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R. Report of the Litigation Review Committee
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A meeting of the Audit Committee of the Board of Regents was held on Thursday, February 8, 2007 at 9:00 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: John Frobenius, presiding; Clyde Allen, Dallas Bohnsack, David Larson, Cynthia Lesher, and Patricia Simmons.

Staff present: Chancellor Jacqueline Johnson; Senior Vice President and Provost Thomas Sullivan; Vice Presidents Steve Cawley, Timothy Mulcahy, and Richard Pfutzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt and Michael Volna.

Student Representatives present: Joshua Colburn and Will Kellogg.

EXTERNAL AUDITOR’S MANAGEMENT LETTER

Associate Vice President Klatt introduced Don Loberg, Partner, and Chad Lassen, Manager, LarsonAllen, to present the external auditor’s management letter for the year ending June 30, 2006, as included in the docket and associated materials distributed at the meeting. The management letter presents LarsonAllen’s observations and recommendations regarding the University’s internal controls and other matters resulting from the FY2006 annual audit.

Loberg reported that the University had outstanding audit results and there were no audit findings. He reviewed the management letter, including some recommendations related to subcontractors, timeliness of filing reports, oversight of associated organizations, and alternative investment portfolios. None of these issues were deemed critical; rather, significant improvements were noted in a number of areas since last year.

Lawson discussed the results of the compliance and internal control over financial reporting, and the Federal Awards Compliance Audit (A-133), which measures the University’s compliance with federal laws and regulations applicable to federal financial assistance received, noting that both received unqualified opinions.

Loberg reported that LarsonAllen has completed all nine engagements included in their contract and commended the management team who assisted their work.

LONGITUDINAL ANALYSIS OF RESEARCH INFRASTRUCTURE AUDIT RESULTS AND THEIR STRATEGIC IMPLICATIONS

Associate Vice President Klatt introduced Vice President Mulcahy to discuss present and emerging compliance risks associated with the University’s research agenda and plan to become a top three public research university.
Mulcahy presented a summary of the University’s research expenditures from various sources. This summary led to the identification of areas where the institution might focus increased attention to improve performance in sponsored research, including securing external funding, raising additional internal resources, increasing corporate partnerships, and boosting grant applications to close the gap between this institution and the current top research institutions.

Mulcahy used a “heat map” to illustrate risks associated with grant administration, clinical research, conflict of interest, and technology transfer and noted that all risks will increase as the University pursues increased research funding. He added that increased research funding would also impact personnel, systems, and technology. He emphasized that the institution is in a strong position to assess and manage risk, with systems in place that are recognized nationally. Not all risks are the same and the institution should endorse a risk management approach to research, knowing that there is internal capacity to manage these risks effectively.

Regent Frobenius commented that it would be beneficial to see an analysis of the cost of increased research at the University.

INTERNAL AUDIT UPDATE

Associate Vice President Klatt presented the Internal Audit Update, as included in the docket materials.

Klatt reported that, during the past quarter, 53 percent of the outstanding recommendations rated as “essential” were implemented by University departments, a percentage significantly higher than the previous quarter and exceeding the expected rate of 40 percent. In addition, eight units fully implemented all their remaining “essential” recommendations.

INFORMATION ITEMS

Associate Vice President Klatt referred the committee to the Information Items contained in the docket materials, including:

- A-133 Federal Audit; and
- NCAA Agreed-Upon Procedures.

The meeting adjourned at 10:12 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

Audit Committee
February 8, 2007
A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, February 8, 2007 at 9:15 a.m. in the William R. Peterson Conference Room, 600 McNamara Alumni Center.

Regents present: Frank Berman, presiding (via telephone); Anthony Baraga and Peter Bell.

Staff present: President Robert Bruininks; Vice President Kathryn Brown; General Counsel Mark Rotenberg; and Executive Director Ann Cieslak.

Others present: William Donohue and Keith Dunder.

The meeting convened at 9:15 a.m.

General Counsel Rotenberg introduced Deputy General Counsel Donohue who provided an update on an upcoming criminal trial in which some of the subpoenaed witnesses have a University affiliation. The trial involves a Minneapolis business establishment and allegations of serving alcohol to minors.

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

At 9:22 a.m. a motion was made and seconded that the following resolution be approved:

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 Minnesota State Statute Section 13D.01, Subd. 3; and 13D.05, Subd. 3(b), a non-public meeting of the Board of Regents Litigation Review Committee be held on Thursday, February 8, 2007 at approximately 9:15 a.m. in the William R. Peterson Conference 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. United States of America
II. DeSantiago v. Children’s Health Care and Laura Erickson, M.D.
III. Thompson v. Meier, University of Minnesota Board of Regents et al.
The committee voted unanimously to approve the resolution. The public portion of the meeting adjourned at 9:24 a.m.

The non-public portion of the meeting adjourned at 10:01 a.m.

[Signature]

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Facilities Committee of the Board of Regents was held on Thursday, February 8, 2007 at 10:30 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David Metzen, presiding; Anthony Baraga, John Frobenius, Steven Hunter, and Lakeesha Ransom.

Staff present: Chancellor Charles Casey; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Steve Cawley, Kathleen O’Brien, and Richard Pfutzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice Presidents Michael Berthelsen and Michael Perkins.

Student Representatives present: Katie Jeremias and Cassie McMahon.

CAPITAL BUDGET AMENDMENTS

A. Johnston Hall 2nd Floor Renovation, Twin Cities Campus

A motion was made and seconded to recommend approval of the following action:

On the recommendation of the President and Vice President for University Services, the FY2007 Capital Budget is amended to increase the budget for the following project:

Johnston Hall 2nd Floor Renovation Project, Minneapolis, Twin Cities campus.

Scope of Project: Renovation of the 2nd floor of an existing building to address code issues, energy conservation concerns, and the administrative needs of the College of Liberal Arts.

