shall comply with applicable health and safety policies, procedures, and laws in order to fulfill their mutual responsibilities for achieving excellence in health and safety. Supervisors have responsibility for the activities of those people who report to them.

Subd. 2. Delegation of Authority. The president or delegate shall maintain administrative policies and procedures and implement programs to promote and advance safe, secure, and healthy property and programs.

Subd. 3. Compliance. The University shall comply with all applicable health, safety, and environmental laws, regulations, and requirements.


2) Approval of the real estate transaction related to the purchase of the Keeler Apartment Building. A motion was made and seconded, and the Board voted unanimously to approve the real estate transaction.

3) Approval of an amendment to the FY 2018 Annual Capital Improvement Budget related to the Wrestling Practice Facility Renovation on the Twin Cities campus. A motion was made and seconded, and the Board voted unanimously to approve the amendment.
4) Approval of the resolution related to the proposed labor agreement with AFSCME Council 5, Locals 3800 and 3801. A motion was made and seconded, and the Board voted unanimously to approve the resolution, as follows:

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

WHEREAS, the AFSCME Council 5, Locals 3800 and 3801, have ratified acceptance of this agreement; and

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

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for February 8, 2018.

5) Approval of the resolution related to the proposed labor agreement with Graphic Communications Conference of the International Brotherhood of Teamsters Local 1-M. A motion was made and seconded, and the Board voted unanimously to approve the resolution, as follows:

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

WHEREAS, Local 1-M has ratified acceptance of this agreement; and

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

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for February 8, 2018.

6) Approval of the resolution related to the proposed labor agreement with Teamsters Local 320. A motion was made and seconded, and the Board voted unanimously to approve the resolution, as follows:

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

WHEREAS, the Teamsters Local 320, have ratified acceptance of this agreement; and

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

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for February 8, 2018.

7) Approval of the revised Consent Report for the Finance & Operations Committee as presented to the committee and described in the February 8, 2018 committee minutes.
A motion was made and seconded, and the Board voted unanimously to approve the Consent Report.

**REPORT OF THE AUDIT & COMPLIANCE COMMITTEE**

Regent Cohen, chair of the committee, reported that the committee discussed mitigation priorities for the Institutional Risk Profile; received an overview of the University’s cyber risk mitigation strategies; heard a report on the Twin Cities Intercollegiate Athletics control environment; and was updated on recent audit work performed by the Office of Internal Audits.

**REPORT OF THE LITIGATION REVIEW COMMITTEE**

Regent Beeson, chair of the committee, reported that pursuant to notice sent by the University, the Litigation Review Committee met on February 8, 2018. At this meeting, a resolution was considered and adopted that authorized the closing of the meeting. In the closed meeting, discussion was held on matters subject to the attorney-client privilege.

**REPORT OF THE MISSION FULFILLMENT COMMITTEE**

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

1) Approval of the resolution related to diversity in undergraduate education on the Twin Cities campus. A motion was made and seconded, and the Board voted unanimously to approve the resolution, as follows:

   WHEREAS, Board of Regents Policy: *Equity, Diversity, Equal Opportunity, and Affirmative Action* states that “a diverse student body enhances the academic and social environment for all students and prepares students to thrive in an increasingly diverse workforce and society”; and

   WHEREAS, the Twin Cities campus strategic plan identifies diversity as a strategic necessity for advancing the University mission and enhancing academic excellence; and

   WHEREAS, the University serves Minnesota by addressing the state’s most pressing problems including those related to ethnic, racial, and socio-economic disparities; and

   WHEREAS, at its March 2016 meeting, the Board of Regents (Board) endorsed a five-year enrollment plan for the Twin Cities campus; and

   WHEREAS, the African-American and Latinx populations in Minnesota are predicted to grow significantly over the next 30 years, with particularly high population concentrations in St. Paul and Minneapolis; and

   WHEREAS, retention and graduation rates for African-American, Latinx, and American Indian students are below the average rates for undergraduate students on the Twin Cities campus; and

   WHEREAS, African-American, Latinx, and American Indian students report lower satisfaction than the average of undergraduate students on the Twin Cities campus; and
WHEREAS, in March 2017, the Student Representatives to the Board of Regents recommended that the University collect and analyze disaggregated racial information from students in order to monitor and address the achievement gap; and

WHEREAS, in June 2017, the Board discussed increasing diversity in undergraduate enrollment at the Twin Cities campus.

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents (Board) directs the president to increase diversity in undergraduate education on the Twin Cities campus in the following ways:

1. Enhance and measure efforts with the Minneapolis and St. Paul public high schools to increase participation in University-sponsored recruitment events held throughout the Twin Cities.
2. Record and evaluate, on an annual basis, the number of direct contacts with students, and the specific places where the University is recruiting.
3. Reduce the four- and six-year graduation rate gaps for African-American, Latinx, and American Indian students by 50 percent by 2025 and establish a separate graduation rate goal for transfer students.
4. Collect, record, and monitor the rates for locally significant underrepresented populations not currently recorded, including but not limited to Hmong and East African populations in order to identify gaps in the four- and six-year graduation rates.
5. Improve the satisfaction of students of color and American Indian students with the Twin Cities campus climate by reducing the difference compared to all other domestic students by 50 percent by 2025, as measured by the Student Experience in the Research University (SERU) survey of undergraduates.

BE IT FURTHER RESOLVED that the president will report to the Board annually on these efforts, with the first report to the Mission Fulfillment Committee in December 2018.

2) Approval of the Consent Report for the Mission Fulfillment Committee as presented to the committee and described in the February 8, 2018 committee minutes. A motion was made and seconded, and the Board voted unanimously to approve the Consent Report.

REPORT OF THE GOVERNANCE & POLICY COMMITTEE

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

1) Adoption of proposed amendments to Board of Regents Policy: Reservation and Delegation of Authority. A motion was made and seconded, and the Board voted unanimously to adopt the proposed amendments to the policy, as follows:

ARTICLE I

RESERVATION OF AUTHORITY

SECTION I. GENERAL RESERVATIONS OF AUTHORITY.

Subd. 1. The Board of Regents reserves to itself all authority necessary to carry out its legal and fiduciary responsibilities under the University Charter, the Constitution of the State of Minnesota, and the Board of Regents (Board) Bylaws. This reservation
specifically includes all authority to enact laws and policies for the governance of the University of Minnesota (University) and to issue Board directives to executive officers and employees. The Board's reserved authority shall be exercised consistent with the University Charter, the Constitution of the State of Minnesota, Board Bylaws, and relevant Board policies.

Subd. 2. The Board reserves to itself authority to ensure constitutional and institutional autonomy, to approve the University's mission and vision, to set the overall direction of the institution, including the adoption of fundamental plans for the educational, financial, and physical development of the University, and to declare a fiscal emergency.

Subd. 3. No authority that the Board reserves to itself in this policy shall be exercised by any other person or body unless expressly authorized by Board policy or directive.

Subd. 4. The authority of the Board resides only with the Board as a whole and not in its individual members, except as the Board itself may have delegated specific authority to one of its members or one of its committees.

Subd. 5. The Board reserves to itself authority to approve the use, and revocation of the use, of its corporate name or any abbreviated name, including University of Minnesota, by any non-University person or entity, consistent with Board policies. The Board also reserves authority over the removal of the corporate name or any abbreviated name from the name of any University campus, college, school, division, or unit, consistent with Board policies.

Subd. 6. The Board reserves to itself authority to approve any matter delegated to the president in Article II, Section I of this policy if it raises unusual questions of public interest or public policy, has significant impact on the University’s mission, or poses a significant financial risk to the University.

Subd. 7. The Board reserves to itself authority to approve and submit any report to the State of Minnesota that impacts the University’s autonomy or addresses the performance of the University and/or its major initiatives. All other reports to the State of Minnesota that fall outside these criteria shall be provided to the Board upon submission to the state.

SECTION II. CONDUCT OF BOARD BUSINESS.

The Board reserves to itself authority to establish procedures for the conduct of its business, create committees, set its agenda, require reports from executive officers and employees, hear appeals, and enforce its code of ethics.

SECTION III. ELECTION OF BOARD OFFICERS.

The Board reserves to itself authority to elect and remove Board officers, including the president, chair, vice chair, secretary, and treasurer.

SECTION IV. APPOINTMENT AUTHORITY.

Subd. 1. The Board reserves to itself authority to appoint all individuals and approve any individually negotiated terms of employment, and significant amendments thereto, for those who serve in each of the following positions:

(a) Chancellor
(b) Chief Auditor
(c) Dean
(d) Division I Director of Intercollegiate Athletics
(e) Executive Vice President and Provost
(f) General Counsel
(g) Senior Vice President for Finance and Operations
(h) University Librarian and Dean of Libraries
(i) Vice Chancellor for Academic Affairs
(j) Vice President
(k) Such other administrative positions as the Board may specify from time to time.

The president shall recommend individuals for appointment to these positions, consistent with Board policies and directives.

Subd. 2. The Board reserves to itself authority to remove University officers as provided in the University Charter. The president (a) may remove the general counsel with Board approval and (b) may remove any other individuals appointed under subd. 1 of this section, except the chief auditor.

Subd. 3. The Board reserves to itself authority to appoint members of the boards of University-associated foundations, institutes, committees, and other bodies, consistent with Board policies.

SECTION V. ACADEMIC MATTERS.

Subd. 1. The Board reserves to itself authority to grant academic degrees, grant faculty indefinite tenure, grant continuous appointments to academic professionals, and award the title faculty emeritus, consistent with Board policies.

Subd. 2. The Board reserves to itself authority to establish, name, and abolish colleges, academic institutes, programs, and courses of study, consistent with Board policies.

Subd. 3. The Board reserves to itself authority to establish tuition and student fees and approve policies and reciprocity agreements related to such matters, consistent with Board policies.

Subd. 4. The Board reserves to itself authority to: (a) establish and review policies relating to the conduct of research and the receipt and accounting of sponsored research funds; (b) require timely reporting to the Board of sponsored research activity; and (c) establish limits for financial support to non-University entities for the commercialization of technology, as defined by Board of Regents Policy: Commercialization of Intellectual Property Rights.

Subd. 5. The Board reserves to itself authority to approve educational policies and procedures, in consultation with the president and the faculty governance process, consistent with Board policies. This policy is not intended to alter the relationship between the Board, the University Senate, and the faculties regarding educational policies.

SECTION VI. AWARDS, HONORS, AND NAMINGS.

Subd. 1. The Board reserves to itself authority to establish and bestow awards, honors, and recognition, consistent with Board policies.

Subd. 2. The Board reserves to itself authority to name and revoke names of University buildings and other assets, consistent with Board policies.

SECTION VII. BUDGETARY, FINANCIAL, AND INVESTMENT MATTERS.

Subd. 1. The Board reserves to itself authority to approve the following: annual operating budgets; the central reserves budget and minimum reserve level; and adjustments and amendments, consistent with Board policies. The Board also reserves to itself authority to approve any modifications to the central reserves budget and any expenditures from the central reserves general contingency account, consistent with Board policies.

Subd. 2. The Board reserves to itself authority to approve all requests for operating and capital budget appropriations from the State of Minnesota and positive or negative adjustments to the budget caused by a 1% or more change in total appropriations within a fiscal year.
Subd. 3. The Board reserves to itself authority to establish investment objectives, approve asset allocation guidelines, and approve the payout rate for endowment distributions.

Subd. 4. The Board reserves to itself authority to authorize issuance and retirement of debt and to engage debt advisers and/or underwriters, consistent with Board policies.

Subd. 5. The Board reserves to itself authority to accept gifts for the benefit of the University, consistent with Board policies.

Subd. 6. The Board reserves to itself authority to approve individual purchases of goods and services with a value greater than $1,000,000, consistent with Board policies.

SECTION VIII. PROPERTY, FACILITIES, AND CAPITAL BUDGETS.

Subd. 1. 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.

Subd. 2. The Board reserves to itself authority to approve 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.

Subd. 3. The Board reserves to itself authority to exercise the power of eminent domain to acquire land for University purposes.

Subd. 4. The Board reserves to itself authority to (a) exercise property owner rights regarding the designation, decommissioning, or demolition of historic resources; and (b) take final action on all environmental reviews of historic resources initiated by the administration for which the University is the responsible governmental unit, consistent with Board policies and applicable state and federal laws.

Subd. 5. The Board reserves to itself authority to approve campus master plans and amendments thereto.

Subd. 6. The Board reserves to itself authority to approve multi-year capital plans consisting of projects with a value greater than $1,000,000 or a value anticipated to be greater than $1,000,000 if a cost estimate has not yet been established.

Subd. 7. The Board reserves to itself authority to approve annual capital budgets consisting of projects with a value greater than $1,000,000.

Subd. 8. The Board reserves to itself authority to approve capital budget amendments to approved projects and new projects when the amendment has a value greater than $1,000,000.

Subd. 9. The Board reserves to itself authority to approve project schematic plans, or significant amendments thereto, for any project or amendment with a value greater than $1,000,000.

SECTION IX. LEGAL MATTERS.

The Board reserves to itself, or to one of its committees, authority to direct the president or the general counsel to settle any legal claim or initiate or appeal a lawsuit or administrative proceeding, consistent with Board policies.

SECTION X. AUDIT FUNCTION.

The Board reserves to itself authority to adopt policies regulating the audit function; approve selection of external auditors and the chief auditor; and evaluate the performance of the independent auditor, and, jointly with the president, the performance of the internal audit function.
SECTION XI. EMPLOYMENT AND LABOR RELATIONS.

Subd. 1. The Board reserves to itself authority to approve all contracts and other agreements with the exclusive collective bargaining representatives of its employees.

Subd. 2. The Board reserves to itself authority to approve civil service rules and annual pay and benefit plans for University employees.

Subd. 3. The Board reserves to itself authority to establish or discontinue retirement plans for University faculty and staff. For those plans sponsored by the University and governed by formal plan documents, the Board reserves to itself authority to approve amendments to those plans.

Subd. 4. The Board reserves to itself authority to approve individually negotiated employment agreements, and significant amendments thereto, when such agreements have a total value of more than $1,000,000. For purposes of this subdivision, total value shall mean the potential amount due to the employee if the University terminated the employment agreement without cause. For faculty positions as defined by Board of Regents Policy: Faculty Tenure, this subdivision only applies when the faculty member’s first year compensation is set at more than $1,000,000, or when individually negotiated terms of employment create a potential amount due to the faculty member of more than $1,000,000 if the faculty member’s appointment were terminated.

Subd. 5. The Board reserves to itself authority to review individually negotiated employee severance agreements of unusual importance or significance.

SECTION XII. ASSOCIATED ORGANIZATIONS.

The Board reserves to itself authority to approve the legal structure and scope of any relationship between the University and any associated organization, non-profit corporation, foundation, institute, or similar entity that substantially relies upon University resources or personnel to carry out its mission.

ARTICLE II

DELEGATION OF AUTHORITY

SECTION I. DELEGATION OF AUTHORITY TO THE PRESIDENT.

The Board delegates to the president authority to act as chief executive officer of the University, with such general executive management and administrative authority over the University as is reasonable and necessary to carry out the policies and directives of the Board, subject to the limitations noted in Article II, Section II below.

SECTION II. LIMITATIONS UPON PRESIDENTIAL AUTHORITY.

The authority delegated to the president is limited by the following:

(a) the provisions of the University Charter and the Constitution of the State of Minnesota;
(b) the provisions of Board Bylaws;
(c) the provisions of Board policies and directives, including specifically Article I of this policy; and
(d) the directive that the president shall notify the Board of any matter not otherwise addressed in this section that significantly involves the authority and role of the Board, including its fiduciary, oversight, and public accountability responsibilities.
SECTION III. DELEGATION OF AUTHORITY BY THE PRESIDENT.

Subd. 1. Unless otherwise restricted by specific Board policies or directives, the president shall be responsible for delegating general executive management and administrative authority to other executive officers and employees as necessary and prudent, including authority to execute contracts and other legal documents. The president may condition, limit, or revoke any presidential authority so delegated.

Subd. 2. All delegations and revocations under this section shall be in writing, name the position to whom such authority is delegated, describe the scope and limitations of such authority, and prescribe the extent to which such authority may be further sub-delegated.

Subd. 3. All delegations and revocations under this section shall be reviewed as to form, legality, and consistency by the general counsel.

Subd. 4. Annually, the president shall report to the Board significant changes to the delegations.

SECTION IV. DELEGATION OF AUTHORITY TO THE CHAIR AND VICE CHAIR.

The chair and vice chair of the Board shall have such authority as is authorized by Board Bylaws and policies and is customarily exercised by such officers of a corporation. The chair shall have authority to execute any and all instruments and documents on behalf of the Board.

SECTION V. DELEGATION OF AUTHORITY TO THE BOARD SECRETARY, TREASURER, GENERAL COUNSEL, AND CHIEF AUDITOR.

The secretary, treasurer, general counsel, and chief auditor shall have authority to perform such duties for the Board as provided by Board Bylaws, policies, and directives.

The secretary shall have authority to execute such instruments and documents that would customarily devolve upon a corporate officer and are usual to that office.

The secretary and the general counsel shall have authority to accept legal service on behalf of the University.

SECTION VI. CONFORMANCE WITH THIS POLICY.

Subd. 1. Any request or demand by a Board member for action must be consistent with the written policies, rules, and regulations of the Board and the University.

Subd. 2. No executive officer or employee of the University shall have any authority to take any action or make any representation on behalf of the University beyond the scope of, or materially inconsistent with, the authority delegated to such executive officer or employee as provided in this policy.

Subd. 3. The secretary and the general counsel each shall have the duty to inform the Board of any existing or proposed Board policy or directive that is inconsistent with or alters the delegations of authority as provided in this policy.


SYSTEMWIDE STRATEGIC PLAN:
OUTREACH & PUBLIC SERVICE

Regent McMillan invited Vice President Kramer to review outreach and public service within the context of a systemwide strategic plan (plan), as detailed in the docket.
Kramer commented that his goal for reports like the *University Plan, Performance, and Accountability Report* is to create summary documents that take dense, valuable information and distill it into crisp, accessible summaries. He noted that he envisions having the summary documents be the main communication pieces with the full report living online, which will save printing costs to the University.

Kramer described the systemwide vision for examining outreach and public service, and summarized the charge from President Kaler. He explained that his approach for this area of the plan is to be stakeholder-centric, focusing on what stakeholders expect from the University, not what the University thinks that stakeholders should want. He defined the elements of a stakeholder-centric approach, offering the example of the University’s work in transportation studies to illustrate the concept.

Kramer detailed the process used to determine stakeholder groups, reporting that 67 groups were identified. He explained that University Relations does not have the resources to fully examine all 67 groups, so the focus is on four groups: alumni/parents/elected officials/interested third-parties; media; youth organizations; and affinity groups. Kramer defined each group and provided recommendations to create more efficient engagement, reduce overlap across the University, and save resources. He shared the next steps for advancing each stakeholder group’s recommendations.

Kramer summarized work being done to improve systemwide communication. He recounted the collaborative approach used with system communicators to define how best to improve communication. He reported that shared values and principles have been identified, and that a common language for communicating about the University system has been codified. Kramer explained that the creation of a systemwide marketing and communication strategy is underway, as is a refined branding system.

McMillan praised Kramer’s emphasis on a systemwide focus.

Regent Beeson expressed his support and appreciation for Kramer’s work to support the system. He offered that the components presented offer a strategic approach to this area of the University’s mission that is practical and cost effective.

In response to a question from Regent Omari, Kramer noted that he has found multiple definitions used for engagement at the University. He identified engagement as being defined by intimacy, describing a stakeholder as almost like a customer. He contrasted that type of relationship against the example of organizations thinking engagement is mailing a publication to an individual without that person requesting it. Kramer argued that without a direct request, the information will not connect with that person. Instead, he proposed that engagement requires the stakeholder to express their interest in a topic and for the University to listen and provide that information.

Omari responded that the way the University defines and uses the term engagement is important for those charged with carrying out the work of engagement. He expressed his agreement that a common understanding of terms and a clear understanding of objectives are crucial to success.

Regent Hsu expressed appreciation for the presentation and highlighted the University’s network of experts as an example of excellent outreach already being done. He described the connection of University experts to media outlets as showcasing the University’s expertise while connecting that expertise directly to the public. He added that he views this type of engagement as elevating the University’s brand.
Regent Powell noted that Kramer’s approach involves a significant amount of change for the University, asking how Kramer envisions managing that change. Powell asked about the type of national messages or messaging platforms the University will utilize to increase the University’s national standing.

Kramer responded that the University will use best practices to manage the change but acknowledged that it will be difficult. He pointed to the University’s network of experts as one way to increase national attention. He suggested that focusing on building relationships with national media outlets, as well as outlets that are content specific, will help highlight the University’s work. Kramer offered as an example the University’s development of wheat varieties, commenting that what might be a small story to a national media outlet could be a significant story to a national publication focused on agriculture.