Cost Estimate: $1,420,000.

Capital Funding: College of Liberal Arts - $1,420,000.

Estimated completion date: August 2007.

Vice President O’Brien reminded the committee that the amendment had been reviewed at the December 2006 committee meeting. Associate Vice President Perkins presented the basis for the request, project scope, and construction schedule as detailed in the docket materials.

The committee voted unanimously to recommend approval of the capital budget amendment for Johnston Hall 2nd Floor Renovation, Minneapolis, Twin Cities Campus.
B. 90 Church Street Data Center HVAC Upgrades, Twin Cities Campus

A motion was made and seconded to recommend approval of the following action:

On the recommendation of the President and Vice President for University Services, the FY2007 Capital Budget is amended to increase the budget for the following project:

90 Church Street Data Center HVAC Upgrades, Minneapolis, Twin Cities campus.
Scope of Project: Upgrade the data center's heating, ventilation, and cooling system and improve the electrical system.
Cost Estimate: $760,000.
Capital Funding: Office of Information Technology - $760,000.
Estimated completion date: June 2007.

Vice President O'Brien reminded the committee that the amendment had been reviewed at the December 2006 committee meeting. Associate Vice President Perkins presented the basis for the request, project scope, and construction schedule as detailed in the docket materials.

The committee voted unanimously to recommend approval of the capital budget amendment for the 90 Church Street Data Center HVAC Upgrades, Minneapolis, Twin Cities campus.

C. West Bank Office Building Data Center HVAC Upgrades, Twin Cities Campus

A motion was made and seconded to recommend approval of the following action:

On the recommendation of the President and Vice President for University Services, the FY2007 Capital Budget is amended to increase the budget for the following project:

West Bank Office Building Data Center HVAC Upgrades, Minneapolis, Twin Cities campus.
Scope of Project: Upgrade the data center's heating, ventilation, and cooling system and improve the electrical system.
Cost Estimate: $726,000.
Capital Funding: Office of Information Technology - $726,000.
Estimated completion date: June 2007.

Vice President O'Brien reminded the committee that the amendment had been reviewed at the December 2006 committee meeting. Associate Vice President Perkins presented the basis for the request, project scope, and construction schedule as detailed in the docket materials.

The committee voted unanimously to recommend approval of the capital budget amendment for the West Bank Office Building Data Center HVAC Upgrades, Minneapolis, Twin Cities campus.

CAPITAL BUDGET AMENDMENT

A. East Gateway District, Twin Cities Campus

The committee reviewed a proposal to amend the FY2007 Capital Budget by $18,231,000 to incorporate funding for the East Gateway District project located on the Twin Cities campus.
Vice President O'Brien explained that the project will provide infrastructure support to the area of campus that will contain TCF Bank Stadium, a new medical bioscience facility, a landcare facility, and other future academic and research buildings. She reported that the funding will be applied to environmental remediation, road re-alignment, surface parking, stormwater management, and other infrastructure needs. Vice President Pfutzenreuter explained that the project will be funded by University debt.

In response to a question from Regent Baraga, O'Brien emphasized that the infrastructure work will need to be completed regardless of whether the Biomedical Research Facilities Authority is approved by the Legislature during the 2007 session. In response to a question from Regent Metzen, O'Brien reported that parking plans are being developed for several contingencies both during and after construction of TCF Bank Stadium and other buildings in the district.

In response to questions from several Regents, Pfutzenreuter described the infrastructure costs of the district as attributed to the University as a whole. Therefore, he stated that the debt service on the capital budget amendment funding will come from central operations and maintenance sources.

The item will return for action at a future meeting of the committee.

REAL ESTATE TRANSACTIONS

A. Five-Year Lease for 7,200 Rentable Square Feet at University Enterprises Laboratory, 1000 Westgate Drive, St. Paul, for Academic Health Center’s Minnesota Lion’s Eye Bank

The committee reviewed a proposal for a five-year lease for 7,200 rentable square feet at University Enterprises Laboratory (UEL), 1000 Westgate Drive, St. Paul, for the Academic Health Center’s Lion’s Eye Bank. Senior Vice President Cerra explained that UEL contains space that addresses the specific technical needs of the Lions Eye Bank. Director of Real Estate Susan Carlson Weinberg summarized the location and description of the property and the source of funds, as detailed in the docket materials.

In response to a question from Regent Frobenius, Vice President Pfutzenreuter reported that UEL has recently begun seeking out opportunities to lease space at the facility due to modest vacancy rates.

The item will return for action at a future meeting of the committee.

B. Seven-Year Lease for 14,138 Rentable Square Feet at University Park Plaza, 2829 University Avenue SE, Minneapolis, for Academic Health Center

The committee reviewed a proposal for a seven-year lease for 14,138 rentable square feet at University Park Plaza, 2829 University Avenue SE, Minneapolis, for the Academic Health Center. Cerra identified a shortage of medical school space as the primary need for this real estate lease. Weinberg summarized the location and description of the property and the source of funds, as detailed in the docket materials.

The item will return for action at a future meeting of the committee.
ENERGY AND UTILITIES: PRINCIPLES AND PROGRESS UPDATE

Vice President O'Brien introduced Associate Vice President Berthelsen and Jerome Malmquist, Director of Energy Management, to present information on energy management issues at the University, as detailed in the docket materials. The presenters noted progress made toward making the University's utilities and energy systems more cost effective, reliable, and sustainable. Berthelsen provided specific information on Facilities Management transformation efforts within Energy Management and the Twin Cities campus utilities master plan. Highlights of the presentation included:

- The University has increased efficiency as both BTUs per gross square foot and total BTUs have decreased substantially since 1988.
- Although coal and natural gas are the dominant fuel types used by the University, biofuels such as wood and oat hulls have been used more extensively in the past year.
- The total hours when the University lost either electrical power or steam power has either decreased or remained relatively constant in the past three years.

Berthelsen reported that the Twin Cities campus utilities master plan will provide a long-term 20-year vision for campus utilities and a six-year tactical plan for specific short-term needs.

In response to a question from Regent Frobenius, Malmquist stated that the current comprehensive planning is only taking place on the Twin Cities campus. O'Brien added that the Twin Cities utility master plan will provide a blueprint for coordinate campus planning. In response to a question from Regent Hunter, Malmquist reported that advances in energy technology might someday allow for an energy program run entirely on biofuels.

CONSENT REPORT

There were no Consent Report items this month.

INFORMATION ITEMS

Vice President O'Brien referred committee members to the Information Items contained in the docket materials, including:

- Final project review for 717 Delaware Phase II Renovation;
- Twin Cities Campus Area Neighborhood Impact Report;
- University activities to secure a lease of classroom, laboratory, and office space for University of Minnesota Rochester in the Centerplace Galleria Mall in Rochester; and
- Agreement between University and Minnesota Department of Natural Resources for cooperative management of UMore Park land.

The meeting adjourned at 12:05 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

Facilities Committee
February 8, 2007
A meeting of the Faculty, Staff & Student Affairs Committee of the Board of Regents was held on Thursday, February 8, 2007 at 10:30 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Dallas Bohnsack, presiding; Peter Bell, David Larson, Cynthia Lesher, and Patricia Simmons.

Staff present: Chancellor Johnson; Senior Vice President and Provost E. Thomas Sullivan; Vice Presidents Carol Carrier and Kathryn Brown; Executive Director Ann Cieslak; and Provost David Carl.


BOARD OF REGENTS POLICY: EMPLOYEE WORK-LIFE AND PERSONAL LEAVES

Vice President Carrier presented for action proposed Board of Regents Policy: Employee Work-Life and Personal Leaves, which the committee had reviewed at its December, 2006 meeting. The proposed policy will supersede the following policies, as detailed in the docket materials:

- Board of Regents Policy: Family and Personal Leaves without Pay;
- Board of Regents Policy: Military Leave;
- Board of Regents Policy: Parental Leave;
- Board of Regents Policy: Sick and Disability Leaves; and
- Board of Regents Policy: Vacations.

Carrier stated the proposed policy describes the University’s commitment to support employees in their efforts to manage work and personal life responsibilities.

A motion was made and seconded, and the committee voted unanimously to recommend adoption of Board of Regents Policy: Employee Work-Life and Personal Leaves.

BOARD OF REGENTS POLICY: EMPLOYEE COMPENSATION AND RECOGNITION

Vice President Carrier distributed for review a revised draft of proposed Board of Regents Policy: Employee Compensation and Recognition, on file in the Board Office. She noted that the policy applies to all employee groups.

Carrier invited Patti Dion, Director of Employee Relations and Compensation, Mary Luther, Director of Staff Compensation, and Jackie Singer, Director of Retirement Programs, to present for background an overview of current Office of Human Resources compensation and recognition practices. Carrier clarified that the presentation focuses on staff compensation and does not include information on faculty compensation. Highlights of the presentation included:
• The three pillars of compensation principles: 1) competitiveness with appropriate labor markets; 2) recognition of meritorious performance, and 3) ensuring fair and equitable practices.

• The University’s plan to strengthen market pay management by targeting the 50th percentile of the market and increase the precision of market matches for staff positions (currently 70 percent of civil service and 80 percent of bargaining unit positions are matched to the market).

• The Office of Human Resources’ intent to improve current programs that support performance management (i.e., merit or incentive pay) and fully employ a pay equity system that will value positions and determine pay ranges.

In response to questions from the committee, Singer stated that the benefits package at the University is very competitive regarding health and retirement programs; the area in greatest need of change is compensation. A lengthy discussion ensued on internal and market equity issues and the University’s response to date in these areas.

Vice President Carrier reviewed the proposed Board of Regents Policy: *Employee Compensation and Recognition*, which provides consistency to the process of evaluations and represents a philosophy shift from across the board salary adjustments to pay for performance. She noted that once implemented, managers and supervisors will evaluate employees with a defensible process and procedures, and administrators will be responsible for ensuring the implementation of a performance evaluation and development process that is consistent, accurate, and encourages open communication. Carrier added that resources will be available to effectively manage employee performance.

Several committee members urged the development of a comprehensive implementation plan.

The policy will return for action at a future meeting of the committee.

**BOARD OF REGENTS POLICY: EMPLOYEE PERFORMANCE EVALUATION AND DEVELOPMENT**

Vice President Carrier distributed for review a revised draft of proposed Board of Regents Policy: *Employee Performance Evaluation and Development* on file in the Board Office. She highlighted the following issues:

• A strong performance evaluation and development system are necessary to support a strong compensation plan;

• The management of employees’ work, both behavioral and functional, will be assessed and reviewed annually, with recurring feedback and candid discussions scheduled throughout the year;

• Employees must be invested in documenting accomplishments and understand the expectations for their position; and

• Leaders, administrators, and supervisors will be held accountable for supporting and engaging in performance evaluation and the development of employees within their unit.

The policy will return for action at a future meeting of the committee.
SUPPORTING NEW UNIVERSITY OF MINNESOTA FACULTY

Vice President Carrier introduced Associate Vice Provost Arlene Carney to discuss the orientation program to support new faculty, as detailed in the docket materials. Carney explained the three-day orientation program was designed for all faculty new to the University during the last year and was developed, in part, as a strategy for recruiting, rewarding, and retaining world-class faculty.