**UNIVERSITY OF MINNESOTA ECONOMIC IMPACT**

Regent McMillan invited Vice President Kramer and Assistant Vice President Lincoln Kallsen to give an overview of the University’s economic impact, as detailed in the docket.

Kramer explained that the University worked with Tripp Umbach to study its total economic impact on the State of Minnesota. He summarized the study’s methodology and results, noting that the University’s total economic impact using 2017 data is $8.6 billion. He reported that the University supports 77,644 jobs, and that one in every 47 jobs in the state is attributable to the University. Kramer shared that for every dollar invested in the University, the University returns $13.83 to Minnesota’s economy.

In response to a question from Regent Sviggum, Kramer stated that the University paid Tripp Umbach $49,000 to complete the study.

Sviggum cited a quick survey he had done of other Big Ten institutions and Tripp Umbach studies. He observed that none of the studies he found shows a negative economic impact by a university. He noted that Tripp Umbach appears to be using the same press release across multiple institutions. Kramer assured Sviggum that the University would draft its own press release and use other methods crafted by University Relations to report this information to the public. He commented that while he is unsure whether the University has the capacity to complete this type of study internally, he stressed the importance of having this information to share with the people of Minnesota and demonstrate the University’s dollar and employment impact. Sviggum agreed, but noted it is hard for him to accept that every university in every state has a positive economic impact.

Regent Beeson suggested that flagship universities are the economic development leaders in their respective states and added that he will not be surprised if results look similar across the nation. He expressed his belief that reports of this type are necessary given criticism leveled at the University that it is not measuring its economic impact.

Sviggum responded that while he agrees the study is important, the results showing no institution failing to generate an economic return cast doubt on those results.

**NEW BUSINESS**

Regent McMillan acknowledged the presence of a large group that had joined the audience. He stated that the Board, in response to the administration’s request, had withheld action on proposed changes to Board of Regents Policy: *Student Conduct Code* and removed it from the agenda. McMillan emphasized that the Board would not consider action until significant
consultation with faculty and students occurred. He added that following the meeting, he was willing to visit with members of the audience to discuss their concerns.

McMillan also acknowledged that some in the audience had a strong interest in the proposed closure of the University’s Child Development Center. He committed to engaging with other Regents, along with President Kaler and Provost Hanson, to find a solution. He expressed that the Board is listening to the University community, noting the significant amount of feedback already received.

The meeting adjourned at 12:01 p.m.

BRIAN R. STEEVES
Executive Director
and Corporate Secretary
A special meeting of the Board of Regents of the University of Minnesota was held on Thursday, March 8, 2018 at 3:00 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Abdul Omari, presiding; Thomas Anderson, Richard Beeson, and Darrin Rosha. Linda Cohen, Michael Hsu, Dean Johnson, Kendall Powell, and Steve Sviggum participated by phone.

Staff present: Vice Presidents Bernard Gulachek and Matt Kramer; General Counsel Douglas Peterson; Executive Director Brian Steeves; and Associate Vice Presidents Julie Tonneson and Michael Volna. President Eric Kaler participated by phone.

President's Recommended Supplemental 2018 State Budget Request

Regent Omari invited President Kaler and Vice President Kramer to present for action the President’s recommended supplemental 2018 state budget request (request), as detailed in the docket.

Kaler stated that tuition affordability had been a top priority of his administration. He noted that the University has kept tuition increases to a minimum for Minnesota resident undergraduate students during his tenure. Given that the State of Minnesota anticipates a surplus in the current biennium, he recommends amending the University’s request to seek a $10 million state investment that would allow the University to continue prioritizing affordability across the system.

Kramer outlined the request. He shared that both the legislative and executive branches have signaled openness to modest supplemental budget requests given the budget surplus, and expressed optimism that the request will be viewed favorably. He described the request as a restoration of funding, given that the biennial budget reduced the University’s allocation by $10 million in the second year of the biennium. Kramer indicated that Minnesota State also plans to submit a supplemental request seeking funds not reallocated in the second year of the biennium, but is adding $21 million for new technology funding.

Kramer stated that if the University receives the request, it will seek to use the funding to freeze resident undergraduate tuition across the system. If tuition is frozen, it would mean that since 2012 resident undergraduate tuition on the Twin Cities campus will have increased 0.8 of one percent and 0.36 of one percent for all other campuses, annually.

A motion was made and seconded to approve the resolution related to the supplemental 2018 state budget request, as follows:

WHEREAS, the University of Minnesota (University), the state’s only public, land grant university, is charged with the responsibility to pursue knowledge through research and discovery, and apply this knowledge through teaching and learning, and outreach and public engagement; and
WHEREAS, the FY 2018 state appropriation to the University includes a one-time amount of $10,000,000 thus creating an overall decrease of state appropriation of the same amount for FY 2019; and

WHEREAS, the University allocated the $10,000,000 one-time appropriation in FY 2018 to one-time repair and renovation projects throughout all the campuses; and

WHEREAS, the incremental new appropriation would be used in the FY 2019 budget to hold resident undergraduate tuition rates on all campuses flat – equal to the rates approved by the Board of Regents for FY 2018,

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents approves the University’s Supplemental 2018 State Budget Request to the Minnesota Legislature in the amount of $10,000,000 in recurring funds from the State of Minnesota.

Regent Beeson offered his support, stating that he views the request as reasonable given the projected state surplus. He highlighted the University’s recent record, citing the very modest increases in resident undergraduate tuition. He added that keeping resident tuition increases low is a hallmark of the Kaler administration.

Regent Cohen expressed her support for the request. She highlighted the resident undergraduate trend since 2012 as helping Minnesota students and families, and characterized the request as being of great service to the state.

Regent Hsu offered his support for the goal of freezing resident undergraduate tuition, but suggested that the University should be able to freeze tuition on its own and use any additional investment from the state to reduce tuition.

Hsu moved the following amendment to the resolution:

WHEREAS, the incremental new appropriation would be used in the FY 2019 budget to hold reduce resident undergraduate tuition rates on all campuses flat – equal to below the rates approved by the Board of Regents for FY 2018,

The amendment was seconded.

Regent Anderson explained that while he supports the idea of reducing resident undergraduate tuition, he will vote against the amendment. He suggested that the full Board consider the merits of this approach at a time when all Regents are present.

Cohen expressed her opposition to the amendment.

Regent Johnson noted that this meeting is not the time to discuss reducing tuition, and that he will vote against the amendment.

Regent Powell offered his support for freezing tuition, noting that the administration studied this option and has expressed confidence in obtaining the funding. He suggested that today’s action does not preclude the Board from considering a tuition reduction later.

In response to a question from Regent Rosha, Associate Vice President Tonneson explained that the $10 million from the first year of the biennium was used for one-time repair and renovation projects across the system.
Rosha commented that since the $10 million from the first year of the biennium was not used to supplement tuition revenue, the Board has more flexibility for the request if it is funded. He noted that in his view, the Board is on the same page in seeking to increase affordability for resident undergraduates, and that the debate is focused more on the strategy to achieve that goal.

Rosha offered his support for the amendment, stating that it better positions the request for success with the legislature. He noted that many legislators feel that the University should be able to freeze resident undergraduate tuition on its own. He cautioned that legislators might view the request as removing the pressure on the University to create new efficiencies and control costs to freeze tuition on its own. He proposed reframing the request with that message.

Rosha referenced previous disagreement with Regent Sviggum on the size of legislative requests. He reiterated his concern that the University’s request may put it at a disadvantage when compared with Minnesota State’s request for $31 million.

Kramer responded that the legislature’s practice with capital requests is to apply an across-the-board percentage decrease. He suggested that based on conversations with legislative leadership, the University’s request is being viewed as reasonable in that it seeks to restore lost funding. He offered that Minnesota State’s strategy could backfire.

Rosha stressed that if the University does not receive the $10 million, it does not mean that resident undergraduate tuition must be increased. Instead, he suggested the University continue to work toward affordability for Minnesotans regardless of the outcome of the request.

Regent Sviggum expressed his support of the President for bringing the request to the Board. He offered that he views it as new funding since the legislature did not allocate the additional $10 million when it passed the biennial budget. He suggested that the University could and must do better to control costs, and will may have to do something dramatic to do so. He added that the content of the amendment is more appropriate for the budget discussion in May, but is a step in the right direction.

Hsu stated that he does not view the request as the best strategy to obtain the additional funding. He agreed with Rosha that the legislature could view the request as the University not taking responsibility to control costs. He shared his view that he has not observed much progress in cost control since last summer. Hsu suggested the legislature is waiting for the University to cut costs before providing new funding.

Omari called for a roll call vote on the Hsu amendment. The vote was as follows:

- Regent Anderson: No
- Regent Beeson: No
- Regent Cohen: No
- Regent Hsu: Yes
- Regent Johnson: No
- Regent Lucas: Absent
- Regent McMillan: Absent
- Regent Powell: No
- Regent Rosha: Yes
- Regent Simmons: Absent
- Regent Sviggum: Yes
- Regent Omari: Yes

Four votes were cast in favor of the motion and five votes were cast against the motion. The Hsu amendment failed.
Sviggum stated his concern with asking for the $10 million as recurring funding. He offered his preference not to create a tail in an out biennium, noting that the state budget forecast showed only a modest structural balance going forward. He wondered if not requesting it as a recurring appropriation increases the possibility of success.

Kramer responded that requesting the $10 million to be recurring strengthens the University’s position going forward. He noted that the University’s base funding will be set by the previous biennium. He suggested that having the $10 million as recurring means that any cuts will start from a higher total appropriation. Sviggum reiterated his view that recurring language puts the request in a weaker position with the legislature. Kaler explained that it is worth asking for the $10 million to be recurring as a starting point. He noted that the University can always adjust its position.

Beeson emphasized that the lack of consistent increases by the State of Minnesota over the past 12 years is the main issue. He noted the University’s patience in seeking additional funding and that it is reasonable to ask for recurring money. Sviggum responded that the University received an increase in the first year of the biennium.

Anderson noted that just because the University asks for the funds to be recurring does not mean it will happen. He suggested that the University could still secure the funds as a one-time appropriation. Kramer agreed, adding that he prefers to ask for the funding as recurring given that consistently securing funding as one-time appropriations is more difficult.

Hsu stated that the Board and administration need to take a serious look at forming the FY 2019 operating budget, regardless of any supplemental funding. He urged the Board not to automatically consider increasing tuition if the state does not provide the additional funding.

Omari called for a roll call vote on the resolution as presented. The vote was as follows:

- Regent Anderson: Yes
- Regent Beeson: Yes
- Regent Cohen: Yes
- Regent Hsu: No
- Regent Johnson: Yes
- Regent Lucas: Absent
- Regent McMillan: Absent
- Regent Powell: Yes
- Regent Rosha: Yes
- Regent Simmons: Absent
- Regent Sviggum: Yes
- Regent Omari: Yes

Eight votes were cast in favor of the resolution and one vote was cast against the resolution. The resolution related to the supplemental 2018 state budget was approved.

The meeting adjourned at 3:36 p.m.
AGENDA ITEM: Report of the President

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler

PURPOSE & KEY POINTS

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

March 23, 2018

AGENDA ITEM: Report of the Chair

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

It is customary for the Chair to report on items of interest to the University community at each Board meeting.
Board of Regents  
March 23, 2018

AGENDA ITEM: Receive & File Reports

☐ Review  ☐ Review + Action  ☐ Action  X Discussion

X This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

The following items are included for receipt and filing:

A. Quarterly Report of Grant and Contract Activity
B. Eastcliff Annual Report
C. Finance & Operations Committee Information Items - Real Estate Transactions

In anticipation of bringing the following real estate transactions for action by the Finance & Operations Committee in May, the Real Estate Office is providing the following information regarding three real estate transactions for the Board's review:

- Sale of the property at 2642 University Avenue, St. Paul, Minnesota.
- Sale of 0.19 acres of isolated property located in the northwest corner of the University of Minnesota Morris Campus.
- Lease of 9,383 rentable square feet of collaborative classroom and laboratory space located within the Destination Medical Center, Rochester, Minnesota for the University of Minnesota Rochester.
Meeting of the Board of Regents

Quarterly Report of Grant/Contract Activity

Fiscal Year 2018
Second Quarter Data: October - December, 2017
Executive Summary

Fiscal year-to-date, the university had an increase in sponsored research funding of $14.3 million, which is a 3.0% increase in funding over this time last year. The larger number of awards that the university received thus far this year is buoying the year-over-year increase. Funding from Private sources has been on the decline thus far this year. Despite the decrease in funding from NSF in quarter two, it's still up fiscal year-to-date. Funding from State & Local sources increased by $15.4 million (31.9%) fiscal year-to-date, and most of the increase is from more high-dollar awards. The Medical School is down $4.1 million (3.3%) thus far this fiscal year, primarily due to less funding from large awards compared to last year.

The university had a $17.6 million decrease in sponsored research funding in quarter two, which is a 9.6% decline when compared to quarter two of last fiscal year. The award count between these two quarters has been essentially the same. This decrease in funding is caused by fewer high-dollar awards this year. If high-dollar awards are excluded from the analysis, the average award amounts of quarter two this year and quarter two of last year are essentially equal. There may be some element of timing incorporated into this year's lower quarter two numbers, however. For example, a historically $5 - 8 million award for "Evaluating New Nicotine Standards for Cigarettes" typically received in quarter two is expected in quarter three. Another large award that was historically received in quarter two was an approximately $5.5 million award for the "C-SPIN: Center for Spintronix Materials, Interfaces;" this five-year award has ended.

Ultimately, despite the decline in funding in quarter two, the university is showing an increase in award funding thus far this fiscal year when compared to last year.
Quarter 2 Key Points

- Both award count and amount were down in Q2 FY2018 (18 and $17.6M, respectively).
- The average award amount in Q2 FY2018 was lower than Q2 FY2017 by $13.2K.
- The decrease in funding is due to fewer $1M+ awards this quarter. In Q2 FY2017, the university received six more 1M+ awards, totalling $17.9M.
- Excluding $1M+ awards, the average award amounts for Q2 FY2018 and Q2 FY2017 are essentially the same ($1.4K higher in Q2 FY2018).
- NSF did not fund any $1M+ awards in Q2 FY2018, but funded three last year for a total of $8.9M.
- Business & Industry sponsors awarded fewer $1M+ awards in Q2 FY2018 than in Q2 last year. This resulted in $8.1M less funding in terms of $1M+ awards.
- Funding from Other Private sources dropped $8.2M (15.8%); $6.9M of this decline is from four fewer $1M+ awards this year.
- The drop in Other Federal funding is primarily due to $7.9M less in funding from $1M+ this year compared to last year.
- The State of Minnesota funded one more $1M+ award in Q2 FY2018 resulting in $4.1M more in funding than received in Q2 FY2017.

- The College of Science and Engineering funding decreased by $11.9M (27.7%) in Q2 FY2018. The college received $12.9M less in funding from $1M+ awards.
- Funding for the Medical School dropped $9.1M (16.6%) this year. The school received $3.8M less from $1M+ awards this year. This suggests that a smaller average award amount is the driver of its funding decline.
- CEHD funding increased by $3.7M (27.2%) this year. Only $835K of this increase is from $1M+ awards, which suggests that the larger award count drive the increase.

Comparison of FY18 Q2 to FY17 Q2

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NOTE: Amounts are represented in millions, therefore details may not sum to totals due to rounding.
University of Minnesota
Quarterly Report of Grant and Contract Activity
Fiscal Year 2018 Second Quarter: October - December, 2017

Figure 1: FY18 Q2 Award Dollars by Funding Source

Private
- Business & Industry $16.2
- Other Private $43.7

Federal
- NIH $36.6
- NSF $9.4
- Other Federal $45.4

State & Local
- $15.1

Figure 2: FY18 Q2 Award Dollars by College-Campus

Medical School $45.7
- College of Science and Engineering $31.1
- CFANS $12.7
- CEHD $17.4
- Dentistry, Nursing, Pharmacy & Vet Med $11.1
- Other Health Sciences $15.5
- Public Health $14.0
- Other $5.3
- Other TC Provost $4.1
- CBS $3.8
- UMC, UMD, UMM, UMR $3.6

NOTE: Amounts are represented in millions, therefore details may not sum to totals due to rounding.
Quarter 2 Award Dollars by College/Campus

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

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

*Other Units includes: Ag Experiment Station, College of Continuing Education, Equity & Diversity, UM Rochester, University Health & Safety.
Amounts are in millions.
Fiscal Year-to-Date Summary

- FY2018 has had 159 more awards and $14.3M more in funding than FY2017 thus far.
- FY2018 has had ten fewer $1M+ awards, resulting in an $8.6M decline in funding from these high-dollar awards.
- The average award amount for FY2018 YTD is about $6.1K less than that of FY2017 YTD ($184.8K compared to $190.9K).
- Excluding $1M+ awards, funding in FY2018 YTD is $22.9M higher than that of FY2017 YTD; the average award amount for FY2018 YTD is about $1.7K more than that of FY2017 YTD ($125.9K compared to $124.2K).
- Funding from Business & Industry sponsors has declined by $12.1M (28.5%) thus far. These sponsors have also funded $15.8M less this year than last year in $1M+ awards.
- Other Private funding is down $7.8M (8.8%); only $2.4M of this decline can be attributed to drops in $1M+ funding.
- NSF funding has increased $12.1M (22.1%) FYTD and $7.1M of the increase comes from $1M+ awards.
- State & Local funding has increased $15.4M (31.9%) FYTD. Most of this increase ($12.9M) is from $1M+ awards.
- The Medical School's funding has declined by $4.1M (3.3%) thus far. It has also received $9.4M less in funding from four fewer $1M+ awards.
- The School of Public Health's significant decline in funding is due to the drop in $1M+ award funding explained in last quarter's report.
- CFANS funding has declined $2.2M (5.3%) thus far. It has received $4.4M less from $1M+ awards FYTD.
- Aside from these two schools, all other colleges show an increase or a minimal decrease.

Comparison of FY18 Fiscal Year-to-Date (Q2) to FY17 Fiscal Year-to-Date (Q2)

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<td>Business &amp; Industry</td>
<td>Number</td>
<td>707</td>
<td>739</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amount</td>
<td>42.4</td>
<td>30.3</td>
</tr>
<tr>
<td>Private</td>
<td>Other Private</td>
<td>Number</td>
<td>760</td>
<td>744</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amount</td>
<td>88.4</td>
<td>80.6</td>
</tr>
<tr>
<td>State &amp; Local</td>
<td>State &amp; Local</td>
<td>Number</td>
<td>210</td>
<td>216</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amount</td>
<td>48.3</td>
<td>63.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>Number</td>
<td>2473</td>
<td>2632</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amount</td>
<td>472.0</td>
<td>486.3</td>
</tr>
</tbody>
</table>

by College/Campus

<table>
<thead>
<tr>
<th>by College/Campus</th>
<th>FY17 YTD</th>
<th>FY18 YTD</th>
<th>$ Change (Amount)</th>
<th>$ Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical School</td>
<td>789</td>
<td>901</td>
<td>-112.3</td>
<td>-3.3%</td>
</tr>
<tr>
<td>College of Science and Engineering</td>
<td>391</td>
<td>394</td>
<td>3.6</td>
<td>3.7%</td>
</tr>
<tr>
<td>Other Health Sciences</td>
<td>366</td>
<td>341</td>
<td>-24</td>
<td>-9.8%</td>
</tr>
<tr>
<td>CFANS</td>
<td>221</td>
<td>211</td>
<td>-10.2</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Public Health</td>
<td>136</td>
<td>136</td>
<td>24.3</td>
<td>-39.6%</td>
</tr>
<tr>
<td>Dentistry, Nursing, Pharmacy &amp; Vet Med</td>
<td>133</td>
<td>160</td>
<td>8.3</td>
<td>34.0%</td>
</tr>
<tr>
<td>CEHD</td>
<td>113</td>
<td>109</td>
<td>-4.7</td>
<td>-48.1%</td>
</tr>
<tr>
<td>Other TC Provost</td>
<td>64</td>
<td>89</td>
<td>-15.3</td>
<td>-27.9%</td>
</tr>
<tr>
<td>Other</td>
<td>80</td>
<td>55</td>
<td>-25</td>
<td>-42.1%</td>
</tr>
<tr>
<td>CBS</td>
<td>48</td>
<td>94</td>
<td>8.8</td>
<td>86.6%</td>
</tr>
<tr>
<td>CLA</td>
<td>52</td>
<td>60</td>
<td>8.0</td>
<td>116.6%</td>
</tr>
<tr>
<td>UMC, UMD, UMM, UMR</td>
<td>80</td>
<td>82</td>
<td>0.6</td>
<td>6.7%</td>
</tr>
<tr>
<td>Total</td>
<td>2473</td>
<td>2632</td>
<td>14.3</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

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

Quarter 2 Award Dollars with ARRA

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

Quarter 2 Award Dollars without ARRA

Amounts are in millions.
EASTCLIFF ANNUAL REPORT

July 2016 – June 2017

Residence of the President of the University of Minnesota

Managed by the Office of the President and Facilities Management

Report reviewed and submitted by: Eastcliff Advisory Board
March 2018
BACKGROUND

In 1922, Mr. Edward Brooks, a local lumber baron, and his wife Markell Conley Brooks, commissioned C.H. Johnston Jr., an architect of record for the University of Minnesota, to create a home for his family. The resulting two-story, twenty-room house reflects the family's understated taste as well as the Brooks' lumber heritage. Walnut, ash, cherry, cypress, knotty pine, and bleached oak were used in the construction and detailing; the unusually thick and wide, white clapboard siding was custom cut, and nine fireplaces allowed the Brooks family to burn wood from their lumberyards. Because of its perch atop the eastern cliffs of the Mississippi River, the Brooks family began calling the home Eastcliff – a name still used to this day.