Carney highlighted several aspects of the orientation program. Two strategic positioning task forces contributed to the development of the program, whose goals include introducing faculty to key information, laying the groundwork for faculty socialization to the University culture, and building faculty networks across and within disciplines. Meetings and programs are scheduled throughout the year to provide continued support for new faculty. Benefits of the orientation program include: 1) building a sense of community for new faculty; 2) making University programs and services accessible to new faculty; 3) jumpstarting teaching, research, and outreach activities of new faculty; and 4) advancing the University toward important strategic goals.

CONSENT REPORT

There were no Consent Report items this month.

INFORMATION ITEMS

Vice President Carrier referred the committee to the Information Items contained in the docket materials, including:

- Personnel highlights;
- University highlights;
- Faculty and staff activities and awards; and
- Student activities and awards.

Senior Vice President and Provost Thomas Sullivan reported briefly on the Academic Support and Performance for Student-Athletes Task Force Report included in the Information Items. Based upon its reception at two major research meetings, the report may become a national model for measuring and improving student-athlete academic issues.

The meeting adjourned at 12:12 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, February 8, 2007 at 3:05 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Peter Bell presiding; Dallas Bohnsack, David Larson, David Metzen, Lakeesha Ransom, and Patricia Simmons.

Staff present: Chancellors Charles Casey and Jacqueline Johnson; Senior Vice President & Provost Thomas Sullivan; Senior Vice President Robert Jones; Vice President R. Timothy Mulcahy; Executive Director Ann Cieslak; and Associate Vice President Gail Klatt.

Student Representatives present: Katie Jeremiason and Will Kellogg.

BOARD OF REGENTS POLICY:
SUBMITTING AND ACCEPTING SPONSORED PROJECTS

Timothy Mulcahy, Vice President for Research, presented for action the draft Board of Regents Policy: Submitting and Accepting Sponsored Projects. Mulcahy REMINDED the committee that the only substantive revision incorporates a change in federal regulations, which now allow multiple principle investigators. Other changes involve formatting for consistency with other Board policies and the merger of two existing policies, Principal Investigator Eligibility on Sponsored Projects and Sponsored Grants and Contracts.

A motion was made and seconded, and the committee voted unanimously to recommend adoption of Board of Regents Policy: Submitting and Accepting Sponsored Projects.

RESEARCH: A REPORT ON ITS IMPORTANCE TO THE ACADEMIC MISSION

Timothy Mulcahy, Vice President for Research, led the discussion of the importance of research to the University's academic mission. He described the University's mission of research, teaching, and outreach in terms of knowledge discovery, knowledge transfer, and knowledge application; reviewed the benefits of research; and explained the importance of research to education. Using essential learning outcomes developed by the American Association of Colleges and Universities (AACU) as a frame of reference, he suggested that the University's research component exposes students to the intellectual and practical skills, personal and social responsibility, and integrative learning that is essential to preparing students for the challenges of the 21st century. The University's research activities also advance the
institution toward the AACU's principles of excellence in the areas of teaching students the arts of inquiry and innovation, engaging the big questions, connecting knowledge with real-world problems, and fostering civic, intercultural, and ethical learning (materials on file in the Board Office).

Mulcahy asserted that it is the University's scholar teachers who must take the lead in higher education to prepare students for tomorrow's challenges, but the impact of research on learning can only be expanded through continued investments in world-class faculty, interdisciplinary research and scholarship, and enhanced connections between the arts and sciences.

UNIVERSITY OF MINNESOTA EXTENSION: TAKING RESEARCH TO THE PEOPLE

Senior Vice President Jones and Beverly Durgan, Dean, University of Minnesota Extension, led the discussion of University of Minnesota Extension (Extension) and its work in connecting University research to Minnesota's people and communities. She stated that Extension connects community needs with University resources to address critical issues facing Minnesota; makes University research practical and useful for Minnesotans seeking solutions to real-life problems; provides opportunities for collaboration among researchers, Extension faculty, and citizens; and ensures the relevance of the University's research agenda through feedback from the community to faculty researchers. Through partnerships among Extension faculty, research faculty in five colleges, local educators, state agencies, and all 87 counties, Extension brings University research to citizens where they live and work.

In response to a question from Bell, Durgan reported that federal formula funds use a formula that takes into account state population and agricultural/commodity acreage. States must match federal formula Research and Extension funds, which are used by land-grant universities to support traditional land-grant programs in agriculture, human development, 4-H, natural resources, and veterinary medicine.

RESEARCH AND THE UNDERGRADUATE EXPERIENCE

Craig Swan, Vice Provost and Dean of Undergraduate Education, led the discussion of undergraduate research opportunities and their importance to a successful undergraduate experience. Currently, 25-30% of seniors graduating on the Twin Cities campus have had a research experience. Undergraduate research is valuable because it improves student involvement and retention; provides a distinctive education for talented and prepared students; and aligns with the University's strategic goal to provide undergraduates with a mentored relationship.

To date, two recommendations of the 2006 Task Force on Undergraduate Research have been implemented as part of the Strategic Positioning Initiative: First, Professor Marvin Marshak of the Department of Physics and Astronomy has agreed to serve in the newly created position of director of undergraduate research; and second, the goal for participation of undergraduates in research has been increased to 50% on the Twin Cities campus.

To give the committee a concrete example of the value of research experience in undergraduate education, Swan introduced Sara A. Tupy, a student in the Department of Chemical Engineering and Materials Science and a participant in the Undergraduate Research Opportunities Honors Program, and her faculty mentor, Regents Professor Lanny D. Schmidt. Tupy and Schmidt described their experiences working together in undergraduate research and its contribution to the undergraduate experience.
In response to questions from Regent Bell, Mulcahy acknowledged that the way in which research experience adds value to the undergraduate experience has not been fully explored, but there is evidence that what students need to succeed in a global, complex world are fewer actual facts and more experience in processing facts to see if the results are appropriate to the situation. That is the research process. Also, working on a research project teaches teamwork, communication, and trial and error, components of the research process that have profound benefits outside academia.