In 1958, the Brooks family graciously donated their majestic home to the University of Minnesota. Today, surrounded by a white wooden fence, Eastcliff occupies approximately two acres and serves as a living laboratory. Faculty in design and architecture assist with renovations and improvements to the home and grounds. Artwork within the residence is on loan from University of Minnesota museum collections and in the gardens, sculpture further accentuates the property.

Since 1961, eight University of Minnesota presidents and their families have resided in Eastcliff. In addition to housing current president, Eric W. Kaler, and his wife, Karen Kaler, Eastcliff serves as a special gathering place for official University functions. Its historic architecture, welcoming public spaces, and manicured grounds provide a comfortable setting for friends of the University – students, faculty, staff, alumni, donors, community leaders, and public officials, as well as dignitaries from around the world. A carriage house, summerhouse, pool, and terraces enrich the property and extend the visitor's experience beyond the main residence.

The Friends of Eastcliff (FOE) and Eastcliff Technical Advisory Committee (ETAC) were created by the Board of Regents in the late 1980s to provide assistance and advice on matters related to the oversight of Eastcliff. In 2014, FOE was repositioned as an advisory board and renamed the Eastcliff Advisory Board (EAB). Both committees report directly to the Board of Regents. The EAB plays a key role in advising the Board of Regents on plans and major expenditures related to Eastcliff, assisting in the solicitation of private resources to support Eastcliff, and bringing internal and external perspectives to conversations about Eastcliff. ETAC brings subject matter expertise to the management of Eastcliff by making recommendations for the improvement, maintenance, operations, and use of the home in accordance with its designation on the National Register of Historic Places and its unique public and private uses. These two committees ensure Eastcliff presents an image worthy of the University's rich history and tradition.
EASTCLIFF ADVISORY BOARD

On February 14, 2014, the Board of Regents voted to reposition the Friends of Eastcliff committee as an advisory board rather than a fundraising committee. Renamed the Eastcliff Advisory Board, it now plays a key role in bringing internal and external perspectives to conversations about Eastcliff, nurturing public support for the home, and ensuring that the Board of Regents has appropriate governance-level oversight of this important University asset.

The Eastcliff Advisory Board (EAB) was created by and is accountable to the Board of Regents. It is chaired by Regent Patricia Simmons.

2016-17 Eastcliff Advisory Board Committee Roster

Chair:
The Honorable Patricia Simmons

Voting Members:
Michael Berthelsen, Vice President for University Services
Mike Volna, Associate Vice President & Assistant Chief Financial Officer
Susan Hommes, Director of Planned Giving, University of Minnesota Foundation
Karen Bachman, Citizen Member
Ruth Bachman, Citizen Member
Nancy Lindahl, Citizen Member

Non-Voting Members:
Lyndel King, ETAC Chair and Director, Frederick R. Weisman Art Museum
Brian Steeves, Executive Director and Corporate Secretary, Board of Regents
Cynthia Scott, Associate to the President, Office of the President
Karen Kaler, University Associate
Peter Moe, Director, Minnesota Landscape Arboretum

Staff:
Maggie Flaten, Office of the Board of Regents

See complete bylaws for the Eastcliff Advisory Board in Appendix A.
EASTCLIFF TECHNICAL ADVISORY COMMITTEE

The Eastcliff Technical Advisory Committee continues to bring subject matter expertise to the management of Eastcliff by making recommendations for the improvement, maintenance, operations, and use of the home in accordance with its designation on the National Register of Historic Places and its unique public and private uses. Changes in the committee’s bylaws approved by the Board of Regents on February 14, 2014 delegated responsibility to ETAC for approval of smaller capital improvements and enhancements.

The Eastcliff Technical Advisory Committee works closely with the Eastcliff Advisory Board to provide advice and recommendations on use of University funds and/or private donations to complete major projects, needed maintenance, or to provide enhancements for the house.

2016-17 Eastcliff Technical Advisory Committee Roster

Chair:
Lyndel King, Director, Frederick R. Weisman Art Museum

Voting Members:
Jim Lutz, Lecturer, IDP Educator Coordinator, Department of Architecture
Joe Favour, Associate Professor, Department of Landscape Architecture
Caren Martin, Assistant Professor, Department of Design, Housing, and Apparel
Mike Berthelsen, Vice President, University Services
Bill Paulus, Interim Associate Vice President, Facilities Management
Brian Steeves, Executive Director and Corporate Secretary, Board of Regents

Non-Voting Members:
Karen Kaler, University Associate
Jon Steadland, Chief of Staff, Office of the President
Tom Ritzer, Landscape Architect
Robert Tunell, Associate Director, Facilities Manager

Staff:
Kristia Davern, Eastcliff Facilities Supervisor

See complete bylaws for the Eastcliff Technical Advisory Committee in Appendix B.
EASTCLIFF ENDOWMENT FUNDS

The University of Minnesota Foundation manages donations to the Eastcliff Endowment Funds, which are designated for ongoing preservation, operations, and enhancement to the house.

In 2016-17, gifts totaling $12,216.92 were donated to the University of Minnesota Foundation in support of Eastcliff.

**Eastcliff Endowment Funds**

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Purpose: To be used for enhancements to Eastcliff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markell Brooks Eastcliff Enhancement Endowment</td>
<td>$977,649.14</td>
</tr>
<tr>
<td>Dwight F. Brooks II Eastcliff Enhancement Fund</td>
<td></td>
</tr>
<tr>
<td>July 1, 2016 – June 30, 2017</td>
<td></td>
</tr>
<tr>
<td>Beginning Balance 7/1/16</td>
<td>$977,649.14</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
</tr>
<tr>
<td>Disbursements</td>
<td>-</td>
</tr>
<tr>
<td>Investment Return</td>
<td>$46,246.45</td>
</tr>
<tr>
<td>Ending Balance 6/30/17</td>
<td>$1,023,895.59</td>
</tr>
<tr>
<td>Available Cash Balance</td>
<td>$294,123.49</td>
</tr>
<tr>
<td>(Accumulated earnings made available from endowment)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Purpose: To be used for enhancements to Eastcliff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastcliff Legacy Fund</td>
<td></td>
</tr>
<tr>
<td>July 1, 2016 – June 30, 2017</td>
<td></td>
</tr>
<tr>
<td>Beginning Balance 7/1/16</td>
<td>$103,466.85</td>
</tr>
<tr>
<td>Contributions</td>
<td>$12,216.92</td>
</tr>
<tr>
<td>Pledge payments</td>
<td>-</td>
</tr>
<tr>
<td>Disbursements</td>
<td>($28,483.74)</td>
</tr>
<tr>
<td>Investment Return</td>
<td>($262.55)</td>
</tr>
<tr>
<td>Ending Balance 6/30/17</td>
<td>$86,937.48</td>
</tr>
<tr>
<td>Available Cash Balance</td>
<td>$86,937.48</td>
</tr>
</tbody>
</table>
Eastcliff Legacy Fund Disbursements
July 1, 2016 – June 30, 2017

FY 16 Garden Party $16,796.74
FY 17 Garden Party $11,687.00
Total Disbursements $28,483.74

Eastcliff Endowment Fund
July 1, 2016 – June 30, 2017

Purpose: To provide support for the ongoing preservation and operation of Eastcliff.

Beginning Balance 7/1/16 $75,182.10
Contributions -
Disbursements -
Investment Return $4,563.70

Ending Balance 6/30/17 $79,745.80
Available Cash Balance $8,302.37

OFFICIAL UNIVERSITY ENTERTAINING

One of Eastcliff’s primary functions is to serve as a venue for special University events and activities. More than 3,000 guests attended sixty-four events held at Eastcliff in fiscal year 2016-17 including University of Minnesota students, faculty, staff, alumni, and friends as well as community, national, and world leaders.

Eastcliff Events Activity

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Events</th>
<th>Number of Guests</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2007</td>
<td>175</td>
<td>2006-2007</td>
</tr>
<tr>
<td>2007-2008</td>
<td>173</td>
<td>2007-2008</td>
</tr>
<tr>
<td>2008-2009</td>
<td>166</td>
<td>2008-2009</td>
</tr>
<tr>
<td>2009-2010</td>
<td>140</td>
<td>2009-2010</td>
</tr>
<tr>
<td>2010-2011</td>
<td>114</td>
<td>2010-2011</td>
</tr>
<tr>
<td>2011-2012*</td>
<td>84</td>
<td>2011-2012*</td>
</tr>
<tr>
<td>2012-2013*</td>
<td>76</td>
<td>2012-2013*</td>
</tr>
<tr>
<td>2013-2014*</td>
<td>84</td>
<td>2013-2014*</td>
</tr>
<tr>
<td>2015-2016*</td>
<td>81</td>
<td>2015-2016*</td>
</tr>
<tr>
<td>2016-2017*</td>
<td>83</td>
<td>2016-2017*</td>
</tr>
<tr>
<td>Year</td>
<td>Breakfast</td>
<td>Lunch</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------</td>
<td>-------</td>
</tr>
<tr>
<td>2006-2007</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>2007-2008</td>
<td>8</td>
<td>23</td>
</tr>
<tr>
<td>2008-2009</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>2009-2010</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>2010-2011</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>2011-2012*</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>2012-2013*</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>2013-2014*</td>
<td>3</td>
<td>16</td>
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<tr>
<td>2014-2015*</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>2015-2016*</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>2016-2017*</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

* Beginning July 2011, a new requirement was instituted that all events at Eastcliff be hosted by the president and/or his spouse. As a result, Eastcliff is used more strategically, however its use is highly dependent upon President and Mrs. Kaler's commitments and travel.
CAPITAL AND MAINTENANCE PROJECTS COMPLETED FY 2016-17

Routine maintenance projects are funded by the University and overseen by Facilities Management (FM). The addition of a full-time property manager in November 2012 has allowed FM to better meet program and facility needs at Eastcliff, systematize facility and grounds operations, and manage maintenance repair projects using FM staff and specialized vendors.

The following maintenance projects were completed at Eastcliff during fiscal year 2016-17:

**Maintenance Project Summary**

- Fence Repair $17,371.45
- Painting – North and East Exteriors $15,017.85
- Terrace Doors Repair $6,959.44
## FACILITIES MANAGEMENT AND PRESIDENT'S OFFICE SUMMARY OF EXPENDITURES

**General Operations and Maintenance Fund**  
12 Months Ending June 30, 2017  
(unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Current Year 2016-17</th>
<th>Prior Year 2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Facilities</td>
<td>Events</td>
</tr>
<tr>
<td><strong>Beginning Balance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>$225,788</td>
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<tr>
<td><strong>REVENUES</strong></td>
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</tr>
<tr>
<td>Total Year Allocation</td>
<td>$342,811</td>
<td>$71,253</td>
</tr>
<tr>
<td>Transfer from Office of the President</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from Facilities Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from the General Contingency Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from Central Reserves</td>
<td>$44,088</td>
<td>$44,088</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>$386,899</td>
<td>$297,041</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Fringe Benefits</td>
<td>$114,327</td>
<td>$71,081</td>
</tr>
<tr>
<td>Supplies, Expenses, Equipment</td>
<td>$272,014</td>
<td>$1,971</td>
</tr>
<tr>
<td>Transfer to FM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to/(from) the Eastcliff Project Reserve</td>
<td>$558</td>
<td>$558</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$386,899</td>
<td>$73,051</td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$0</td>
<td>$223,990</td>
</tr>
</tbody>
</table>

*Transfer from central reserves were budgeted in fiscal year 2016 in effort to reduce the amount of state appropriation and tuition revenue in the Eastcliff budget.*
APPENDIX A

EASTCLIFF ADVISORY BOARD BYLAWS

Mission

Eastcliff has a unique role among University of Minnesota buildings in that it serves both as a public facility for events and meetings and as the private residence of the University president and family. The Eastcliff Advisory Board (EAB) is created by and accountable to the Board of Regents. Its mission is to advise the Board of Regents on plans and major expenditures related to Eastcliff, assist in the solicitation of private resources to support Eastcliff, and nurture continued public support for the home to ensure that it projects an image worthy of the University’s rich history and tradition. It plays an important role in considering both internal and external perspectives regarding spending decisions at Eastcliff and ensuring that the Board of Regents has appropriate governance-level oversight of this important University asset.

Membership

Chair:
- Board of Regents member (selected by the chair of the Board of Regents)

Voting Members:
- Vice President for University Services or designee (1)
- Vice President & Chief Financial Officer or designee (1)
- President, University of Minnesota Foundation or designee (1)
- Members who are not University employees, appointed by the chair of the Board of Regents for two-year terms that run concurrently with the term of the EAB chair (3-6)

Non-Voting Members:
- Chair, Eastcliff Technical Advisory Committee (1)
- Board of Regents Executive Director (1)
- President’s designee, Office of the President (1)
- University Associate (President’s Spouse) (1)
- Director, Minnesota Landscape Arboretum or designee (1)

Staff:
- Office of the Board of Regents
Responsibilities

1. **Master Plans, Capital Improvements, and Significant Expenditures.** Review recommendations of the Eastcliff Technical Advisory Committee (ETAC) and advise the Board of Regents on master plans, capital improvements, and significant expenditures that enhance the original integrity and design of Eastcliff and its grounds and promote it as an important institutional and residential University resource. Capital improvements and significant expenditures are defined as physical improvements, equipment, furniture, fixtures, decorations, and/or enhancements exceeding $25,000 in cost. Emergency approvals of capital improvements and/or significant expenditures may be granted through the process outlined in Board of Regents Policy: *Board Operations and Agenda Guidelines*. Any such emergency approvals will be brought to the next meeting of EAB for information.

2. **Use of Funding.** Advise the Board of Regents on the appropriate use of funding for projects being recommended for approval. Use of private funds must be consistent with donor intent.

3. **Fundraising.** Review the University of Minnesota Foundation’s (UMF) development plan for Eastcliff and assist in the solicitation of private resources consistent with that plan.

4. **Public Support.** Nurture continued public support of Eastcliff. Advise on issues of public education, awareness and relations, as well as on matters pertaining to donor appreciation and communications. The term 'Friends of Eastcliff' may be used at the discretion of EAB to recognize individuals and families who have provided financial support for Eastcliff.

5. **Annual Report.** Review and submit to the Board of Regents an annual report on Eastcliff that includes a summary of the previous fiscal year's financial, maintenance, and operational activity.

**Approved by Board of Regents - February 14, 2014**

**Superseded:** Friends of Eastcliff Committee Bylaws dated November 2008.
APPENDIX B

EASTCLIFF TECHNICAL ADVISORY COMMITTEE BYLAWS

Mission

Eastcliff has a unique role among University of Minnesota buildings in that it serves both as a public facility for events and meetings and as the private residence of the University president and family. The Eastcliff Technical Advisory Committee (ETAC) is created by and accountable to the Board of Regents. Its mission is to bring subject matter expertise to the management of Eastcliff by making recommendations for the improvement, maintenance, operations, and use of the home to ensure that it projects an image worthy of the University’s rich history and tradition. In doing so, the committee must balance wise use of University and donor resources with the home’s designation on the National Register of Historic Places and appropriately separate, protect, and foster Eastcliff’s unique public and private uses.

Membership

Chair:
- Selected by the Chair of the Board of Regents from the voting members of the committee

Voting Members:
- Faculty member designees from the following College of Design disciplines:
  - Architecture (1)
  - Landscape Architecture (1)
  - Interior Design (1)
- Vice President for University Services designees (2)
- Director/designee, Weisman Art Museum (1)
- Board of Regents Executive Director (1)

Non-Voting Members:
- Office of the President designee (1)
- University Associate (President’s Spouse) (1)
- Vice President for University Services designees:
  - Public Safety (1)
  - Capital Planning & Project Management (1)

Staff:
- Facilities Management designee
Responsibilities

1. Master Plans, Capital Improvements, and Significant Expenditures. Develop and recommend master plans, capital improvements, and/or significant expenditures that enhance the original integrity and design of Eastcliff and its grounds and promote it as an important institutional and residential University resource.

   Recommendations should be consistent with Eastcliff master plans and follow the University’s established capital planning process. Capital improvements and significant expenditures should be maintained on and evaluated against a prioritized list of needs. As annual recommendations are developed and advanced, ETAC should provide estimated project budgets, suggested funding sources, and recommended project delivery methods and timing.

2. Approvals and Recommendations. Except for routine maintenance, repairs, and replacement, ETAC must approve all capital improvements, equipment, furniture, fixtures, decorations, and/or enhancements exceeding $5,000 but below $25,000 in cost, consistent with University policies and procurement practices. Expenditures below $5,000 that could be viewed as personally benefiting the president or family should also be approved in advance by ETAC. Capital improvements and/or significant expenditures exceeding $25,000 must receive approval of the Board of Regents, which will consider ETAC’s recommendations along with advice from the Eastcliff Advisory Board (EAB).

   Upon recommendation of the Vice President for University Services, the ETAC chair, in consultation with the chair of the EAB, may act on behalf of the committee when delaying approval poses a significant health, safety, or financial risk to the University. Any such emergency approvals will be brought to the next meeting of ETAC for information.


4. Quarterly Operating Reports. Review quarterly operating reports supplied by Facilities Management.

5. Operating Policies and Procedures. As requested, advise the Office of the President and Facilities Management on operating policies and procedures including staffing, general maintenance, purchasing, security, and the appropriate level of scheduling and use of Eastcliff.

6. Meeting Procedures. The chair of ETAC will call committee meetings, develop agendas for distribution to committee members in advance of each meeting, and ensure that minutes are kept to preserve a record of committee actions. A quorum consisting of at least four (4) voting members must participate in a vote for action to be taken. Votes may be cast in person or electronically, with a simple majority required for approval.

Approved by Board of Regents - February 14, 2014
Sale of 2642 University Avenue, St. Paul (Twin Cities Campus)

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to sell the property at 2642 University Avenue, St. Paul.

2. Location and Description of the Property

The property at 2642 University Avenue, St. Paul is the only remaining property owned by the University in the Midway Area, St. Paul. The former Minnesota Geological Survey Building, it was constructed in 1930, and was last renovated in 1983. The building is a 1 and 2-story building with basement which comprises a gross building area (GBA) of approximately 41,431 sq. ft. The property is situated on .63 acres, with 7 parking spaces available on site. (The property also has a leasehold interest in 37 parking spaces located off-site through July 31, 2032.) See attached map.

The legal description is: Parts of Lot 25, Auditor’s Subdivision No. 9, Ramsey County, MN Torrens Certificate of Title No. 251494

3. Basis for Request

The administration recommends the sale of this property for a number of reasons.

- The University has no known or planned use for the property. Since 2015 multiple potential uses have been explored, but none have proven to be a good functional fit or financially viable for this property.
- This property is landlocked by the surrounding area and buildings. Much development has occurred around it, so that there is no room for lateral expansion (see accompanying photographs).
- Although the property is close to the Twin Cities campuses, it is nevertheless geographically separated and isolated from the campus. In addition, because of the previously mentioned limitations to available land, the property has only 7 parking spaces.
- This facility has significant deferred maintenance and upgrade cost issues. A facilities condition assessment conducted in May 2014 estimated that the facility had a 10-year facility cost of $6,408,000, which included $4,964,000 in recurring component replacement costs, and $1,444,000 in non-recurring cost for accessibility fire/life safety, HVAC, and other equipment.
- The proposed sale price of $2,150,000 is in line with appraisals performed on the property (recent MAI appraisals of the property ranged from $1.85 million to $2.15 million).
• The property has sat vacant since January 2015. Sale of the property will relieve the University of $79,000 in annual operating costs to maintain the facility in a mothballed status.

4. Details of Transaction

In February 2018, the University received the first ‘bona fide’ written offer to purchase the property since it was first put on the market. The University has agreed to sell the property to Siesta Properties, LLC for $2,150,000. The buyer has deposited $35,000 earnest money, the effective date of the transaction is February 23, 2018. The buyer has 150 days to complete the transaction, unless agreed to otherwise by buyer and University. Upon closing, University agrees to pay Grand Real Estate Advisors a sum of $53,750 (2.5 % of purchase price) from the proceeds of the sale.

Use of Properties

The buyer, Siesta Properties LLC, has hired two (2) architectural firms to fully evaluate the proper use and layout of the property. They hope to have the layout finalized in the next 60 to 90 days.

5. Environmental

The property is being sold “as is / where is”.

6. Uses of Funding

The net proceeds from the sale of the property will be deposited in the Twin Cities acquisition account for future land purchases.

7. Recommendations

The above-described real estate transaction is appropriate:

____________________________________________________________
Karen Hanson, Executive Vice President for Academic Affairs and Provost

____________________________________________________________
Brian Burnett, Senior Vice President, Finance and Operations
Subject Photo No. 1: The north elevation of the subject building facing University Avenue.

Subject Photo No. 2: The east elevation of the subject building.

Riley Real Estate, Inc.
Planned Sale
2642 University Avenue
St. Paul, MN
Sale of .19 Acres, University of Minnesota – Morris Campus

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to sell .19 acres of property adjacent to the University of Minnesota - Morris Campus, Stevens County, Minnesota.

2. Location and Description of the Property

The subject property consists of approximately .19 acres of land located in the Northwest corner of the University of Minnesota – Morris Campus. The legal description of the property: Lot O of the Southwest Quarter of the Northwest Quarter (SW1/4 of NW1/4) of Section 36, Township 125 North, Range 42 West, Stevens County, MN.

3. Basis for Request

The sale of this property is an opportunity to sell property that currently sits unused. There are a number of reasons why this proposed sale is in the best interests of the University, as noted below.

• The property is situated across the street from the Morris campus, 7th Street on the North end. The University only owns the .19 acres on that side of the street from campus. The property was separated from the campus when 7th street was added. Due to its isolation from the campus and small size, it sits unused, and it would be impossible to develop anything on it given the setbacks from the road and limitations imposed by the lot size.
• The property is so small that it has very little value to anyone but the individual (John Timmerman, a developer) who is combining several lots together around it to construct a townhome complex.
• The UM-Morris staff spend valuable resources maintaining the property, mowing it once per week in the spring, summer, fall, and trimming the trees that are on the property a couple times per year. The annual maintenance expense is estimated to be $800 - $1,000 per year.
• There are also concerns about the safety of staff who cross the road to mow, as 7th street is the main street of Morris and people are typically traveling through at 30 mph.

4. Details of Transaction

After negotiations, the University agreed to sell the .19 acres for $4,888.20 ($.59 sf), in an “as is, where is” condition with all faults, but reserving minerals and mineral rights to the Board of Regents.
5. **Use of Properties**

The buyer, Timmerman Properties, LLC, approached the University about the possibility of purchasing the .19 acres. The buyer will likely utilize the property for “green space” in conjunction with a residential development.

6. **Environmental**

The property is being sold “as is / where is”.

7. **Uses of Funding**

The net proceeds from the sale of the property will be deposited in the University of Minnesota - Morris acquisition account for future land purchases.

8. **Recommendations**

The above-described real estate transaction is appropriate:

______________________________________________________________
Karen Hanson, Executive Vice President for Academic Affairs and Provost

______________________________________________________________
Brian Burnett, Senior Vice President, Finance and Operations

______________________________________________________________
Michael Volna, Associate Vice President, Finance & Assistant CFO
LEASE FOR A TEN-YEAR TERM FOR COLLABORATIVE/CLASSROOM SPACE AND A FIFTEEN-YEAR TERM FOR LAB SPACE, DISCOVERY SQUARE, ROCHESTER (ROCHESTER CAMPUS)

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to execute a lease for 9,383 rentable square feet (RSF) of collaborative, classroom and laboratory space located within the Destination Medical Center, Rochester, MN for the University of Minnesota Rochester campus (UMR).

2. Description of Leased Premises

The leased premises will consist 9,383 rentable square feet (RSF) of space (6,249 RSF to be used for collaboration/classroom purposes and 3,134 RSF to be used for science teaching laboratory purposes) in the Discovery Square Phase 1 Building. The four-story 90,000 square foot building is currently under construction and is located at the southwest corner of 4th Avenue SW and 2nd Street SW within the Discovery Square sub-district of the Destination Medical Center, Rochester (see attached map).

3. Basis for Request

The University of Minnesota currently leases and occupies space in several buildings in downtown Rochester making up the University of Minnesota Rochester campus. There are no options for expansion of hooded lab space at current campus locations, which puts a constraint on UMR’s ability to meet student laboratory demands and also limits future enrollment growth.

The leased space at Discovery Square will allow for a much needed second chemistry lab and lab prep area to support enrollment growth in the Bachelor of Science in Health Sciences degree program. In addition to this laboratory space, there will be two classrooms and student/faculty collaborative space in close proximity to the other primary tenants in the building (Mayo Clinic researchers). The collaborative space will include a designated, staffed area to connect UMR students with undergraduate research opportunities. In the future, based on enrollment demand, one of the classrooms would be converted to another science lab, keeping UMR’s options flexible.

4. Details of Transaction

The subject lease will commence July 1, 2019 and continue for a fifteen-year period, with three successive five-year renewal options thereafter (potentially through June 30, 2049) for the Laboratory Space. The Collaborative/Classroom space has a term of ten-years, with four successive five-year renewal options thereafter (potentially through June 30, 2049).

The Landlord will be completing leasehold improvements to build out the leased premises for occupancy by the University at an estimated cost of $3,600,000. Of the total leasehold improvement cost, $1,500,000 will be financed by the City of Rochester via the city’s sales tax.
revenue. The balance will be paid by the University of Minnesota Rochester (see Source of Funds below). The $3,600,000 project cost includes design and construction of the leased premises. Leasehold improvements for the premises include but are not limited to: lab casework, fume hoods, mechanical equipment, fiber/low voltage work and interior finishes. Capital Planning and Project Management has been engaged by UMR to provide oversight for the planning and construction for the leasehold improvement project (though the landlord will hire the design, construction, and project/construction management professionals).

5. Lease Costs

The base rent for the leased premises for year one will be $21.87 per rentable square foot (RSF), or $205,206. Rent will increase approximately 1.7% per year during the initial term. The total base rent for this lease over the initial term is $2,643,544.00.

The University will also pay as additional rent its pro-rata share of operating expenses, common area maintenance costs (CAM), utilities and property taxes for the building. Once stabilized, these costs are estimated to be $23.00 per RSF or approximately $215,800 per year, consisting of:

- Operating expenses/CAM/taxes are estimated at $17.50 per RSF
- Tenant expenses for separately-metered utilities, custodial services and repairs and maintenance for the leased premises are estimated to be $5.50 per RSF.

Therefore, the total lease cost, once the building is stabilized (approximately year 3 and thereafter), is estimated to be approximately $45.00 per RSF.

6. Source of Funds

UMR will fund the on-going lease costs through UMR’s Campus Operating Budget.

The University’s payment for the leasehold improvement project $3,600,000 will be funded using $1,500,000 from the City of Rochester sales tax revenue dedicated for higher education purposes and $2,100,000 through an internal loan which will be repaid by UM Rochester.

7. Recommendations

The above-described real estate transaction is appropriate:

_________________________________________________
Brian D. Burnett, Senior Vice President and CFO

_________________________________________________
Lori J. Carrell, Chancellor

_________________________________________________
Michael D. Volna, Associate Vice President, Finance & Assistant CFO
Premises: 9,383 Rentable Sq Ft In Discovery Square Building

Discovery Square
15-Year Term for Teaching Laboratory Space
10-Year Term for Collaboration/Classroom Space
University of Minnesota - Rochester Campus
AGENDA ITEM: Consent Report - REVISED

☐ Review ☑ Review + Action ☐ Action ☐ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

The purpose of this item is action on items in the Consent Report.

A. Gifts
The President recommends approval of the Summary Report of Gifts to the University of Minnesota through January 31, 2018.

B. Finance & Operations Committee Consent Report
The President recommends approval of the Finance & Operations Committee Consent Report, which includes the following items:

- Appointment of Gary Anderson as Dean, School of Dentistry
- Employment Agreements
  - Amended Contract for Don Lucia, Men’s Hockey Coach

C. Report of the All-University Honors Committee
The President recommends approval of the All-University Honors Committee recommendations forwarded to the Board in a letter dated March 15, 2018.

PRESIDENT'S RECOMMENDATION

The President recommends approval of the Consent Report.
### MEETING OF THE BOARD OF REGENTS
GIFTS TO BENEFIT THE UNIVERSITY OF MINNESOTA
SUMMARY REPORT

March 2018 Regents Meeting

<table>
<thead>
<tr>
<th></th>
<th>January 2018</th>
<th>January 2017</th>
<th>Year-to-Date 07/01/17</th>
<th>Year-to-Date 07/01/16</th>
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*Detail on gifts of $5,000 and over is attached.

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

**Gifts received in January 2018**

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<tr>
<th>Donor</th>
<th>Gift/Pledge</th>
<th>Purpose of gift</th>
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<tr>
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<td><strong>$500,000 - $1,000,000</strong></td>
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<td>Gift</td>
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<td>Glenda K. and Fredric W. Corrigan</td>
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<td>Pledge</td>
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| $50,000 - $100,000 | Gift | Undesignated |
| Gift | Intercollegiate Athletics |
| Gift | Medical School |
| Gift | College of Liberal Arts |
| Gift | Intercollegiate Athletics |
| Gift | College of Veterinary Medicine |
| Gift | Medical School |
| Pledge | University of Minnesota Duluth |
| Gift | College of Science and Engineering |
| Pledge | Academic Health Center |
| Pledge | Academic Health Center |
| Gift | Medical School, School of Nursing |
| Gift | Minnesota Landscape Arboretum |
| Gift | College of Food, Agricultural and Natural Resource Sciences |
| Gift | College of Biological Sciences |
| Gift | University of Minnesota Duluth |
| Gift | Intercollegiate Athletics |
| Pledge | Medical School |
| Gift | College of Science and Engineering |
| Gift | College of Food, Agricultural and Natural Resource Sciences |
| Gift | College of Science and Engineering |
| Gift | Intercollegiate Athletics |
| Gift | Intercollegiate Athletics |
| Gift | Scholarships |
| Gift | College of Veterinary Medicine |
| Gift | Intercollegiate Athletics |
| Gift | Scholarships |
| Gift | College of Science and Engineering |
| Gift | College of Veterinary Medicine |
| Gift | College of Science and Engineering |
### $50,000 - $100,000

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<td>Robert and Barbara Mulder</td>
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<td>The Patch Fdn.</td>
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$25,000 - $50,000

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Pledge  
College of Food, Agricultural and Natural Resource Sciences

Land O'Lakes Inc.  
Gift  
College of Veterinary Medicine, College of Food, Agricultural and Natural Resource Sciences

Ann M. Kools  
Gift  
School of Nursing

Anonymous  
Gift  
College of Food, Agricultural and Natural Resource Sciences

Anthony J. Seykora  
Gift  
College of Food, Agricultural and Natural Resource Sciences

B. and H. Way Fdn.  
Gift  
Center for Spirituality and Healing

Crookston Baseball Association  
Pledge  
University of Minnesota Crookston

Donna S. Aker Dehn  
Gift  
School of Dentistry

Douglas and Mona Ritter-U S Charitable Gift Trust  
Gift  
Carlson School of Management

Dragomir B. and Maria L. Bukur  
Pledge  
College of Science and Engineering

Esri  
Gift  
College of Design

Gilead Sciences Inc.  
Gift  
School of Public Health

Leonard R. Olds and Hugh G. Rouse Trust  
Gift  
Libraries

Margaret H. and James E. Kelley Fdn. Inc.  
Gift  
School of Nursing

Michael L. Holmberg  
Pledge  
College of Food, Agricultural and Natural Resource Sciences

Minnesota Corn Growers Assn.  
Gift  
Minnesota Landscape Arboretum

Minnesota Pest Management Association  
Pledge  
College of Food, Agricultural and Natural Resource Sciences

Paddock Family Fdn.  
Gift  
College of Pharmacy

Phil and Nina Pillsbury Donor Advised Fund-Mpls Fdn.  
Gift  
College of Liberal Arts

SCHF Management LP  
Gift  
College of Liberal Arts

Schwan's Shared Services LLC  
Gift  
Carlson School of Management

Sealed Air Corp.  
Gift  
College of Science and Engineering

Shannon M. Schulz  
Gift  
Academic Health Center

The Polaris Fdn.  
Gift  
University of Minnesota Extension

Timothy H. Robinson  
Pledge  
College of Liberal Arts

$10,000 - $25,000

Minnesota Landscape Arboretum Auxiliary  
Gift  
Minnesota Landscape Arboretum

Bristol-Myers Squibb Fdn. Inc.  
Pledge  
University of Minnesota Morris

Margaret Rivers Fund  
Gift  
Minnesota Landscape Arboretum
$10,000 - $25,000

Roger and Carole Frommelt Pledge College of Science and Engineering
World Society for Transport and Land Use Research Gift Center for Transportation Studies
Cherbec Advancement Fdn. Gift Medical School
Donn P. Barber Gift Carlson School of Management
Dovehill Fdn. of the St. Paul Fdn. Gift University of Minnesota Duluth
Immunomet Therapeutics Inc. Gift Medical School
John V. and Wendy L. St. Peter Gift College of Pharmacy
Keith Clark Jr. and Beth Clark Gift College of Liberal Arts
Laurie A. and M. Mitchell Davis Gift Intercollegiate Athletics
Lisa A. Rotenberg Fund-Goldman Sachs Gives Gift Law School

Margaret A. Torreano Gift Medical School
Pete and Beatrice Magee Pledge College of Biological Sciences, Libraries
Silicon Valley Community Fdn. Gift Undesignated
Steven G. Hentges Gift College of Science and Engineering
Patrick D. Wenning Gift Intercollegiate Athletics
Larry A. Zavadil Gift Intercollegiate Athletics
Washburn McReavy Funeral Chapels Gift Intercollegiate Athletics
Brian K. Slipka Gift Intercollegiate Athletics
AMVAC Chemical Corp. Gift College of Food, Agricultural and Natural Resource Sciences

Doraiswami Ramkrishna Gift College of Science and Engineering
Daniel J. Seeler Gift Intercollegiate Athletics
Virginia Jachna Gift University of Minnesota Duluth
Ann T. Drinkwalter Gift College of Education and Human Development

UNRL Clothing Company Pledge Academic Health Center
Cliff Viessman Inc. Gift Intercollegiate Athletics
Bruce Olson Gift Intercollegiate Athletics
Cargill Inc. Gift College of Veterinary Medicine, Institute on the Environment
AgBiome Inc. Gift College of Food, Agricultural and Natural Resource Sciences
AgCountry Farm Credit Services Gift University of Minnesota Extension
Clifton B. and Anne Stuart Batchelder Fdn. Gift College of Science and Engineering

Diana L. Hipple Gift Intercollegiate Athletics
ExxonMobil Research and Engineering Gift College of Science and Engineering
Knox Fdn. Gift College of Liberal Arts
Owens Family Charitable Fdn. Gift Medical School
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<th>Type</th>
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$10,000 - $25,000

Shah Corp. Gift Intercollegiate Athletics
Dale E. Peterson Gift Intercollegiate Athletics
Berger Transfer and Storage Inc. Gift Intercollegiate Athletics
Crystal Farms Refrigerated Distribution Co. Gift Intercollegiate Athletics

John E. and Nancy E. Lindahl Gift Intercollegiate Athletics
LaPointe Utilities Inc. Gift Intercollegiate Athletics
Hart A. Kuller Pledge Scholarships
Michelle R. Gronemeyer Gift Intercollegiate Athletics
Eugene U. Frey Gift Intercollegiate Athletics
Jennifer Voelker and Michael Ness Gift Global Programs and Strategy Alliance
American Chemical Society Gift College of Science and Engineering
Anonymous Gift Carlson School of Management, College of Continuing and Professional Studies

Anonymous Gift College of Design
Betty Gordon Gift Medical School
Bill and Barbara Pearce Fund-Mpls Fdn. Gift School of Nursing
Blooming Prairie Cancer Group Gift Hormel Institute
Davidson Family Fund-UBS Donor Advised Fund Gift Academic Health Center
Dorothy E. Downey Gift School of Public Health
Elness Swenson Graham Architects Inc. Gift College of Design
Emily C. Anderson Gift School of Nursing
Ernest and Cathryn Kemble Gift University of Minnesota Morris
George J. Tichy II and Sheila Tichy Gift Law School
Headwaters Fdn. for Justice Gift Office of Equity and Diversity
James Furlong Gift Intercollegiate Athletics
Logan Loves Fdn. Pledge Academic Health Center
Marianne D. Short and Raymond L Skowyra Jr. Gift Law School
Mark K. Thomas Pledge Medical School
Marlys J. Olson Gift Academic Health Center
Michael and Stephanie Burley Gift Intercollegiate Athletics
Midwest Dairy Association Gift College of Food, Agricultural and Natural Resource Sciences
Orland Hanson Estate Gift University of Minnesota Crookston
Patti Nelson Gift College of Veterinary Medicine
Paul W. Palmberg Gift College of Science and Engineering
Plantra Gift College of Food, Agricultural and Natural Resource Sciences
Richard H. Schultz Gift College of Veterinary Medicine
Roger H. Dreher Gift Medical School
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$5,000 - $10,000

Perry C. Plank
Gift
Center for Transportation Studies, Medical School

Polaris Industries Inc.
Gift
Carlson School of Management

Richard J. Bjorklund
Gift
Intercollegiate Athletics

Thomas R. and Ann L. Schwalen
Gift
College of Veterinary Medicine

Thomas W. and Sharon L. Hartho
Gift
Medical School

Wheeler/Chutich Charitable Fund-R. James
Gift
College of Science and Engineering, Humphrey School of Public Affairs, Intercollegiate Athletics

Grain Millers Inc.
Gift
College of Food, Agricultural and Natural Resource Sciences

Charles J. Suk
Gift
Intercollegiate Athletics

IBM International Fdn.
Pledge
College of Design

Michael Sanford
Gift
Intercollegiate Athletics

Hulda B. and Maurice L. Rothschild Fdn.
Gift
Weisman Art Museum

Larry A. Schulz
Gift
Intercollegiate Athletics

Kirk M. and Alice S. Odden
Gift
Intercollegiate Athletics

Nancy M. Huepenbecker
Gift
Intercollegiate Athletics

Carl and Carolyn Mohn Gift Fund-Schwab Charitable
Gift
College of Design

Minnesota Animal Health Fdn.
Gift
College of Veterinary Medicine

Charles A. Dietz Jr.
Gift
Intercollegiate Athletics

Richard E. Heichert
Gift
Intercollegiate Athletics

Jamie L. Schmidt
Gift
Intercollegiate Athletics

Mark R. Harless
Gift
Intercollegiate Athletics

Patricia A. Lyon
Gift
Intercollegiate Athletics

Dolores Vnak DeFore
Gift
College of Design

Karen M. Foy
Gift
Intercollegiate Athletics

Jeffrey P. Norton
Gift
Intercollegiate Athletics

Barbara Mackey Kaerwer Estate
Gift
Minnesota Landscape Arboretum

Emerson Charitable Trust
Gift
College of Science and Engineering

Gary A. Reineccius
Gift
College of Food, Agricultural and Natural Resource Sciences

George and Mary Gorbatenko
Gift
College of Design

The P and G Fund of the Greater Cincinnati Fdn.
Gift
College of Science and Engineering

John and Betsy Massie
Gift
Minnesota Landscape Arboretum

Barr Engineering Co.
Gift
University of Minnesota Duluth, College of Science and Engineering

Benjamin D. Fagerlie
Gift
Intercollegiate Athletics

Best Buy Co. Inc.
Gift
College of Science and Engineering

Betty and Rodney Hestekin
Gift
Academic Health Center

Carole Y. Hynes
Gift
Global Programs and Strategy Alliance
### $5,000 - $10,000

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Source: University of Minnesota Foundation Gifts Report.
$5,000 - $10,000
R. Carolyn Hunter  Gift  College of Food, Agricultural and Natural Resource Sciences
Rehael Fund-Roger Hale/Nor Hall of Mpls Fdn. Gift  Humphrey School of Public Affairs
Richard and Katharine Olson Charitable Fund Gift  Carlson School of Management
Roger D. Moe  Gift  University of Minnesota Crookston
Rosenbloom Family Philanthropic Fund Gift  Weisman Art Museum
Samtec  Gift  College of Science and Engineering
Saputo Dairy Foods USA LLC Gift  College of Food, Agricultural and Natural Resource Sciences
Sargento Foods Inc. Gift  College of Food, Agricultural and Natural Resource Sciences
Scott R. and Michelle C. Kegler Gift  University of Minnesota Crookston, University of Minnesota Morris
Sparboe Farms Inc. Gift  College of Food, Agricultural and Natural Resource Sciences
Stephen Catalano Gift  Scholarships
Stephen L. Chew Gift  College of Liberal Arts
Steven D. DeRuyter Gift  Law School
Teddy and Laura Wong Gift  Medical School
The Lerwick 1, Ltd Fund Gift  Academic Health Center
The Marvin Companies Inc. Gift  University of Minnesota Crookston
The Rollin Dennistoun Charitable Fund at Fidelity Gift  College of Science and Engineering
The Seymour 1989 Trust Gift  Medical School
Vanessa D. Dayton Gift  College of Food, Agricultural and Natural Resource Sciences
Winnie K. and Brian J. Steffenson Family Fund Gift  College of Food, Agricultural and Natural Resource Sciences
Finance & Operations Committee
Board of Regents Meeting
Consent Report
March 23, 2018

Personnel Appointment

Pending approval by the Board of Regents, Dr. Gary C. Anderson will be appointed Dean of the School of Dentistry, effective March 26, 2018, and continuing until December 31, 2019, with a national search to be launched in spring, 2019.