In response to a question from Regent Simmons, Swan indicated that 10-12% of undergraduates eventually attend graduate school, but whether or not they pursue graduate studies, undergraduate research provides very broad-based skills that are applicable in a broad range of endeavors.

In response to a question from Student Representative Kellogg, Swan observed that undergraduate research opportunities are somewhat unique to each campus, but they are available systemwide and the commitment to expand is applicable to all campuses.

CONSENT REPORT

A motion was made and seconded, and the committee unanimously recommended approval of the following academic program changes, as described in the docket materials:

New and Changed Academic Programs:

- College of Education and Human Development (Twin Cities Campus) — Create a Bachelor of Science (B.S.) degree in Youth Studies
- College of Education and Human Development (Twin Cities Campus) — Create a Post-Baccalaureate Certificate in Community and Learning
- College of Education and Human Service Professions (Duluth Campus) — Create a Bachelor of Applied Science (B.A.Sc.) degree in Ojibwe Elementary/Middle School Education
- College of Science and Engineering (Duluth Campus) — Create a Bachelor of Science (B.S.) degree in Environmental Science
- College of Science and Engineering (Duluth Campus) — Create a Minor in Environmental Science
- Crookston Campus — Create a Bachelor of Science (B.S.) degree in Biology
- Crookston Campus — Create a Minor in Biology
- Graduate School — Create a Doctor of Education (Ed.D.) degree in Teaching and Learning on the Duluth Campus
- College of Education and Human Service Professions (Duluth Campus) — In the Bachelor of Applied Science (B.A.Sc.) degree in Physical Education, add a concentration in Outdoor Education
- College of Liberal Arts (Duluth Campus) — In the Bachelor of Arts (B.A.) degree in American Indian Studies, change name of Social Studies emphasis to Social Science and Humanities emphasis

- College of Liberal Arts (Duluth Campus) — In the American Indian Studies minor, change name of Social Studies emphasis to Social Science and Humanities emphasis

- College of Liberal Arts (Duluth Campus) — Discontinue the Minor in Tribal Law and Government

- Crookston Campus — Change name of Bachelor of Science (B.S.) degree in Animal Industries Management to Bachelor of Science (B.S.) degree in Animal Science, with two areas of emphasis—Animal Science and Pre-Veterinary Medicine

- Crookston Campus — Change name of Bachelor of Science (B.S.) degree in Equine Industries Management to Bachelor of Science (B.S.) degree in Equine Science, with two areas of emphasis—Equine Science and Pre-Veterinary Medicine

- Graduate School — Merge the Master of Arts (M.A.) degree programs in Hispanic Literatures, Luso-Brazilian Literatures, and Hispanic Linguistics into one Master of Arts (M.A.) degree in Hispanic and Lusophone Literatures, Cultures, and Linguistics, with three formal tracks—Hispanic Literatures and Cultures, Lusophone Literatures and Cultures, and Hispanic Linguistics

- School of Fine Arts (Duluth Campus) — In the Bachelor of Music in Performance (Performance B.Mus.) degree, discontinue the Musical Theatre emphasis

**INFORMATION ITEMS**

Senior Vice President & Provost Sullivan directed the committee's attention to the Information Items, which include:

- a summary of the 2007 Post-Secondary Planning: A Joint Report, which must be submitted to the legislature in February; and

- graduation rates by campus in 2006 as compared to the new graduation rate goals announced in October 2006.

The meeting adjourned at 4:10 p.m.

 ANN D. CIESLAK  
 Executive Director and  
 Corporate Secretary

185 Educational Planning & Policy Committee  
February 8, 2007
A meeting of the Finance and Operations Committee of the Board of Regents was held on Thursday, February 8, 2007 at 3:00 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Steven Hunter, presiding; Anthony Baraga, John Frobenius, and Cynthia Lesher.

Staff present: Senior Vice President Frank Cerra; Vice Presidents Richard Pfutzenreuter, Steve Cawley and Kathleen O’Brien; and Associate Vice President Michael Berthelsen.

Student Representatives present: Cassie McMahon and Joshua Colburn.

ISSUES RELATED TO: CERTAIN INVESTMENT ASSET CLASSES

Vice President Pfutzenreuter invited Chris Suedbeck, Associate Director of Asset Management, to present issues related to certain investment asset classes in the consolidated endowment funds, as detailed in the docket materials. Suedbeck highlighted the following:

- the University’s portfolio is diversified across three real asset categories which provide a hedge against inflation;
- the University investment portfolio includes real assets of public and private real estate, timber, and oil and gas; and
- real assets currently compose 13 percent of University assets, with a strategic allocation goal of 20 percent.

In response to questions from the committee, Suedbeck stated that the return on investment is calculated using realized value of the assets. Assets have been turning over more quickly during recent years and he anticipates a slowdown of this trend in the future.

Pfutzenreuter commended the Office of Asset Management for the performance of the endowment fund, which has exceeded $1 billion for the first time.

SIX-YEAR CAPITAL PLAN AND DEBT CAPACITY

Vice President Pfutzenreuter and Carol Fleck, Director of Debt Management, presented information related to the six-year capital plan and debt capacity, as detailed in materials distributed at the meeting and on file in the Board Office. Pfutzenreuter and Fleck reviewed the information, indicating that the University will continue to review debt burden and operating performance to ensure continuation of the University’s Standard and Poor’s Aa credit rating. The University has $633 million of
outstanding debt as of June 20, 2006, with $285.5 million of additional debt to be issued through FY2010. Pfutzenreuter reported the University has ample debt capacity.

In response to questions from the committee, Pfutzenreuter explained that University debt has grown by 100 percent since 1998 due to the number of building projects. The institution’s debt load compares favorably with peer institutions.