Position Overview

As dean, Dr. Anderson will serve as the chief academic officer and chief academic officer of the School of Dentistry. He will provide strategic and intellectual leadership and administrative oversight for the school and will collaborate with other campus deans to advance the University’s collective mission. Dr. Anderson will also provide visionary leadership and administrative oversight of, and accountability for, the school, including oversight of the responsible planning, stewardship and management of the school’s fiscal, capital and human resources. As dean, he will promote and represent the school, playing a major leadership role in fundraising and in efforts to secure philanthropic support for its mission. Dr. Anderson will also integrate the school and its many vital resources and functions into the broader community – locally, nationally and globally – garnering support for the school from both internal and external stakeholders.

Appointee’s Background and Qualifications

Dr. Anderson has served as interim dean of the School of Dentistry since November 21, 2016. He has been a member of the faculty of the School of Dentistry since 1984, and he directed the undergraduate curriculum in occlusion until 2009. Dr. Anderson also has staffed and directed residents in the School's TMJ and Orofacial Pain Clinic since 1984.

Dr. Anderson's research interests include investigation of clinical measurement of occlusion, occlusal wear, clinical diagnosis of temporomandibular disorders and related headaches, clinical trials in the treatment of temporomandibular disorders and clinical management of facial cleft and craniofacial anomalies through interprofessional teams. He also has experience in the translation of concepts of evidence-based health care into clinical dental practice.

Dr. Anderson served for three years as Chair of the Department of Diagnostic and Surgical Sciences and then served as the Senior Associate Dean of the School of Dentistry from 2000-2007. In 2009, he became the Director of the Cleft and Craniofacial Program.
Recommended Salary and Appointment Type

Dr. Anderson’s annual salary will be $320,000. His appointment as Dean of the School of Dentistry is a 100%-time, A-term (12-month), L-type (limited) appointment, reporting to and serving at the pleasure of the Executive Vice President and Provost. The full employment agreement between the University of Minnesota and Dr. Anderson 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

Combined average base salary data* from the Sibson and CUPA administrative salary surveys for the position of dean of the School of Dentistry:

Lowest - $336,757  
25th percentile - $361,237  
50th percentile - $378,300  
75th percentile - $399,180  
Highest - $447,748

Dr. Anderson’s appointment as dean as will also allow his participation in private practice one day per week.

Recommendation

The President recommends the appointment of Dr. Gary C. Anderson as Dean of the School of Dentistry at the University of Minnesota.

*aged to July 2018
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of this 12th day of March, 2018, by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the “University”), and Dr. Gary C. Anderson (“Dr. Gary C. Anderson,” “you”).

WHEREAS, the University wishes to employ Dr. Gary C. Anderson as the Dean of the School of Dentistry and Dr. Anderson wishes to accept employment as Dean of the School of Dentistry;

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. Anderson 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. Gary C. Anderson as the Dean of the School of Dentistry and he agrees to be so employed by the University for a term commencing on March 26, 2018, and continuing up to December 31, 2019. The Dean of the School of Dentistry 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 Executive Vice President and Provost. As such, you report to and serve at the pleasure of the Executive Vice President and Provost and your appointment may be terminated at any time without advance notification.

II. DUTIES

During the term of your employment as Dean of the School of Dentistry, you will diligently and consciously devote your full-time attention and best efforts in performing and discharging the duties of Dean of the School of Dentistry as they are set forth in the job description for this position (attached) including, but not limited to, the following duties:

A. Providing visionary leadership for, administrative oversight of, and accountability for, the School of Dentistry;
B. Overseeing the responsible planning, stewardship, and management of fiscal, capital, and human resources of the School of Dentistry;
C. Enhancing the academic profile, quality, reputation, stature, and aspirational goals of the School at the state and national level;
D. Providing leadership in, and align resources with, the recruitment and retention of distinguished faculty, outstanding students, and high performing staff;
E. Promoting and representing the School of Dentistry in a positive fashion in private and public forums;
F. Integrating the School of Dentistry and its many vital resources and functions into the broader community – locally, nationally, and globally;
G. Playing a major leadership role in fundraising for the School of Dentistry, leading energetic efforts to secure philanthropic support for its mission;

H. Garnering support for the School of Dentistry from both internal and external stakeholders; and

I. Performing 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.

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 and Twenty and No/100 Dollars ($320,000).

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.

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 Dean of the School of Dentistry is an at will 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. As a tenured 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.unr.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.

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: [Signature]

Dr. Gary C. Anderson

REGENTS OF THE UNIVERSITY OF MINNESOTA

By: [Signature]

Karen Hanson
Executive Vice President and Provost

Approved as to Form and Execution

By: [Signature]

Douglas R. Peterson
General Counsel
Amendment to Employment Agreement

Pending approval by the Board of Regents, Don Lucia’s employment agreement as Head Men’s Hockey Coach, University of Minnesota, Twin Cities, will be amended.

Amended Contract Overview

Director of Athletics Mark Coyle and Head Men’s Hockey Coach Don Lucia have agreed that Coach Lucia will step down as head coach, a position he has held for 19 years, and work as a special assistant to the athletics director through the end of the 2018-19 academic year. This change in position will require amending Coach Lucia’s existing contract with the University. The proposed terms of this updated contract are included below.

Expectations for Gopher Men’s Hockey are exceedingly high every year. Those expectations are based on nearly 100 years of success and tradition. During his 19-year tenure leading the men’s hockey program, Coach Lucia contributed significantly to that legacy. His 457 wins are the most in program history. His Gopher teams have raised 14 championship banners, including two national titles (2002, 2003). In the classroom, his Gopher teams delivered great results as well. The program’s collective, cumulative GPA was 3.15 following this year’s fall semester, and has been above 3.0 for more than six straight years. The NCAA’s Academic Progress Rate score for the program has been a perfect 1,000 for several years.

Despite these accomplishments, there are new challenges and opportunities facing Gopher Men’s Hockey at this time. In discussing these and the future of the program, Director Coyle and Coach Lucia agreed that now is the time for someone else to lead the men’s hockey program.

In his new position as special assistant to the AD, Coach Lucia will help fundraise for capital improvement projects at 3M Arena at Mariucci. The first phase of that campaign built a new locker room last year (funded entirely through private contributions). The athletics department and the men’s hockey program are currently fundraising to complete the next phase of updates, which will include new training spaces and a renovated weight room in the arena. Subsequent phases to update some of the infrastructure of the facility, including the rink, will also require privately contributed funds in the years to come. Coach Lucia will assist with this campaign, as well as lending his expertise and experience to any other relevant projects during the upcoming year, at the discretion of Director Coyle.

Under Coach Lucia’s existing contract, he would have been paid approximately $630,000 for the 2018-19 season, with a $375,000 base salary and $255,000 in supplemental retirement. That contract was scheduled to expire on April 30, 2019. Director Coyle and Coach Lucia have negotiated new terms for the upcoming year in light of Coach Lucia’s change in position. Under the proposed terms, Coach Lucia’s existing compensation structure would remain intact through April 30, 2018 before beginning a new contract as special assistant to the AD that would run from May 1, 2018 through June 30, 2019. During that time, he would
be entitled to a base salary of $290,000. On July 1, 2019, Coach Lucia would also be entitled to $340,000 in supplemental retirement. In total, this adds up to approximately $630,000 in compensation, roughly the same as the existing contract.

Recommendation

The president recommends approval of the amendment to the employment agreement for Don Lucia as Head Men's Hockey Coach, University of Minnesota, Twin Cities.
THIRD AMENDMENT TO EMPLOYMENT AGREEMENT

This is a third contractual amendment to the Employment Agreement between the University of Minnesota ("the University"), on behalf of its Department of Intercollegiate Athletics on the Twin Cities campus ("the Department"), and Don Lucia ("Coach"), dated April 10, 2013 ("Employment Agreement"), as amended effective July 15, 2015 ("First Amendment"), and amended again effective October 1, 2016 ("Second Amendment"). The University and Coach do now mutually desire to amend certain terms of the Employment Agreement by entering into this third amendment to the Employment Agreement ("Third Amendment"), effective ___________, 2018.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Third Amendment, and such other good and valuable consideration the receipt and sufficiency of which the parties hereby acknowledge, the parties agree to amend their Employment Agreement as follows:

1. Paragraph 1.1 is deleted and replaced with the following:

   1.1 Term. Subject to the terms and conditions of this Agreement, the University hereby employs Coach for a term commencing on July 1, 2012, and ending on June 30, 2019 (the "Term of Employment"). Coach will serve as the head coach of the Men’s Hockey Team at the University’s Twin Cities campus from July 1, 2012, through the earlier of: 1) the date on which the University hires a new head coach for the Men’s Hockey Team at the University’s Twin Cities campus, or 2) April 30, 2018 (the "Head Coach Period"). From the end of the Head Coach Period through the remainder of the Term of Employment, Coach will serve as a Special Assistant to the University’s Athletics Director (the "Special Assistant Period"). Coach agrees to be employed in these capacities. Coach’s employment will end at the end of the Term of Employment without any further notice. This provision supersedes all rights under University Policies and Procedures, including but not limited to any notice requirements or layoff programs.

2. Paragraph 1.2, including all sub-paragraphs, is deleted and replaced with the following:

   1.2 Duties.

       1.2.1. During the Head Coach Period, Coach shall diligently and conscientiously devote his full time, attention, and best efforts in performing and discharging the usual and customary duties of a head coach of a NCAA Division I men’s hockey 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 the academic progress of student athletes;

d. Representing the University's men's hockey program before, and cooperating with the department in fulfilling contracts or 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 requested by the Director (the "Director") of Intercollegiate Athletics at the University.

1.2.2. During the Special Assistant Period, Coach shall diligently and conscientiously devote his full time, attention, and best efforts in performing and discharging duties as assigned by the Athletics Director.

1.2.3. Unless otherwise expressly permitted in this Agreement, 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 University's prior written consent; provided, however, subject to NCAA and University rules, during each year of the Term of Employment, Coach may conduct summer hockey camps.

1.2.4. Coach shall not undertake commercial endorsements without the prior written consent of the University. Coach shall not engage in any activity, if identified as the head coach of the intercollegiate hockey team or the Special Assistant to the Athletics Director, 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 Director. For example, Coach acknowledges that the University has entered into a MultiSport Agreement with Nike USA Inc., which includes the hockey team. Coach shall comply with the University's obligations under the Nike Agreement.
1.2.5. 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 University.

3. Section 2.1 is deleted and replaced with the following:

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 Coach an annual salary as follows:

   a) For 2012-2013: Three Hundred Ten Thousand and No/100 Dollars ($310,000);

   b) For 2013-2014: Three Hundred Twenty Thousand and No/100 Dollars ($320,000);

   c) For 2014-2015: Three Hundred Thirty Thousand and No/100 Dollars ($330,000);

   d) For 2015-2016: Three Hundred Forty Thousand and No/100 Dollars ($340,000);

   e) For 2016-2017: Three Hundred Fifty Thousand and No/100 Dollars ($350,000);

   f) For 2017-2018: Three Hundred Sixty Two Thousand Five Hundred and No/100 Dollars ($362,500);

   g) For the Special Assistant Period: Two Hundred Forty Eight Thousand Five Hundred and No/100 Dollars ($248,500).

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 other employees of the University of the Athletics Department.
4. Section 2.4 is deleted and replaced with the following:

2.4. Hockey Service Fund Use. During the Head Coach Period, Coach shall be entitled to non-personal use of the Hockey Service Fund at a minimum of Five Thousand and No/100 Dollars ($5,000.00) per year. Such use must comply with all applicable University and NCAA rules and regulations.

5. Section 2.5 is deleted and replaced with the following:

2.5. Automobile. Subject to University policy applicable generally to its coaches of intercollegiate athletics, the University shall provide Coach the use of an automobile throughout the Head Coach Period.

6. Section 2.6 is deleted and replaced with the following:

2.6. Supplemental Retirement. The University agrees to pay on behalf of Coach to the University of Minnesota’s Optional Retirement Plan or to the extends such contributions exceed the contribution limits of such plan to the University of Minnesota 415(m) Retirement Plan the following amounts:

   a. For 2012-13: One Hundred Eighty Thousand and No/100 ($180,000);
   b. For 2013-14: Two Hundred Thirty Thousand and No/100 ($230,000);
   c. For 2014-15: Two Hundred Thirty Five Thousand and No/100 ($235,000);
   d. For 2015-16: Two Hundred Forty Thousand and No/100 ($240,000);
   e. For 2016-17: Two Hundred Forty Five Thousand and No/100 ($245,000);
   f. For 2017-18: Two Hundred Fifty Thousand and No/100 ($250,000);
   g. For 2018-19: Three Hundred Forty Thousand and No/100 ($340,000).

The payments shall vest and be made in equal installments on the following dates during the 2015-2016 contract year: September 30, 2015, December 31, 2015, and March 31, 2016. Payments shall vest and be made on June 30, December 31, and March 31 during the 2016-2017 and 2017-2018 contract years. For the 2018-2019 contract year, a single payment will vest and be made on July 1, 2019. In order to qualify for any of these payments Coach must remain continuously employed under this Agreement through the
vesting date. In order to qualify for the 2018-2019 payment, Coach must remain continuously employed under this Agreement through the Term of Employment.

7. **Section 2.7 is deleted and replaced with the following:**

   **2.7. Coach's Participation in the Intercollegiate Athletic Department Bonus Program.** For each year during the Head Coach Period, the University shall pay Coach incentive compensation as provided in the amended Schedule of Incentives, a copy of which is attached hereto as Exhibit A and incorporated herein by reference. The University shall deliver to Coach the payment of such incentive compensation for a year promptly after the University has determined the amount of such payment and whether the conditions of payment have been met, but not later than May 1 for competition bonuses and not later than July 1 for academic performance bonuses.

8. **Paragraphs II, III, IV, and V of Exhibit B are deleted and replaced with the following:**

   **II.** During the Special Assistant Period, and continuing after Coach's retirement from the University in good standing on June 30, 2019, four (4) complimentary season hockey tickets and one (1) season hockey parking pass, four (4) complimentary football season tickets, one (1) season football parking pass, four (4) club room passes for men's hockey games at 3M at Mariucci Arena and four (4) indoor club passes for football games at TCF Bank Stadium for the remainder of Coach's life.

   **III.** During the Head Coach Period, all expenses (travel and lodging) for Coach's immediate family to accompany Coach for any NCAA Hockey Tournament in which the University is playing, any conference tournament in which the University is playing. It is understood that such expenses would be paid for out of the hockey service fund.

   **IV.** During the Head Coach Period, all expenses (travel and lodging) for Coach's spouse to accompany Coach for any away regular season hockey games in which the University is playing and the annual collegiate hockey coaches' convention. It is understood that such expenses would be paid for out of the hockey service fund.

   **V.** During the Head Coach Period, club room memberships for Coach and his immediate family to the Mariucci Arena Club Room, Williams Arena and TCF Bank Stadium Club Room.

9. **Sections 3.2 and 3.3 are deleted.**
10. Section 3.7 is added as follows:

3.7. **Termination of Agreement / Non-Compete.** If the University terminates this agreement for cause prior to the end of the Term of Employment, or if Coach terminates this agreement prior to the end of the Term of Employment, with or without cause, then Coach’s right to any compensation or benefits under this agreement shall immediately cease. If the University terminates this agreement for cause prior to the end of the Term of Employment, or if Coach terminates this agreement prior to the end of the Term of Employment, with or without cause, Coach agrees that Coach will not accept employment as a coach, whether head coach or assistant coach, or serve in any coaching capacity for any NCAA Division I men’s hockey program, with or without pay, through June 30, 2019, unless Coach receives express written permission in advance from the University’s Athletics Director.

11. Section 4.1 is deleted.

12. Except as expressly provided in this Third Amendment, each and every term and condition of the Employment Agreement, the First Amendment, and the Second Amendment shall remain unchanged.

**IN WITNESS WHEREOF,** the undersigned have caused this Amendment to be effective as of the date first shown above.

Date: 3/22/18

[Signature]

Don Lucia
Head Coach for Men’s Hockey
REGENTS OF THE UNIVERSITY OF MINNESOTA

Date: 3/22/18

By: [Signature]
Eric Kaler
President

Recommended for Approval:

Date: 5/23/19

By: [Signature]
Mark Coyle, Director
Intercollegiate Athletics

Approved as to Form and Execution:

Date: 3/22/18

By: [Signature]
Brent P. Bearud
Senior Associate General Counsel
AGENDA ITEM: Report of the Student Representatives to the Board of Regents

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Joshua Preston, Chair, Student Representatives to the Board of Regents
Alexandra Ulland, Vice Chair, Student Representatives to the Board of Regents

PURPOSE & KEY POINTS

The report of the Student Representatives to the Board of Regents provides a student perspective on issues and concerns facing University students.

The report will discuss and make recommendations regarding the following issues:

- Improving Diversity/Inclusion Facilities, Efforts, and Disability Services
- Reevaluating Student Information Privacy
- Consistency in Credit Transfer Between Campuses
- Encouraging Corporate Social Responsibility of University Suppliers

BACKGROUND INFORMATION

Current student representatives:

- Joshua Preston (Chair) – Twin Cities
- Alexandra Ulland (Vice Chair) – Duluth
- Lauren Anderson – Rochester
- Sean Chen - Twin Cities
- Marta Dean – Crookston
- Mina Kian – Twin Cities
- Apoorva Malarvannan - Twin Cities
- Parker Smith - Morris
NEW EXPECTATIONS:
2017-18 REPORT OF THE STUDENT REPRESENTATIVES
TO THE BOARD OF REGENTS

March 2018

Joshua Preston, Twin Cities, Chair | Alexandra Ulland, Duluth, Vice-Chair
Lauren Anderson, Rochester; Sean Chen, Twin Cities; Marta Dean, Crookston;
Mina Kian, Twin Cities; Apoorva Malarvannan, Twin Cities; Parker Smith, Morris

INTRODUCTION

One of the major responsibilities of the Student Representatives to the Board of Regents is producing the annual Student Report to the Board. Not only do these reports signal the concerns of students, but they enter into the public record a student vision of what we want our University to be. Historically, both the Board and the Administration have been responsive to past student recommendations, and we applaud the progress made on many of these issues—from strengthening our policies against sexual assault to changing admissions data practices and supporting mental health services. It is for this reason that we are optimistic in offering what may be one of the most-ambitious reports published by any cohort of Student Representatives. While these topics are broad, we view them as embracing a broader commitment to what may be called the “New Expectations.” These include:

1. Improving Diversity/Inclusion Facilities, Efforts, and Disability Services [Page 2];
2. Reevaluating Student Information Privacy [Page 11];
3. Consistency in Credit Transfer Between Campuses [Page 16]; and
4. Encouraging Corporate Social Responsibility of University Suppliers [Page 17]

Perhaps as a reflection of the times we live in and the civic-mindedness of our generation, there were no lack of issues from which to draw our report topics. More so than any other period in recent memory, these last few years have seen a sharp increase in student activism and concerns. One reason for this is the fact that when students come to the University of Minnesota, they do so now with certain expectations—and the expectations of a generation ago are not the same as those now. Of course we expect a quality education and academic freedom, but we also expect our University to represent, on more than just paper, certain values. We expect a campus community that represents and accommodates the full diversity of our society. We expect safeguards for our personal information. We expect that an education on one campus
in one region of the state is recognized as just as valuable as one elsewhere. We expect that money spent in our name and interest is done so with consideration of those social, environmental, and economic values we cherish. None of this is a matter of entitlement, it is a matter of good policy and common sense.

While the issues identified in this report will manifest differently on each campus, a system-wide approach is still necessary. Therefore, in drafting this report, where there was consensus, we moved forward; where there was disagreement, we noted as much and acknowledge that there is no “silver bullet” solution that will satisfy everyone. That said, this report is the starting point for an important—and inevitably impactful—conversation.

**INCREASING DIVERSITY/INCLUSION FACILITIES, EFFORTS, AND DISABILITY SERVICES**

Diversity and Inclusion efforts across the system are pertinent to student needs and success. This is even acknowledged in the Teaching and Learning portion of the University’s Mission Statement.¹ It is imperative that the University not only works to increase our culturally and geographically diverse populations but also works to address the needs of our marginalized and underrepresented students as well. The purpose of this section is to examine the current status of Diversity and Inclusion efforts and highlight areas where further work is needed. This section focuses on two specific areas:

- Diversity Facilities and Efforts; and
- Disability Diversity

Each represents an area with needs that the Student Representatives do not believe are being properly met. Since our positions enable us to act as a voice for each of the campuses, we have constructed an update from each regarding both areas of need. As a system, the pursuit of student diversity must be coupled with the means for developing an inclusive community. While current Diversity and Inclusion efforts may be considered satisfactory to some, we believe it has not been paid its due diligence. In addition to recommendations cited more specifically throughout this section, we recommend that this issue be expanded upon in the system-wide strategic plan.

¹ University of Minnesota Mission Statement Subdivision 1., Teaching and Learning.
A 21st-century diversity strategic plan is an instrument that synthesizes the findings of diversity evaluation, incorporates analysis of gaps between the current and desired state of diversity, and situates the goals for diversity in the larger context of the institution’s strategic agenda. Rather than risk redundancy by recommending a diversity strategic plan be put into place, as the issue of providing support for the success of an increasingly diverse student population is already explicitly mentioned in the system wide strategic plan framework, we recommend that the efforts already in place be strengthened to act as a separate plan might. Our hopes with expanding upon this particular area would be to not only create a comprehensive, ongoing analysis of diversity and inclusion efforts on each campus but also to provide direction specialized for the needs at each campus as well. By strengthening this focus of the strategic plan, the University would better align with the Teaching and Learning portion of the University’s Mission Statement and also more effectively serve the current—and future—marginalized and underrepresented students as well.

**Diversity/Inclusion Facilities and Efforts**

*Twin Cities*

Diversity efforts on the Twin Cities campus are thriving, recognized by both *Insight Into Diversity*’s Higher Education Excellence in Diversity Award and *Campus Pride*’s 2016 Best Top 30 List of LGBTQ-friendly Universities. The Multicultural Center for Academic Excellence promotes an inclusive atmosphere on campus through both programs and its physical office space. With 12 multicultural fraternities and sororities, nine student-run cultural centers, 200+ cultural student groups, and 9 cultural living learning communities, these efforts are widely felt and seen across campus. But we expect more.

With the Office of Equity and Diversity now having a Director of Campus Climate initiatives, adequate funding to support these initiatives is imperative. Campus Climate impacts students and is correlated with a student’s sense of belonging. Research has shown that students’ sense of belonging in college is positively associated with degree completion. Related to this is the Office of Equal Opportunity and

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4 *Id.*
Affirmative Action’s need for an additional investigator. With a recent increase in investigation numbers, there has been a corresponding increase in delay of cases.

The following section highlights specific needs from the Race, Indigeneity, and Gender Studies Departments on the Twin Cities campus.

American Indian Studies

The American Indian Studies Department on the Twin Cities campus is the oldest in the nation. The department today hosts and facilitates programs such as immersion lunches with community elders, field trips to Dakota sacred sites, and is working toward a one to two week program for high school students to learn more about the University and to remove common intimidations initially felt. These programs allow students to connect to the culture that they are studying in a way that simply cannot be attained in a traditional classroom setting and set the stage for a successful experience at the University. The department currently does not have a reliable source of funding for these programs and is in dire need of such. In addition to the funding of the physical programs, transitioning the employment status from part-time to full-time of some staff members would allow for further development and output.

African American Studies

Next year marks the 50th anniversary of the African American Studies Department. Founded upon the request of student protesters for increased student representation and racial injustice, this department is uniquely connected to the student body. The department is currently phasing out three of its faculty members for retirement and needs continued funding to fill these eventual vacancies as well as adding in an additional faculty member role that would meet the needs of the student body. The department also hosts multiple student engagement events such as research positions and policy workshops, additional funding here would ensure that these initiatives continue and even possibly expand.

5 University of Minnesota American Indian Studies Department, in discussion with Mina Kian, January 25, 2018.


7 University of Minnesota African American Studies Department, in discussion with Mina Kian, February 22, 2018.

Asian American Studies\footnote{University of Minnesota Asian American Studies Department, in discussion with Mina Kian, February 16, 2018.}

Asian American Studies is the newest Race, Indigeneity, Gender and Sexuality Studies (RIGS) program and the only ethnic studies unit that is not its own department. However, this has been strategically leveraged to allow them to draw from faculty in multiple departments to teach their curriculum and support their overall mission.\footnote{“Welcome to Our Community,” University of Minnesota Asian Pacific American Resource Center, accessed February 28, 2018, http://aparc.umn.edu.} The Asian Pacific American Resource Center is currently funded through a five year US Department of Education AANAPISI grant (Asian American, Native American, and Pacific Islander Serving Institution).\footnote{“Asian American and Native American Pacific Islander-Serving Institutions Program,” U.S. Department of Education, accessed March 4, 2018, https://www2.ed.gov/programs/aanapi/index.html.} A concrete plan for the future funding of the Asian Pacific American Resource Center is urgently needed for the continuation of the center’s work after the five year grant period ends. This funding would allow the program to continue accommodating the needs of the diverse community they support as well as support in compensating professors that work within the unit, many of whom are functioning above the capacity of their compensation through their own departments.

Chicano Latino Studies\footnote{University of Minnesota Chicano Latino Studies Department, in discussion with Mina Kian, February 8, 2018.}

The Chicano Latino Studies Department is the oldest of its kind in the Upper Midwest\footnote{“History,” University of Minnesota Chicano & Latino Studies, accessed March 4, 2018, https://cla.umn.edu/chicano-latino/about/history.}. Based off of student feedback they have received, the department is currently working to expand its coursework to offer additional Latino Studies classes beyond its current focus on Chicano Studies. In order to meet this expansion, the department has sent in a request to the College of Liberal Arts for an additional faculty member to be added next year with a plan to hire two more faculty members within the next three years. Meeting this request would allow them to meet the full scope of their department’s mission.

American Studies\footnote{University of Minnesota American Studies Department, in discussion with Mina Kian, February 28, 2018.}

The American Studies Department has one of the most prestigious graduate programs in the nation, ranked second among public institutions and fifth overall\footnote{University of Minnesota American Studies Department, in discussion with Mina Kian, February 28, 2018.}. Working in conjunction with the other ethnic
studies programs the American Studies department is a transformative agent, adding diversity to the academy\textsuperscript{16}. Because the strength of the graduate program enhances faculty retention, which in turn improves undergraduate outcomes and the prestige of the university, the department requests funding for additional graduate students.\textsuperscript{17}

**Crookston**

The Office of Diversity and Multicultural Programs on the Crookston Campus has been in existence since the fall of 2001. This office serves the campus community in many different ways. They are able to offer academic advising services to students of color, as well as working with many other departments of campus, mainly athletics and student activities, to promote diverse cultural programs on campus and around Crookston.

Diversity and Multicultural Programs also partners with the International Program on campus, as well as programs for first year students to create opportunities for international students and students of color. This office also advises clubs and organizations for students of color, and is a resource for students dealing with color, race, or gender issues. The program is attempting to grow and sustain diversity on campus by working with the admissions office to recruit students of color, as well as building relationships with communities of color in the area.

**Duluth**

The Multicultural Center at Duluth opened its doors in 2004. Housing the offices of 14 student groups and organizations, the Center today acts as an inclusive and welcoming environment utilized by many students each and every day. In the past 14 years, the facility has undergone immense use and reached capacity. Despite limited resources, student use of the facility is increasing, causing the Office of Diversity and Inclusion to request additional funding from the Student Service Fee Committee with hopes to remodel the space. The proposed remodel would reconfigure the current space in a manner that optimizes common space and meets the needs of current and future students. While this is important, the main area where more attention is needed is staffing.


\textsuperscript{17} Brenda Child, Chair of University of Minnesota American Studies Department, in discussion with Mina Kian, February 28, 2018.
Given its limited resources, the Office of Diversity and Inclusion has shown exceptional fiscal responsibility while operating with limited staff. For instance, the Women’s Resource and Action Center is in dire need of a coordinator, with this position being vacant since 1991. Two positions that Duluth has never had is an admissions staff member who focuses on recruitment and retention of marginalized and underrepresented students or a staff member who specializes in immigration matters. This is disconcerting since studies show that universities need to move beyond the traditional recruitment and retention methods and employ alternative strategies.\textsuperscript{18} The appointment of an individual for either position, either full- or part-time, would aid diversity and inclusion efforts.

\textit{Morris}

With one of the most diverse undergraduate student populations in the state of Minnesota, diversity and inclusion remain pertinent to student success at the Morris campus. Currently, 31\% of Morris students are American Indian students and students of color, with an additional 10\% of the student population being comprised of international students. The infrastructure in place to accommodate these students is the Multi-Ethnic Resource Center, the oldest building on Morris’ campus (and which is also listed on the National Historic Register).

Morris is the only 4-year campus in the upper Midwest recognized as a Native American Serving Non-Tribal Institution. This designation identifies Universities with an undergraduate student body where at least 10\% of students are Native American, a percentage Morris well surpasses. Given this and Morris’ history, a notable gap on campus is the lack of an American Indian Cultural Center. Having a facility on campus that acts as a haven for American Indian students would both increase retention and graduation rates and provide other social benefits as well.

\textit{Rochester}

Rochester continues to experience positive growth in its diverse student population. As some funding for the Rochester campus’ efforts comes from the Twin Cities, namely the summer and winter bridge programs, UMR is continuously thankful for the increased opportunities that can be offered to students. These have contributed to increased retention and academic performance of marginalized and

underrepresented students in the health CORE learning community, including an intervention program for low-income, first-generation, or students of color. While the efforts supporting these students at UMR have proved to be efficient and effective, one area in which the campus could use support is in the recruitment and retention of faculty and staff of color.

While a strategy consisting of affirmative action and hiring scratches the surface, it is pertinent that the campus has the resources to encourage retention and reciprocal empowerment through coaching, mentoring, professional growth, and institutional sponsorship. Auburn University is one institution that has a strategic diversity plan that emphasizes leadership development, mandatory diversity training for supervisors, and mentoring programs for faculty and staff. This plan also includes the establishment of a recruitment fund specifically for faculty and administration. At the Rochester campus, students from diverse backgrounds seek faculty and staff who demonstrate that educational success is valued, achievable, and lucrative. For the current student population missing these role models in their communities, it can be difficult to navigate a system without the visual reminders and examples of the institution’s commitment to diversity that faculty and staff of color provide.

**Disability Diversity**

*Twin Cities*

Of the students who use the Disability Resource Center (DRC), 79% of its capacity is used by undergraduates, 19% by graduate and professional students, and 1% by ‘other.’ The increase in usage at the Twin Cities campus makes it difficult for the DRC to meet student needs in a timely manner. It is also in equal need of physical resources such as space and personnel-based resources such as consultants, assistant staff, document conversion, interpreters and captioners. This resource strain is most-apparent during peak testing season. The DRC is overworked, causing it to fall behind in a way that detrimentally affects student users. As demand increases, some students are beginning to fall between the cracks.


20 *Id.*

21 *Id.*

In our conversations with students, some explained that there is disparity in faculty support of students who need accommodations. Some students explained that they felt very supported by faculty and that if the DRC had trouble accommodating or a student did not want to use the DRC, faculty were willing to support and work with them. Alternatively, some students noted that some faculty were unwilling to support accommodations at all. According to University of Minnesota Policy, accommodations can only be refused if they:

- Compromise essential requirements of a course, program, job, activity, or facility;
- Cause an undue administrative or financial hardship;
- Jeopardize the safety of the student or others; or
- Fundamentally alter a course or program.23

Based on our conversations, the fourth bullet point is where professors may be abusing their discretion to keep students from receiving their requested accommodations. This discrepancy may suggest that at least on the Twin Cities campus, additional educational support is needed to ensure that students are adequately supported from all sides.

**Crookston**

At the Crookston Campus, the DRC has been unable to function at an optimal level. The demands on the DRC have increased in the last few years despite the decline in campus enrollment. DRC usage has increased from 5% in 2014 to 12% in 2017.24 This 12% represents approximately 215 students. The Crookston DRC director, Gail Myers, identified some of the biggest needs as affordable therapeutic treatment for mental health as well as services for students with autism (social, emotional, and behavioral). Another need that Myers identified was in regards to faculty: the need for additional training on how to assist students with disabilities. Though they identified a lot of need as a campus, the DRC felt that some of the larger issues surrounding mental health could be mitigated if the system was able to better share DRC resources. One specific idea was that they could look into a shared model for a case management database, which carries a large financial burden.

**Duluth**

23 UMN Disability Resources Center FAQs, What if an Accomodation does not work with my class?, https://diversity.umn.edu/disability/faqs

24 Gail Meyers, Director, Disability Resources Center, University of Minnesota Crookston, in discussion with Marta Dean, January 29, 2018.
At the Duluth Campus, disability services are operating at a functional level, but there is room for improvement. Currently, 468 students are being served by the Duluth DRC. This is just over 4% of the student population, and this number is expected to grow as increased need is determined each year as well as increased diagnoses. Though the DRC is operating at a functional level complying with the Americans with Disabilities Act, there are still areas in which attention is needed. One area that students have expressed needed improvement in is advisement services, with 8% of students reporting that their current advisors are rarely helpful in academic planning when taking into account their disability-related needs.

Another area students feel needs improvement is the appeal process, again with about 8% reporting that their experience with the appeal process was poor in regard to the Office of Disability Resources. The addition of an advisement staff member in the Office of Disability Resources would address both the problems of poor advisement experiences and a difficult appeals process for students with learning disabilities at the Duluth campus.

**Morris**

At the Morris Campus, over the last few years, the number of students who rely upon the DRC is approximately 100-125, which is approximately 7% of the student population. While the current resources available to the Morris DRC makes it functional but not optimal. It is staffed by one person in one office. The testing space is inadequate to handle peak student demand. The building itself is not accessible by all students with disabilities. Given its resource strain, the Morris DRC is unable to provide peer advocates, peer mentors, and other programming. The problems facing the Morris DRC stem not from policy but from a lack of resources.

**Rochester**

At the Rochester Campus, due to a lack of resources, disability services are not operating at an optimal level. With the growth of the campus in the past few years, the demands on this one-person department are high. According to Kris Barry, the current interim department head, during the fall of 2017, 388 student contacts were logged, including in-person as well as phone appointments. These contacts make

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28 Kris Barry, Director of Health and Wellness, via email correspondence with Lauren Anderson, January 24, 2018.
up about 16% of the student population. Students vary in contact with the office, from some only meeting once per semester, to others meeting multiple times per week. Moreover, the department is struggling with staffing and space. Barry went on to say that: “With an increasing number of students receiving test accommodations we have neither the space nor staff to adequately accommodate testing needs.”

Additionally, the growing number of students utilizing the DRC are having increasingly complex diagnosis and disorders. Of these people, many are ones that UMR does not have the capacity to serve. As this continues, UMR will need to broaden its services as the students on campus do not have access to Boynton Health Services or the University Counseling and Consulting Services offices. One student on the Rochester Campus said, “I feel like I can’t always use my accommodations because the department, which is just one person, is so stressed.” This gives an accurate picture of the student concern surrounding the disability services department at Rochester.

**REEVALUATING STUDENT INFORMATION PRIVACY**

Students have very little understanding of what their data privacy rights are. On the Twin Cities campus, during freshmen orientation, students are told about their ability to restrict their Directory Information (DI), though how this is explained varies between the colleges. Although the University also sends an annual consumer information email, these together are insufficient. Few students are aware DI exists and even fewer are aware that such information must be shared to anyone who requests it. Under the Minnesota Government Data Practices Act (MGDPA), the University must provide this information for a nominal fee to cover the cost of production. This is a common practice, and the University of Wisconsin is subject to similar data laws. This formal request is only one of many ways third parties can obtain DI.

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31 For example, because the University directory is not hidden behind the .x500 sign-in page, anyone with the right data scraping tools can pull the entirety of the directory in a matter of hours. In 2017, one University student demonstrated this capacity at a forum hosted by the Minnesota Student Association.
While the Family Educational Rights and Privacy Act (FERPA) focuses on the sharing of private educational records (both internally and to third-parties including parents), it also covers the use of DI. This is distinct from private/non-public information (e.g. one’s social security number, grades, test scores, student ID number), which this report does not address. Within the University, existing Board of Regents policy defines “Directory Information” as including:

"student's name, address, electronic (e-mail) address, telephone number, dates of enrollment, enrollment status [...], major, adviser, college, class, academic awards and honors received, and, upon graduation, the degree awarded."32

This policy requires that DI "shall be publicly available and may be disclosed to any person without the student's consent unless the student has suppressed or prohibited disclosures of the information. Students shall be given the opportunity to suppress their directory information during the term of their enrollment."33 This ability to suppress information is under-utilized, and according to the Twin Cities’ Director of Continuity and Compliance, a very small percentage of students take advantage of this opportunity. Of the 47,657 degree-seeking enrolled Twin Cities students, only 8,610 (18.07%) suppress any amount of DI (Figure 1). Based on our conversations, we do not believe this accurately represents the preferences of the majority of students but is instead due to a lack of education among our peers.

While some may not regard this as a critical issue, this publicly accessible aggregation of student information poses several problems. This includes an “increased risk for privacy violations,” the drowning out of official University communications, and the receipt of unwanted advertisements and surveys.34 This year alone, some students at the University of Minnesota Law School received a mass email to their University email addresses from a disbarred attorney soliciting business partners for a “coffee enema” startup.35 Despite the entrepreneurial spirit of many law students, this was an unwanted solicitation. Because of these problems, we believe there is a middle ground that allows for both some level of publicly accessible information and a minimum baseline of student privacy protections.


33 “Student Education Records” Policy, Section IV, Subd. 1.


35 Email on file with Joshua Preston, Chair, Student Representatives to the Board of Regents.
FIGURE 1. Only 8,610 Twin Cities students suppress any amount of Director Information.36

<table>
<thead>
<tr>
<th>Suppressed Directory Information</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>1202</td>
</tr>
<tr>
<td>Phone Number</td>
<td>309</td>
</tr>
<tr>
<td>Address and Phone Number</td>
<td>5426</td>
</tr>
<tr>
<td>Address, Phone Number, and Email</td>
<td>837</td>
</tr>
<tr>
<td>All Information (Total Suppression)</td>
<td>836</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8610</strong></td>
</tr>
</tbody>
</table>

Recent amendments to FERPA for the creation of a new category of information: “Limited Directory Information” (LDI). Creating such a category—along with a few other security standards—can resolve some of these problems and mitigate concerns students have. Additionally, this would once again position the University as leading the way among Big 10 Institutions by the first to adopt this new category.

**The Current Legal Landscape Allows for this Information Privacy Middle Ground**

When Congress passed FERPA in 1974, educational institutions handled student information very differently. In the nearly five decades since, this process has changed as paper yielded to digital record-keeping. With the convenience of this new format, it also means that information can be aggregated, accessed, and shared on a scale previously unimaginable. Recognizing this, in 2011 the U.S. Department of Education enacted a series of new rules to give institutions more flexibility in what is shared publicly. Notable is 34 C.F.R. § 99.3, which permits institutions to create a category of LDI whose “disclosure of directory information will be limited to specific parties, for specific purposes, or both,” as decided by the institution.37 These regulations grant institutions the flexibility to explicitly exclude disclosing this information for marketing purposes.38 It also leaves it up to institutions to decide whether to prohibit a third party from sharing—or selling—this information to others.