CONSENT REPORT

Vice President Pfutzenreuter presented the Consent Report, as included in the docket, including the Purchase of Goods and Services over $250,000 to:

Purchase of Goods and Services over $250,000

• To Berean Group, CedarCrestone, Ciber, Iceberg Technology, Modis, Signature Consultants and others for $10 million for consultant services for the Enterprise Financial System (EFS) project. The Board of Regents approved $5 million for consulting in March 2006, so the total request is now $15 million to cover the entire project through November 30, 2008.

• To Educators Abroad Ltd. for $1,200,000 for education abroad services for the period of March 1, 2007, through December 31, 2007, for the University of Minnesota Morris’s (UMM) Continuing Education, Regional Programs and Summer Session Department (CERP).

• To ISES Corporation for up to $252,981 to perform a Facilities Condition Assessment of one-third of the Twin Cities Campus buildings from October 16, 2006, to February 28, 2007, for the Department of Facilities Management.

• To Leo A. Daly for $1,697,960 for performing a Utility Master Planning Study for the period of January 2007 through June 2008 for the Facilities Management Department.

• To Multi-Venue Productions (M.V.P) for up to $300,000 for post-event clean-ups in athletic facilities from March 1, 2007, to February 28, 2008, for the Department of Intercollegiate Athletics.

Approval of New Investment Managers

The Office of Asset Management (OAM) proposes engaging two new investment managers to invest target allocations of the Consolidated Endowment Fund (CEF). The proposed managers have been reviewed and are recommended by the Investment Advisory Committee.

• Real Asset Portfolio: Oil and Gas

TCW Energy Fund XIV

• 820 million investment
• Investment style seeks downside protection with upside performance.
• 24-year track record, longest in the industry.
• Global investment focus and experience.
• 18% net IRR on prior funds.
Private Equity Portfolio: Venture Capital

Charles River Partnership
- $5 million investment
- Seed and Early stage venture capital.
- Focused on changing business models and innovative technologies.
- 35 years of top tier performance has created a "franchise" name.

The committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

Vice President Pfitzenreuter referred committee members to the Information Items contained in the docket materials, including:

- Annual Insurance & Risk Management Report;
- Annual Report on Central Reserves;
- Emergency Approvals; and

The meeting adjourned at 3:58 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A work session of the Board of Regents of the University of Minnesota was held on Thursday, February 8, 2007, at 1:30 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Anthony Baraga, Peter Bell, Dallas Bohnsack, John Frobenius, Steven Hunter, David Larson, Cynthia Lesher, David Metzen, and Lakeesha Ransom.

Staff present: President Robert Bruininks; Senior Vice President Robert Jones; and Executive Director Ann Cieslak.

Regent Simmons called to order a meeting of the Board of Regents, noting that this work session is an opportunity for the Board to become informed about the University's urban agenda and to discuss a conceptual framework to guide the efforts of the Board and the administration in this area.

President Bruininks introduced Senior Vice President Jones; Darlyne Bailey, dean, College of Education and Human Development; Scott McConnell, professor, Department of Educational Psychology and Director of Community Engagement for the Center for Early Education and Development (CEED); and Dante Cicchetti, professor, Institute of Child Development, who led the discussion. Jones recalled the University's early implementation of its land grant mission through the creation of a system of research, education, and outreach offices strategically located across Minnesota to more effectively take research to the people and solve problems where they occur. The University's historic commitment continues, but the impression often has been that the institution has been neither sufficiently intentional nor strategic about leveraging its resources to solve the complex problems of urban communities.

Today, a land grant institution located in the heart of a major metropolitan area must strategically focus on serving urban and regional communities through a coherent, 21st century urban agenda. The goal of this agenda is to sharpen the region's competitive edge through immediate action to reduce disparities, assure a competitive workforce, and sustain the economic health and future of the Twin Cities metro area.

To begin that process, the University plans to adopt preliminary recommendations of the Commission on Urban Agendas of the National Association of State Universities and Land Grant Colleges as detailed in docket materials. These recommendations support creation of urban research and outreach centers as the conceptual framework on which to model an urban agenda and achieve the best outcomes.

In response to the interest of Minneapolis Mayor R. T. Ryback and community residents, the University has agreed to work with partners on issues specific to Minneapolis' Northside neighborhood, a nine-square mile area northwest of the Twin Cities campus. As a result of listening sessions on how the University can become more engaged, the University Northside Partnership (UNP) has been created to leverage the University's resources with its Northside partners to address issues identified by the
community. The College of Education and Human Development (CEHD), under the leadership of Dean Bailey, will drive the academic agenda of the UNP.

Bailey, emphasizing that the model for UNP must be sustainable, replicable, proximate, and result in influential change, identified three major touchstones for CEHD’s mission in UNP:

- CEHD will coordinate University resources and serve as UNP’s convener.
- UNP must be inclusive, working in partnerships to build on community strengths and align University talents and resources with community needs.
- UNP’s partnerships must be a win for all parties, which will require constant and consistent focus on the reason for their existence.

McConnell highlighted the 30-year history of CEED and its efforts to improve development outcomes of young children through research, training, and outreach. He indicated that CEED’s role in UNP will be to expand access and improve the quality and accountability of early childhood programs available to presently unserved/underserved children and their families.

Cichetti described the long-term goals of the University of Minnesota Child and Family Center (CFC) and its proposed involvement with UNP. Through interdisciplinary work in basic/clinical/translational research and treatment, he expects CFC to increase knowledge and reduce the burdens associated with child maltreatment/mental disorders while advancing the University toward becoming a top three public research institution.