36 Stacey Tidball, Director of Continuity and Compliance, in discussion with Joshua Preston, February 5, 2018.

37 Limited Directory Information Policy, 34 C.F.R. § 99.37(d), at 7

Although educational leaders in Minnesota thought the Department’s regulations conflicted with the MGDPA, in July 2014, the Deputy General Counsel of the MnSCU system requested an advisory opinion reconciling FERPA’s LDI language and state law. In response, Minnesota’s Department of Administration published Advisory Opinion 14-009.39 This Opinion noted that certain educational information may be designated LDI, as described in 34 C.F.R. § 99.37(d), and that institutions “may release those data to specific parties, for specific purposes, or both, as identified by the entity in its public notice.”40 According to the University Survey Advisory Team (U-SAT), at least 12 MnSCU schools have created LDI categories but not one Big 10 Institution with the same legal obligation to provide public information have done so.41 Here the University has an opportunity to lead the way. While the current Board policy is consistent with FERPA and the MGDPA, the University has not taken advantage of the flexibility FERPA allows institutions in creating different categories of DI that balance the need to keep some information public while addressing student concerns.

Proposed Solutions

While we suspect protecting the data privacy rights of students will be a multi-year process, we believe this should be done in consultation with student leadership—at both the Student Senate and Student Representative to the Board of Regents-level. Though we cannot predict how this effort will grow and develop over time, we offer the following suggestions.

(1) Creating a “Limited Directory Information” Category and Adopting Other Security Measures

Even though FERPA makes directory disclosures optional, state open records laws require disclosure. We are not advocating for the complete hiding of personal information, nor are we advocating for an opt-in (rather than opt-out) system. We believe there are benefits to having some baseline of directory information available to the public. For example, it can be helpful for local media trying to find sources for particular stories and it can also serve as an easy way for potential employers to confirm whether an applicant is in fact a University student. Given these competing interests, fortunately, there are internal

39 Minnesota Department of Administration, Advisory Opinion 14-009. Available at https://mn.gov/admin/data-practices/opinions/library/?id=36-267172#/detail/appId/1/id/266966.

40 Id.

policies being proposed that may resolve this. Some of these range from adopting a limited directory policy to just adding basic-level security protections (e.g. CAPTCHA or banning IP addresses caught “scraping” directory information). Some universities use only an “authenticated directory,” which grants access only to those capable of logging into the institution’s system. This is problematic, though, for the reasons stated above and plus we are reluctant to endorse an approach that is so all-or-nothing.

We would like to see a Regents Policy change that creates the LDI category. We believe the following information should be included in this category:

- Physical addresses
- Phone numbers
- Email addresses
- Identification card photographs

FERPA allows institutions to further define what groups and for what purposes this information may be released. In making this decision, we would like both the Regents and Administration policy to be written in consultation with students. But as a baseline, we propose that LDI be accessible only through the authenticated directory with general security protections to protect against data scraping.

(2) Documenting Who Requests Our Information

We believe that the public access of directory information should itself be publicly available. We support a policy where the names of individuals or organizations requesting the directory information of more than 100 students be compiled and made available to students. We deserve to know who is requesting student information en masse.

(3) Educating Students on Their Data Privacy Rights at the University

On the Administration-level, we strongly encourage new efforts be taken to ensure students are fully aware of their privacy rights here at the University. While an orientation lesson (which varies among colleges and campuses) and an annual, system-wide “consumer information” email may on paper seem sufficient—it is simply unrealistic to assume that these are adequate in helping students make an educated decision regarding their directory information. As a start, in addition to the annual consumer information
email, the Administration should invest in targeted social media ads that remind students to be thoughtful of their data privacy rights and that they have the right to change their data settings.

**CONSISTENCY IN CREDIT TRANSFER BETWEEN CAMPUSES**

A degree from the University of Minnesota is respected around both the United States and the world. Not only is the University a leader in many undergraduate and graduate fields of study, we also have a reputation of taking care of students and making sure they have what they need to be successful. One of the greatest assets the University gives its students is the ability to choose between five unique campuses. Each of the campuses have different strengths and provide different opportunities while offering the same University of Minnesota degree.

Students choose which campus to attend based on a myriad of reasons. Many students choose to attend the Twin Cities because it is the Flagship Campus. Others may choose a campus because it is closer to home, less expensive, well known for a desired major or field of study. However, just because a student begins their education at one campus does not mean they will finish it there. Just as a student may choose a campus for many reasons, they may transfer within the system for just as many, if not more. For example, a student may not be accepted to one University campus straight out of high school but intend to transfer to another. That student could then spend time getting their grades up so that they may later transfer to their first choice campus. Because everyone’s experience is different, we should encourage and support students seeking the educational opportunities that are best for them.

Since all five University of Minnesota campuses offer the same degree, many students assume that they can transfer within the system without losing credits or not graduating on time. However, this is not the case. Many students attempting to transfer from one University of Minnesota campus to another have found out the hard way that many of their credits do not transfer, and that they may require an additional year of schooling to graduate. Rather than do that, many students instead stay where they are or find a school outside the University of Minnesota system which will accept more of their credits and allow them to adhere to their graduation plan.

One of the great strengths of the University of Minnesota system is the ability of each campus to create a unique learning community. While this is not something that should be put in jeopardy, it would seem that five campuses offering the same degree to their students could structure classes across the system to
facilitate greater credit transfer between campuses. At one extreme, this could take the form of class standards, which we are skeptical about given its limiting the ability of professors to design their own curriculums. At the other, we could encourage department leaders to recognize, without qualification, that the social science department on one campus is not more equal than that on another. The best approach may be to encourage more cross-campus communication and collaboration between department leaders who ultimately make the decision on transfer credits.

We know that not every program can accommodate 100% credit transfer and that such a mandate could compromise a specific program’s unique educational experience. Such examples, though, are few and far between, and we offer this caveat with an eye toward the medical programs at the Rochester campus. There, students follow a very particular trajectory developed in collaboration with the Mayo Clinic, a world class institution. In such unique situations, the University simply needs to be more upfront with their students about credit transferability between campuses. Being open about potential challenges and willing to help students at every step of the way would do much to keep students within the system.

As student leaders who represent the full breadth and diversity of the University system, we appreciate the individual strengths that each University of Minnesota Campus brings to the system as a whole. We have no desire to see each campus made identical, or to see standardized curricula. We simply expect that students considering intra-University transfer be given all the knowledge, tools, and support to do so as equitably as possible.

ENCOURAGING CORPORATE SOCIAL RESPONSIBILITY OF UNIVERSITY SUPPLIERS

The University of Minnesota has approximately 38,000 suppliers it contracts with across the entire system.42 These contracts provide a wide array of goods and services, from scientific equipment to laundry and food services. Such being the case, suppliers have a substantive impact on the experiences of everyone at the University, whether they are students, staff, faculty, or administrators. However, when it comes to contract evaluation, save for a specific stipulation that for state-appropriated funds, 20% of purchasing contracts should be awarded to local small businesses (in accordance with Minnesota Statute

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42 Tim Bray, Director of Purchasing Services, University of Minnesota, in discussion with Apoorva Malarvannan and Shantal Pai, September 2017.
137.31), the majority of contracts are evaluated on a case-by-case basis by the unit or department (end user) who will receive the goods or services.43

At face value, this seems reasonable: The people using the goods or the service best understand the needs, specifications, and budgets that must be met. But the lack of other standardized criteria has sometimes led the University to partner with companies with substandard corporate ethics or that are engaged in the violation of human rights. Historically, students have expressed concerns about companies with whom the University contracts. Some noteworthy cases include the University’s involvement with companies upholding South African apartheid in the 1980s and the University’s current contracts with companies that flout labor standards (See Appendix 1).44 Students’ tuition and state taxpayer money should not be used to support such behavior—and one reason why we believe this happens is because the University lacks a visible standard, unified consideration of corporate social responsibility (CSR) when evaluating contracts. The University already considers financial risk and compliance (e.g. examining whether the company has a history of fraud),45 so why not go further in our due diligence to ensure a contract is about more than good business but also good ethics?

To meet this challenge, the Student Representatives developed a system-wide supplier code of conduct of 8-10 broad corporate social responsibility standards (See Appendix 2).46 Several peer institutions, such as

43 University of Minnesota Board of Regents, Docket material of Audit and Compliance Committee, December 14, 2017

44 University of Minnesota Board of Regents, “University of Minnesota Board of Regents Meeting and Regents Committee Meeting Minutes, January 11-12, 1979, http://hdl.handle.net/11299/588.


46 As noted in the Introduction to this report, we acknowledge not every stakeholder will agree with the proposed supplier code of conduct since, in fact, there were even mixed reactions among the Student Representatives themselves. These concerns are valid, and while the Student Representatives still wished to pursue this topic, we also wanted to make space for dissenting perspectives. For example, Student Representative Lauren Anderson, on behalf of the students of the Rochester campus, provided the following statement:

The Rochester campus feels that it is not in the University’s best interest to support these efforts currently. Students at this campus overall trust the integrity of the current policy as well as the Regents’ ability to alter the policy if need be in the future. Moreover, they believe that as consumers of the University Services, they are equally responsible for ensuring that ethical concerns are carried to the proper channels through the UMN and are confident in the ability of the Campus to respond in an appropriate manner when student concern is raised.
the University of Michigan, already have such supplier code of conduct. Much like the standardized criteria for financial risk, we advocate for these corporate social responsibility principles to form a portion of the overall criteria (roughly 10-15%) for evaluating the University’s contracts. Accompanying the supplier code of conduct, we also propose a set of policy recommendations below, aimed at facilitating the implementation of a supplier code of conduct:

- Adoption of Supplier Code of Conduct
- Supplier Code of Conduct Added to Board of Regents Policy: *Purchasing*
- Supplier Code of Conduct Receives 10-15% of Weightage During Evaluation Process
- Formation of a CSR Evaluation Committee for RFPs over $1 million
- Utilization of ESG Scorecards/Databases/Reports
- Training for End Users (Departments/Units)
- Audits of Major Suppliers
- Screening of University’s Pre-Established Preferred Suppliers
- Annual Review of Supplier Code of Conduct

Because the University prides itself as a public, land-grant institution, it is a steward of the public and must be conscious of the relationships it cultivates and the practices it encourages. As a major economic driving force in Minnesota, the University additionally has the capacity to influence and guide the business landscape toward a greater understanding of corporate social responsibility. Furthermore, the University itself would benefit from a policy and principle shift that more explicitly emphasizes the “triple bottom line”—a triad of profit, the planet, and people—both in terms of public relations and leverage in its ability to contract.

We understand that there are no universally accepted moral or ethical understandings of what is acceptable in life and society—let alone in business—but the University of Minnesota must approach some agreed-upon internal understanding of what it values and prioritizes in its business partnerships. The University must more meaningfully consider the impact its actions have on the community, from the local to the international level, and one of ways it can do so is by requiring the consideration of corporate social responsibility when evaluating its supplier contracts. Such a proposed supplier code of conduct

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embodying the University’s mission and values would ensure that we do not forget these in the University’s daily operations.

The development of this topic on suppliers’ corporate social responsibility is initiated by students with meaningful input from corporate social responsibility and human rights academic literature, the University administration, and system campuses, including Auxiliary Services, Purchasing Services, Contract Administration, the EOAA Office, professors at the Carlson School of Management, and professors at the system campuses. We also gained helpful insight by examining relevant policies at our peer public institutions such as the University of Michigan\textsuperscript{48} and University of Connecticut\textsuperscript{49}, which as public research universities share similarities to the University of Minnesota. We are grateful to each of these individuals and units for the input and counsel they provided to us as we drafted this report topic.

**Policy Recommendations**

We understand and acknowledge that implementing a supplier code of conduct requires building up some amount of administrative infrastructure. To facilitate this process, we have included a set of policy recommendations accompanying the supplier code of conduct, to begin a conversation about how to best implement this policy. These policies are written to be flexible, and to be responsive to additional input and conversation from the Board as well as other stakeholders, as we understand that policy development is contingent on feedback and discussion across a broad swath of units and institutions, and we welcome the discourse that will emerge from this proposal. Additionally, to be cognizant of the capacity of the University to implement the supplier code of conduct, we advocate for the implementation of these policies in phases.

1. **Supplier Code of Conduct Added to Board of Regents Purchasing Policy**


We recommend that guiding principles directing the administration to maintain a supplier code of conduct be added to the Board of Regents Policy: Purchasing, Section I.\(^5\)

2. Screening of University’s Pre-Established Preferred Suppliers (U-Wide Contracts)

To ensure that the University’s Preferred Suppliers act in accordance with the supplier code of conduct, we recommend that these suppliers undergo an evaluative screening using the supplier code of conduct, to ensure that the University is partnered with suppliers who have a strong commitment to corporate social responsibility. This evaluation would additionally serve as an initial collection of feedback regarding the supplier code of conduct.

3. Supplier Code of Conduct Receives 10-15% of Weightage During Evaluation Process

We recommend that the evaluation of Requests for Proposals (RFPs) and contracts against the supplier code of conduct constitute 10-15% of the University’s consideration. We feel that this percentage allows for corporate social responsibility to become an important priority when evaluating contracts, while still giving end users the freedom and autonomy necessary to make their own purchasing decisions.

4. Formation of a CSR Evaluation Committee for RFPs over $1 million

We are cognizant of the sprawling nature of the University’s contracts and partnerships with suppliers and understand the need for a gradual creation of administrative infrastructure surrounding CSR. Thus, we recommend the formation of a Corporate Social Responsibility Evaluation Committee, tasked with evaluating suppliers’ adherence to the supplier code of conduct for contracts over $1 million. These contracts already require Board approval, indicating their considerable importance and relevance to the systemwide affairs of the University. We recommend that before the presentation of these contracts to the Board, the Corporate Social Responsibility Evaluation Committee presents their findings on these suppliers’ adherence to the supplier code of conduct. The Corporate Social Responsibility Evaluation

\(^5\) This would be similar to the new revision in Board of Regents Policy on Endowment Fund (Subd. 5, Environmental, Social, and Governance Responsibilities. The University shall consider environmental, social, and governance responsibilities in its investment decisions.). We propose to add the following in Board of Regents Policy Purchasing: Section I. GUIDING PRINCIPLES: (f) purchasing activities shall consider and promote environmental, social, and governance responsibility of university vendors and contractors, as defined by a supplier code of conduct. University of Minnesota Board of Regents, “Purchasing” Policy (adopted July 1978, amended July 2008), https://regents.umn.edu/sites/regents.umn.edu/files/policies/Purchasing.pdf.
Committee can take on a variety of compositions; we recommend that it be permanently composed of stakeholders from Purchasing Services and the University Senate Social Concerns Committee, with rotating seats given to representatives from the department or unit involved in making the purchase. The establishment of a Corporate Social Responsibility Evaluation Committee, no matter the iteration, would aid in the evaluation of the University’s most expensive and important contracts. Over time, we hope that the Corporate Social Responsibility Evaluation Committee becomes robust enough that it could evaluate major contracts below the threshold of $1 million and serve as a resource for departments and units when evaluating corporate social responsibility.

5. Real-Time Training for End Users

To build the capacity of individual departments and units to evaluate CSR, we recommend investing in the training of end users. In the initial stages, departments interfacing most directly with suppliers and suppliers would be prioritized to receive training (e.g. Purchasing Services, Contract Administration, and Auxiliary Services, particularly category managers). This training would then extend to the University’s other departments and units, including those with a research focus or other directive that requires them to make frequent large purchases. The intention behind this recommendation is to progressively develop a shared understanding of CSR across the University system and provide all employees at the University the tools and resources necessary to implement and uphold the supplier code of conduct. To create a shared understanding of corporate social responsibility across the system takes time and effort, but we think this is not only beneficial in the long run but necessary to advance the mission and values of the University.

6. Utilization of ESG Scorecards/Databases/Reports

There are an array of metrics, standards, and assessments that can be used to measure and evaluate CSR, and to our understanding, there is no singular, comprehensive standard for doing this. For this reason, we recommend that the University adopt an assortment of third-party CSR/environmental-social-governance databases, scorecards, and metrics. Using these would put us in lockstep with the broader state economic community. Several prominent companies based in Minnesota, such as General Mills, Target, and Cargill, refer to these metrics as a way of CSR self-assessment, such as the Corporate Human Rights Benchmark\textsuperscript{51}, the CDP\textsuperscript{52,53}, the Human Rights Campaign\textsuperscript{54}, and the UN Sustainable Development

Goals. In addition, many other companies, such as Apple, also publish their annual supplier responsibility report highlighting the achievements they have made each year in promoting social responsibility through their supply chains. Using third-party metrics and scorecards to assess CSR would help facilitate the incorporation of the proposed supplier code of conduct into assessing contracts, and place us amidst other major stakeholders of the state and national economy.

7. Audits of Major Suppliers

As the University develops its capacity to assess and evaluate CSR, we recommend that it also conduct audits of its major suppliers to encourage continual compliance with the University supplier code of conduct and commitment to corporate social responsibility. As a part of its mission, the University must be continually concerned with the impact its partnerships are having on the broader community. Auditing its major suppliers would create an expectation on the part of suppliers to consistently and continually prioritize CSR.

8. Annual Review of Supplier Code of Conduct

Corporate social responsibility is inherently progressive, in the sense that the expectations and obligations that corporations should comply with are always expanding. To ensure that the University is constantly developing its understanding of CSR, we recommend that the Board annually review the supplier code of conduct to ensure that it is not a static document but a policy that fully reflects the understandings and expectations for CSR as they evolve.

52 Id. 5.


55 Id. 8.


APPENDIX

1. Aaramark Case Study

Aramark Corporation is a food service and facilities company contracting with the Twin Cities campus until June 30, 2020. It provides the University with residential, retail, and catering food services that serve students, faculty, and the broader University community. In 2017, the University Senate passed a resolution highlighting a number of student concerns about Aramark’s restrictive, high-cost, and poor quality food options, along with concerns about its off-campus business ethics. Of particular note are Aramark’s labor law violations, including reports of unsanitary work conditions and several types of employment discrimination, and Aramark’s repeated serving of tainted, unsafe food. These concerns are not new and students have raised them about Aramark since 1999, when the University first contracted with the company.

In response to the 2017 University Senate resolution, Aramark issued a statement on their corporate social responsibility. By the assessment of the Student Representatives, this response was not adequate, in that it did not meaningfully address the concerns raised by the University Senate. Under the proposed supplier code of conduct, Aramark would have been found in violation of the nondiscrimination, labor, and safety and health standards. This would have provided the University bargaining leverage in subsequent contracting. The University’s twenty-year partnership with Aramark demonstrates the need for a supplier code of conduct to critically evaluate and assess suppliers’ practices, and ensure that these suppliers are continuously committed to corporate social responsibility.

2. Supplier Code of Conduct for University of Minnesota Suppliers

59 “Food Service Management and Operation Management Agreement by and between the Regents of the University of Minnesota and Aramark Educational Services, LLC.” June 30th, 2008.

60 “Student Senate Resolution on Aramark Educational Services, LLC”. March 2nd, 2017.

61 “Meeting of the University Student Senate, Thursday, February 18, 1999.” https://conservancy.umn.edu/bitstream/handle/11299/108597/SenateDocket_99_02_18.pdf?sequence=1&isAllowed=y.

The supplier code of conduct is divided into two sections: primary standards and preferential standards. The former section is regarded as a section grounded in legal compliance, whereas the latter section are aspirational principles created in line with the University’s values, and in concordance with the preferential standards of similar public institutions. Additionally, there was a conscious attempt to tailor the standards to University-specific needs and concerns. For example, Environmental Compliance and Sustainability was designated as a primary standard, based on the University’s particular focus on agricultural, research, and health science suppliers. The primary standards additionally are intended to cover more general quotidian purchases, such furniture, hardware, and office supplies. To clarify, these standards are not set in stone, and we anticipate and welcome discussion with the Board and the University administration in configuring and rearranging the primary and preferential standards of the supplier code of conduct to ensure it reflects the unique values and priorities of the University.

Supplier Code of Conduct for University of Minnesota Suppliers

Mission-Guided Principles

The University of Minnesota (hereafter referred to as the University) prides itself as a public, land-grant institution and advances its core mission in research and discovery, teaching and learning, and outreach and public service. The University values its long-standing commitment to supporting social responsibility and ensuring fundamental human rights and the dignity of all people.

The University also seeks to promote labor standards, working conditions, and environmental sustainability for all stakeholders though its supply chain. The University shall make concrete efforts to conduct and prioritize business with suppliers meeting the primary standards. The University shall advocate for the referential standards. All suppliers are encouraged to provide documentation demonstrating their compliance and efforts towards standards in this Code.

In addition, the University seeks to evaluate corporate social responsibility of suppliers through appropriate University committees and offices and integrate the evaluation results into decision-making process. This supports the mission of the University and strengthen the values the University creates to the state, the nation, and the world.