Simmons observed that the question before the Board is what principles are necessary to guide the involvement of the Board and the University in the development of an agenda that will benefit Minnesota’s urban communities. A lengthy discussion ensued, which she summarized as follows:

- An undertaking like UNP is consistent with the University’s mission and should be a part of the institution’s vision.
- With a comparative advantage in this area, it is appropriate for the University to address urban issues and apply the University’s capabilities in research and education to the local community.
- The University has a responsibility to define project scope and identify the resources it can appropriately contribute, the duration of the undertaking, and transferability of the model.
- The University must look to other higher education institutions to help identify best practices in this area.
- Engagement with the community—listening to, learning from, and working with the community—will be of critical importance in this undertaking.
- Partnerships are a critical component of such an undertaking, but partnerships, projects, and accomplishments must be sustainable.
- A Pre-K project may be the first priority, but it alone will not be adequate. Later interventions, such as the middle school years, also will be needed.
- University students can be an important resource in UNP.
- Such an undertaking will add value to the broader community through enrichment of the state’s workforce.
• There is a need for evaluation and measurable outcomes.
• The University must manage expectations within the institution and communities.

The meeting adjourned at 2:57 p.m.

[Signature]

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Board of Regents of the University of Minnesota was held on Friday, February 9, 2007, at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Anthony Baraga, presiding; Peter Bell, Dallas Bohnsack, John Frobenius, Steven Hunter, David Larson, Cynthia Lesher, David Metzen, Lakeesha Ransom, and Patricia Simmons.

Staff present: President Robert Bruininks; Chancellor Jacqueline Johnson; Senior Vice President and Provost E. Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Kathryn Brown, Steve Cawley, Karen Himle, Kathleen O’Brien, and Richard Pfutzenreuter; General Council Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice Presidents Gail Klatt, Laurie Scheich, and Michael Volna.

INTRODUCTION OF VICE PRESIDENT FOR UNIVERSITY RELATIONS

President Bruininks introduced Karen Himle, newly appointed Vice President for University Relations. Ms. Himle assumed her duties on January 7, 2007. She briefly addressed the Board.

RECOGNITION OF RHODES SCHOLAR

Recognition was given to Katie Lee, a recipient of a 2007 Rhodes Scholarship. The Rhodes Scholarship will enable Ms. Lee to study at Oxford University, where she intends to pursue a doctorate in biochemistry.

APPROVAL OF MINUTES

A motion was made and seconded, and the Board of Regents voted unanimously to approve the minutes of the following meetings:

- Educational Planning & Policy Committee – December 7, 2006
- Facilities Committee – December 7, 2006
- Faculty, Staff & Student Affairs Committee – December 7, 2006
- Finance & Operations Committee – December 7, 2006
- Board of Regents – December 7, 2006
- Facilities Committee – January 3, 2007
- Board of Regents – January 3, 2007
REPORT OF THE PRESIDENT

President Bruininks reported that the legislature is in session and will consider the University’s biennial budget request, which includes $182.3 million in new state funding over two years. Bruininks reported that the governor’s recommendations include a $25 million incentive fund, provided the University meets certain accountability criteria.

The President announced the completion of the Neighborhood Impact Report, requested by the legislature as part of the stadium financing bill. The study was done in cooperation with the City of Minneapolis and neighborhood and business organizations from neighborhoods closest to campus and will be submitted to the Governor and legislature shortly. A University executive team will work in partnership with these various groups to address challenges in neighborhoods around campus and work to improve the quality of life and physical environments of the areas.

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

REPORT OF THE CHAIR

Chair Baraga announced that there would be no Board meetings in April 2007; the next Board meetings are scheduled for March 8-9, 2007.

Chair Baraga noted that a number of Regents and Board staff would be attending the Association of Governing Boards Conference on Trusteeship in Phoenix in early March 2007.

Chair Baraga also expressed gratitude to all four Regents whose terms are ending for their dedication to the University and the state.

RECEIVE AND FILE REPORTS

Regent Baraga noted the receipt and filing of the Annual Capital Financing and Debt Management Report.

REPORT OF THE ALL-UNIVERSITY HONORS COMMITTEE

Chair Baraga noted that the Report of the All-University Honors Committee was forwarded to the Board from President Bruininks on January 29, 2007.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the Report of the All-University Honors Committee. A copy of the report is on file in the Board Office.

GIFTS

Foundation President Gerald Fischer presented the list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation through December 31, 2006, as included in the docket materials.

Fisher introduced Jodee Kozlak, Senior Vice President of Human Resources, Target Corporation, who spoke briefly on a major gift to the University by the Target Corporation for capital projects. President Bruininks expressed appreciation to Target
Corporation for its commitment to economic and community development, and advancing the University's academic priorities, the arts, and the field of design.

A motion was made, seconded, and the Board of Regents voted unanimously to approve the receipt of gifts as presented.

BOARD OF REGENTS POLICY REPORT

Chair Baraga presented a status report on the comprehensive review of all Board of Regents policies, as contained in the docket materials. It was noted that as of December 2006, policy reviews have been completed on 82 percent of all Board of Regents policies. A summary of policies and their anticipated review dates was included in the docket materials.

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor Carol Chomsky, Chair of the Faculty Consultative Committee, reported on the activities of the FCC since its last report to the Board of Regents.

A copy of the report was included in the docket materials.

BOARD OF REGENTS POLICY: ASSOCIATED ORGANIZATIONS

General Counsel Rotenberg presented proposed Board of Regents Policy: Associated Organizations, as included in the docket materials. The objective of the policy is to maintain and enhance already existing relationships with associated organizations that have benefited the University of Minnesota. The policy establishes criteria for the University's recognition of an associated organization and delegates to the President the authority to grant, suspend, or revoke recognition.

Simmons recommended that the proposed policy include language that explicitly states when the Board reserves authority and responsibility to grant recognition and to suspend or revoke the status of an associated organization. Regent Frobenius suggested that the policy might need to address fundraising by non-foundation associated organizations or language to address how those funds are dispersed. Rotenberg agreed to draft language for the Board to consider when the policy returns for action at a future meeting.