Primary Standards
Nondiscrimination. No suppliers shall discriminate against any person in hiring, salary, benefits, promotion, discipline, termination or retirement on the basis of race, color, creed, religion, national origin, gender, age, marital status, disability, public assistance status, veteran status, sexual orientation, gender identity or gender expression.

Affirmative Action. Suppliers shall be equal opportunity employers and during the course of performing any Agreement with the University, will comply, if applicable, with Federal Executive Order 11246, as amended; the Rehabilitation Act of 1973, as amended; Public Law 101-507 for the benefit of socially and economically disadvantaged individuals; the respective regulations issued thereunder; and the Minnesota Human Rights Act of 1955, as amended.

Labor Standards: Wages, Hours, Leave, Child Labor, and Forced Labor. Suppliers shall respect the legal rights of their employees regarding minimum and prevailing wages, wage payments, maximum hours and overtime; legally mandated family, childbirth, and medical leaves and return to work thereafter; and limitations on child labor. Suppliers shall comply with, if applicable, the Federal Fair Labor Standards Act, the Federal Davis-Bacon Act, the Federal Family and Medical Leave Act, Chapters 176, 177 (Fair labor Standards Act), 178, 181, and 181A (Child Labor Standards Act) of Minnesota Statutes, and any other state laws defining such labor standards.

Suppliers shall not use, or purchase supplies or materials that are produced by using any illegal form of forced labor.

Freedom of Association and Collective Bargaining. Suppliers shall respect their employees’ rights to freedom of association and collective bargaining and comply with, if applicable, the National Labor Relations Act, the Minnesota Labor Relations Act (Chapter 179 of Minnesota Statutes), the Public Employment Labor Relations Act (Chapter 179A of Minnesota Statutes), and such other labor relations laws that may apply.

Free of Harassment and Abuse. Suppliers shall treat all of their employees with dignity and respect. No supplier shall subject its employs to any physical, sexual, psychological, or verbal harassment or abuse. No supplier shall use or tolerate any form of corporal punishment.

Safety and Health. Suppliers shall provide safe and healthful working environments to prevent accidents and injury to health, including reproductive health, occurring during, related to, or arising out
of the work or resulting from the operation of the suppliers' facilities. During the performance of any Agreement with the University, all suppliers and their subcontractors shall fully comply with, if applicable, the Federal Occupational Safety and Health Act, the Minnesota Occupational Safety and Health Act of 1973 (Chapter 182 of Minnesota Statutes), and all other federal, state, and local laws, rules, regulations, and ordinances that may apply.

**Environmental Compliance and Sustainability.** All Suppliers shall fully comply with all federal, state and local environmental laws, Executive Orders, rules and regulations that may apply, including but not limited to Chapter 114C - 116I of Minnesota Statutes.

The University prides itself in promoting environmental standards and sustainability that are beyond those required by law. The University prefers suppliers with environmentally responsible practices and production methods that meet and exceed established certification standards. Principles the University prefer in considering products and services include but are not limited to resource conservation, energy efficiency, use of safer materials, recycled, reusable and recyclable products, minimization of waste, biodegradability, durability and repairability. All suppliers are encouraged to provide evidence demonstrating their supports of the environmental principles the University values.

**Foreign Law.** All suppliers and their suppliers shall comply with foreign laws under the jurisdictions they operate and shall comply with provisions of this Code insofar as they do not violate applicable foreign laws. The University shall make reasonable efforts to do business only with suppliers that can comply with provisions of this Code.

**Preferential Standards**

**International Human Rights.** All Suppliers shall recognize and respect internationally recognized human rights, including those set forth in the Universal Declaration of Human Rights. The University recognizes these basic human rights as a core value and shall make every effort to avoid business with suppliers that participate in, contribute to, or benefit from violations of international human rights.

**Living Wages.** The University believes that living wages are important in maintaining the dignity of employees. All Suppliers shall provide living wages that are necessary to ensure basic needs of employees and their families, including food, shelter, clothing, health care, education and
transportation. In addition, all suppliers shall adjust the compensation periodically to maintain the living wages with respect to the changes in labor market and living conditions. Suppliers are encouraged to provide evidence demonstrating their efforts in making such living wages payments.

Compliance: Partnership, Oversight, and Procedures

University-Supplier Partnership. The University values its partnership with suppliers and seeks to make positive impacts on suppliers’ social responsibility by affirming provisions in the Code. The University’s Prefered Suppliers are especially encouraged to uphold the standards set forth in this Code.

Oversight. It is the best interest of the University and the suppliers to find an appropriate resolution in a timely fashion, when concerns and charges about suppliers’ compliance with this Code are raised. Such charges should be addressed to appropriate University committees, such Corporate Social Responsibility Evaluation Committee, the Controller’s Office, Purchasing Service, and other appropriate University committees and offices.

Compliance Procedures. Facts regarding the complaints will be collected. All stakeholders will be identified and interviewed. Suppliers charged shall provide evidence regards the charges. After a decision is made, appropriate actions will be recommended, including no actions required, suspension, nonrenewal of a contract and termination of a contract to the Senior Vice President for Finance and Operations.
Annual Student Report: New Expectations

Board of Regents I March 2018

Chair Joshua Preston, Twin Cities
Vice-Chair Alexandra Ulland, Duluth
Overview

- Improving Diversity/Inclusion Facilities, Efforts, and Disability Services
- Reevaluating Student Information Privacy
- Consistency in Credit Transfer Between Campuses
- Encouraging Corporate Social Responsibility of University Suppliers
Diversity and Inclusion
Improving Diversity and Inclusion Facilities and Efforts
Disability Services
Data Privacy
Reevaluating Student Information Privacy
Credit Transfer
Consistency in Credit Transfer Between Campuses
Corporate Social Responsibility
Encouraging Corporate Social Responsibility of University Suppliers
Questions and Discussion
Acknowledgements and Thanks
AGENDA ITEM: Systemwide Strategic Plan: Research & Discovery

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler
Allen S. Levine, Vice President for Research

PURPOSE & KEY POINTS

The purpose of this item is discussion of the Research & Discovery focus area of the 2017-18 systemwide strategic planning efforts. It includes the methods used in identifying research priorities and drafting goals, as well as the actionable and strategic initiatives that will bring measurable outcomes.

This is the second of five systemwide strategic planning focus area discussions. The February meeting focused on Outreach & Public Service. The remaining focus areas are Medicine & Health (May meeting); Teaching & Learning (June meeting); and Supporting the Mission (July meeting).

In October 2017, President Kaler charged Vice President for Research Allen Levine with establishing the University's systemwide strategic priorities in research and discovery, specifically:

- Review internal research and entrepreneurial support funding practices, including the sourcing and distribution strategies, and recommend ways to better align these investments with the broader University research priorities and external research funding opportunities;

- Examine the research talent recruitment and retention practices system wide, identifying aspects of the research environment that help or hinder it including whether fostering connections between top researchers in different fields or locations leads to strengthening retention;

- Review technology commercialization and economic development efforts system wide for their impact on regional and statewide needs and recommend practices and policies that coordinate efforts and make the best use of resources; and

- Review the role of interdisciplinary research centers and institutes in providing research expertise and services systemwide and recommend improvements that could broaden their systemwide impact.
BACKGROUND INFORMATION

- One of the Board's priorities for 2017-18 is completion of a systemwide strategic plan that incorporates an academic program investment strategy and a long-term financial framework.

- At the September 2017 meeting, the Board discussed the general systemwide strategic planning process, the five focus areas, and timeline.

- In October 2017, the Board participated in a discussion that highlighted intersections among existing strategic plans throughout the system.

- At the December 2017 meeting, the Board discussed the 2017 University Plan, Performance, and Accountability Report and the 2017 Annual Status of Research Report. The reports’ data provide an overview of other important institutional data relevant to systemwide strategic planning efforts.
Systemwide Strategic Plan 2018

University Mission and Guiding Principles / Purpose of the System

Vision

System Level Priorities (5-10)

Strategic Initiatives

Tactics

- Biennial Budget Request
- Annual Operating Budget
- Annual Capital Budget

WHY

WHAT

HOW
DRAFT VISION STATEMENT

Five unique campuses and one comprehensive system, the University of Minnesota provides world-class education and expands student success, transforms lives and solves problems through groundbreaking discovery and creative thought, and boldly serves the state of Minnesota and beyond.
Systemwide Strategic Plan

Board of Regents  |  March 23, 2018

Allen S. Levine | Research & Discovery
Agenda

• Systemwide Research Strengths and Opportunities
• Charge Overview
• Process/Approach To Our Work
• Process for Selecting Priorities
  – MnDrive Model
• Emerging Research Priorities
• Criteria for Internal Investment Decisions
• Systemwide Recommendations
Direct and indirect impact of faculty, staff, and students totaled $1.2 billion.

Sponsored research supported 11,279 jobs.

Economic Impact of University of Minnesota FY17, Tripp Umbach
Systemwide Strategic Framework: Strengths

• We are a top ten public research university and workplace of choice, and we have excellent students, staff, and faculty.
• Our distinctiveness and comprehensiveness allow us to have a broad and deep impact as a system and uniquely by campus.
• Our administrative functions are committed to effectively supporting our mission systemwide.
• Relative to other states, we have strong state support including MnDRIVE.
• We have mutually beneficial partnerships across the state.
Systemwide Strategic Framework: Challenges and Opportunities

• The needs and opportunities of System campuses are sometimes dwarfed by those of the Twin Cities campus.
• It is hard to attend to a local context within a large System.
• Collaboration between System entities can be challenging.
• While we have connections to many Minnesota communities, some feel we are not sufficiently connected to “main-street Minnesota.”
• We need to provide support for the success of an increasingly diverse research faculty, student, and staff population.
• An aging infrastructure requires attention and resources.
Systemwide Strategic Framework: June 2017 Research Recommendations

• Promote Research Collaborations Across the System.
• Leverage Research Instrumentation.
• Develop Baseline Measures to Assess Current Practices and Monitor Progress.
Research & Discovery Charge

Establish the University’s system-wide strategic priorities in Research and Discovery, specifically:

1. Review internal research and entrepreneurial support funding practices, recommend ways to align with University research priorities and external research funding opportunities;

2. Examine research talent recruitment and retention practices systemwide, including the value of fostering connections between top researchers in different fields/locations;

3. Review technology commercialization and economic development efforts systemwide for their impact on regional and statewide needs, and recommend improvements; and

4. Review the role of interdisciplinary research centers and institutes in providing research expertise and services systemwide and recommend improvements.
Process and Approach

**Synthesis & Affirmation**
- Form work teams
- Review existing strategic plans across campuses
- Validate and affirm outcomes from past research priorities
- Review and validate research performance measures
- **Affirm evaluation and decision making criteria**

**Iteration & Integration**
- Develop consultation process
- Connect and align with other SWSP focus areas
- **Identify missing or emerging priorities**
- Recommend new initiatives that align with priorities
- Add new data or performance measures

**Review & Approval**
- Board of Regents
- University senior leadership (SPOC)
- Faculty governance
- College leadership (CRAD)
Selecting Priority Areas

- Depth in faculty
- Importance to state (economy)
- Global impact
- Student interest
- Aligned with System vision
- Enhancing System reputation - state and beyond
A model for deepening strengths, advancing new priorities
MnDRIVE: MEASURED PERFORMANCE

$18M annual state investment + $4M annually for cancer trials initiative
767 people hired, including 31 new faculty
1,070 researchers
100+ departments, 3 campuses
60 trainees now employed with Boston Scientific, Ecolab, Sundial, REG Life Sciences and others

$44M in external funding (January – December 2017)
70 inventions disclosed (January – December 2017)

New cancer trials initiative to offer clinical trials at 15 sites serving 47 MN counties
New Opportunities

- Enhancing Existing MnDRIVE Areas
- Emerging areas
State Investment and Research Aligned

**Inputs**
- Strategic Assessment
- Opportunity Identified
- Priority Alignment
- State Investment

**Facilitate...**
- Discovery
- Risk Taking
- Inspiration
- Focused Curiosity (freedom to pursue)
- Collaboration

**Leverage...**
- Internal Funding
- Core Research Services
- UMN Faculty/Research Talent (Connections)
- Technology
- Commercialization
- MN Business Collaboration
Advance Research Outcomes and Impact

- New discoveries
- New and enhanced collaborations with B&I
- Licenses and patents
- Start-up companies
- Solutions for local problems
- New external funding opportunities
A team of U of M researchers across two campuses (Twin Cities and Morris) are developing a new, wind-energy based method of producing the ammonia for nitrogen fertilizer, a key agricultural input, that doesn’t rely on natural gas and coal.

MnDRIVE Areas: Robotics, Global Food, Environment
DEVICE TO TREAT PARKINSON’S DISEASE DEVELOPED WITH BOSTON SCIENTIFIC

Results from a multi-site clinical study co-led by the U of M and University of California led to FDA approval of Boston Scientific's Vercise Deep Brain Stimulation (DBS) System. A neurosurgery team at the U was the first to successfully implant the first patient outside of clinical studies.

MnDRIVE Areas: Brain Conditions
New Opportunities

• Today’s MnDRIVE Areas
  • Robotics & Sensors
  • Global Food
  • Environment (including Mining)
  • Brain/Neuroscience
  • Cancer Trials
  – Engage social sciences, arts and humanities
  – New public-private partnerships and economic development
  – Leverage national funding opportunities

• Emerging Priorities
  – Opioid addiction
  – Aging
  – Intelligent systems
  – Renewable energy and sustainability
  – Medical devices and systems
  – Data sciences and data management
  – Social disparities
Recommendations: Systemwide Enablers
## Resource Alignment With Strategic Priorities

### EXAMPLE

#### Resource Plan: Opioids and Addiction

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<th>In Place</th>
<th>Develop</th>
<th>Expand or Reallocate</th>
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<td>Faculty and other Researchers</td>
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<td>Tech Commercialization &amp; Econ Development</td>
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<td>Infrastructure: core research services</td>
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Internal Research Funding

- Align internal research funding with system-wide priorities
- Connect faculty across the system to respond to internal and external funding opportunities
- Track impact using existing OVPR ROI evaluation process
- Enhance and track impact of institutional research investments
Criteria For Investment

(As adapted by the research infrastructure investment program)

• **Quality** (of research proposal)
• **Centrality** (to the research mission)
• Uniqueness and **Comparative** research **advantage**
• **Enhancement of research synergies** (as brought about by collaborative effort)
• Level of **demand** (or need for the research infrastructure)
Research Talent and Recruitment

- Recruit and retain faculty aligned with research priorities
- Robust central systems that support faculty members’ and other researchers professional development through their lifespan
  - Comprehensive Academic Personnel Plans updated every 5 years
  - Faculty recruitment and retention with emphasis on equity and diversity
  - Connect researchers across the system with centers and institutes
- Academic units with leaders and cultures that support outstanding research and faculty learning
  - Develop effective mentoring plans
  - Promote an inclusive climate and culture
  - Highlight community living/resources during recruiting
  - Provide leadership with effective professional development tools
Technology Commercialization and Economic Development

• Accelerator/research parks in Twin Cities and Duluth
• Engage system campuses in Morris and Crookston with local SBDC or local business incubators
• Increased engagement and performance of tech commercialization and entrepreneurialism on system campuses outside Twin Cities
• Support undergraduate student startup initiatives and research program, including Rochester, Morris, Crookston, and Duluth
• Investigate opportunities for increased business collaborations and co-locations systemwide
Core Research Services from Interdisciplinary Centers and Institutes

- Ensure long term commitment and support to core research infrastructure that can be accessed across the system
- Rigorous review of research core services
- Increased communication and visibility to research community
- Increase PhD level expertise in core facilities to fully utilize rapid advances in technologies
- Implement technology and support to bring together researchers across the system to exchange ideas and form collaborations
- Increase efficiency of use of research instrumentation and reduce duplication (capital equipment visual map and database)
- Central systemwide exchange process for instrumentation
Completed

• Systemwide research strategies
• Campus specific access to research administration and technology commercialization expertise and support
• Campus visits and collaboration on recommendations
• Legislative consultation on research priorities and MnDrive
• Research priority evaluation and identification of need
• Success measures and performance tracking models
Next Steps

• Complete In Progress Work
  – Alignment with Health, Teaching, Outreach, and Supporting the Mission SWSP focus areas
  – Faculty governance and academic leader consultation
  – Final report June 1
The University of Minnesota is an equal opportunity educator and employer.
AGENDA ITEM: Vision for UMR

☑ Review + Action ☐ Action ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Lori Carrell, Chancellor, University of Minnesota Rochester

PURPOSE & KEY POINTS

The purpose of this item is to discuss a vision for the University of Minnesota Rochester. The discussion will include an overview of UMR's context and a summary of the achievements made in the past decade, and will focus on the vision that will be used to drive UMR into the future. An update on planning endeavors that are in process and the principles used to make facilities decisions will also be highlighted.

BACKGROUND INFORMATION

The following documents (linked below) provide additional information on UMR:

- [UMR Background Information]
- [UMR Strategic Growth Plan]
- [UMR Enrollment Management Plan]
- [Information about Rochester's Destination Medical Center: Creating a Global Destination for Health and Wellness]
INSPIRING TRANSFORMATION IN HIGHER EDUCATION THROUGH INNOVATIONS THAT EMPOWER OUR GRADUATES TO SOLVE THE GRAND HEALTH CHALLENGES OF THE 21ST CENTURY
THE ADVENTURE OF A NEW UNIVERSITY
LEARNING INNOVATION GUIDED BY RESEARCH

University of Minnesota Rochester
ONE FOCUS, UNLIMITED POSSIBILITIES
GROUNDING VALUES
GROWING AS WE LEARN LEARNING AS WE GROW
University of Minnesota
ROCHESTER
HMR'S VISION DRIVES OUR
STRATEGIC GROWTH
AGENDA ITEM: M Health

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: President Eric W. Kaler
Jakub Tolar, Interim Vice President for Health Sciences and Dean of the Medical School

PURPOSE & KEY POINTS

The purpose of this item is to update the Board of Regents on the process for determining next steps and key issues under consideration regarding M Health. The Board may also consider the outcomes if M Health terminates on June 1, 2018 without a new agreement in place.

The M Health (Integrated Structure) Agreement expires on May 31, 2018. Both Fairview and University of Minnesota/University of Minnesota Physicians (UM/UMP) have given notice of non-renewal, with the intent of working to determine a better, stronger partnership.

Since last fall, all parties have been in discussions about the future of this partnership. The University is working toward a structure that advances the goals of high quality clinical care delivery, improved access, increased research and training across the system, and increased support to the Medical School.

UM/UMP have an affiliation agreement in place with Fairview Health Services until 2026.

BACKGROUND INFORMATION

M Health is a joint management structure and virtual financial integration of the operations of the University of Minnesota Medical Center, UMP, and integrated services that extend throughout the Fairview system. The original goals of the structure were to deliver a better patient experience; support enhanced clinical quality, innovation, and efficiency; and drive growth and revenue. Goals also included additional funding to enhance the academic mission, increase on-site training and inter-professional education and support for health research.

At the May 2017 meeting, the Board approved the resolution related to non-renewal of the Master Integrated Structure Agreement as presented by Regent Simmons and President Kaler. In addition to approving the notice of non-renewal, the Board discussed next steps for the M Health Agreement.
Update on M Health

President Eric Kaler
Jakub Tolar, Dean of the Medical School
Driving a Healthier Future

We are providing breakthrough medicine and transforming the health of our community for the better.
Our relationship with Fairview Health Services

- 1996 - University Hospital was transferred to Fairview.
- 1996 - University and Fairview enter 30-year affiliation agreement.
- 2013 “M Health” — integrated structure agreement between UMN, UMP, and Fairview—approved w/ 5-year term.
- 2013 - UMP entered a joint venture with Fairview to develop and run the Clinics and Surgery Center.
- 2017 – UMN/UMP gave notice that it did not intend to renew M Health. Fairview also gave notice that it did not intend to renew.
- 2018 31 May – M Health Agreement ends.
M Health/Fairview
– Issues under consideration

- Joint strategic planning
- UMP remains independent, management of UMMC
- Governance
- Organizational structure/service lines/funds flow
- Education and research, alignment of incentives
- Term and branding
M Health/Fairview – Current status

- We seek a real partner: Symmetry
- We don’t seek an exclusive one: Integrity
- We are the engine of FVS: Academic Leadership
- We are willing to give as well as get: Clean up/Growth
- We create value: Academic Support
- We have a strong brand: M Health, UMN
AGENDA ITEM: Report of the Committees

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

This is a report required by Board policy.

PRESENTERS: Regent David J. McMillan

PURPOSE & KEY POINTS

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

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

BACKGROUND INFORMATION

Current committee chairs:

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