FUTURE OF NORTHROP AUDITORIUM

President Bruininks reported that Northrop Auditorium, which opened in 1929, was designed to be the focal point of the Twin Cities campus, serving as the University's primary gathering place for celebrations, ceremony, education, entertainment, and performing arts. In response to significant structural challenges and life safety issues that have developed over time, studies have been completed to inform the repair, renovation, and repositioning of the structure.

Bruininks explained that in 2006 he appointed a committee comprised of University and community leaders to:
• Develop a vision for Northrop that supports the University’s strategic goal;
• Consider various options for future use;
• Provide recommendations to the President; and
• Recommend a timetable for completing the work.

He introduced Vice President O’Brien and College of Liberal Arts Dean Steven Rosenstone, who served as chairs of the Future of Northrop Advisory Committee (Committee), to present the Committee’s recommendations.

O’Brien summarized the work of the Committee, identifying the following principles that were developed to guide the Committee’s work: advance the University’s primary mission; advance academic programs and priorities; leverage the efficient use of space; and develop a sustainable financial plan. The Committee found that the current condition and configuration of Northrop Auditorium make only modest contributions to the academic priorities of the University. All agreed that the building must play a greater role in the academic life of the University.

Rosenstone summarized concepts for the proposed future vision of Northrop Auditorium. He explained that he would refer to the facility as Northrop in keeping with the Committee’s belief that it serve multiple functions and be gainfully used every day in support of the University’s mission. He noted that the reconfigured auditorium would maximize available academic space and provide superior acoustics and sightlines; provide welcoming public spaces; preserve historic design elements; modernize the building structure; and provide audience amenities. He added that the renovated building could house signature academic programs serving the entire University, such as the new Honor’s Program, space for interdisciplinary centers, or flexible classroom/gathering space.

Rosenstone reported that the $20 million exterior stabilization project currently underway is funded. The additional project cost of approximately $70 million would require state and private support as well as University bonding funds. In response to a question from Frobenius, Rosenstone indicated that in studying similar projects at peer institutions, it would be unrealistic to imagine the entire project funded through private resources, but that private funds could help leverage state funds.

Simmons commented on the importance of pursuing ongoing partnerships with the arts community, public affairs community, and broadcast community to present University programs to the community and engage the public. President Bruininks commented that the Committee worked with partner organizations in the community to seek ideas on how the project could complement, not compete with, other venues. He added that existing endowments provide levering opportunities to build a programmatic endowment.

Specific plans and proposals for the renovation will be presented to the Board at a future meeting.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

Regent Bell, Chair of the committee, reported that the committee voted unanimously to recommend:

a) Approval of the Consent Report for the Educational Planning & Policy Committee as presented to the committee and described in the February 8, 2007 minutes, and

b) Adoption of Board of Regents Policy: Submitting and Accepting Sponsored Projects, as follows:
Submitting and Accepting Sponsored Projects

SECTION I. SCOPE.

This policy identifies the circumstances under which University of Minnesota (University) faculty, staff, and students shall be eligible to submit proposals for sponsored projects and the conditions under which the University will accept such awards.

SECTION II. DEFINITIONS.

Subd. 1. Principal Investigator. Principal investigator shall mean the individual or individuals primarily responsible for and in charge of a sponsored project.

Subd. 2. Eligible Academic Professional and Administrative Employees. Eligible Academic Professional and Administrative Employees (P&A employees) shall mean employees whose primary position at the University is classified within the 93XX, 96XX, or 97XX series.

Subd. 3. Regular Faculty. Regular faculty shall mean a faculty member with a tenure or probationary appointment.

Subd. 4. Sponsored Project. Sponsored project shall mean a project funded with grants, contracts, and/or cooperative agreements, including, but not limited to, training, public service, research, and cooperative projects.

Subd. 5. Term Faculty. Term faculty shall mean a faculty member with an appointment for a specified length of time.

SECTION III. DELEGATION OF AUTHORITY.

Subd. 1. Sponsored Project Proposals. The president or delegate has the responsibility to approve sponsored project proposals, exercising appropriate judgment regarding the applicant’s ability to provide the necessary scientific/technical leadership and administrative/financial management of the project. Only the president or delegate may exercise this authority; individuals eligible to serve as principal investigators may not directly submit proposals to prospective sponsors.

Subd. 2. Sponsored Project Acceptance. The president or delegate has the responsibility to accept sponsored projects on behalf of the Regents of the University of Minnesota.

SECTION IV. SPONSORED PROJECT PROPOSAL REQUIREMENTS.

Subd. 1. Approval Requirements. Proposals may be approved for submission only if:

(a) the applicant is eligible to serve as a principal investigator as specified in subd. 2 below;

(b) the president or delegate has approved the applicant as principal investigator on the proposal;

(c) adequate space is available to house the project; and

(d) resources judged to be sufficient to conduct and complete the project are available.
Subd. 2. Principal Investigator Eligibility Requirements. The following criteria specify the minimum standards for approval as a principal investigator. These minimum standards must be incorporated into department or collegiate policies and procedures, but units may develop additional or more restrictive standards regarding this matter.

(a) Automatically Eligible Individuals – The following individuals shall be automatically eligible to serve as principal investigators:

(i) regular faculty; and
(ii) emeriti faculty.

(b) Other Eligible Individuals – The following individuals may be eligible to serve as principal investigators if they adhere to policies established by the unit in which they are an employee or student and if they meet funding source criteria, which must be compatible with the University’s standards:

(i) term and non-regular faculty and other academic employees, such as P&A employees;
(ii) individuals with graduate student/professional training status; and
(iii) employees with non-academic titles, in unusual circumstances.

(c) Training Requirements – Principal investigators must complete all training required by the sponsor and the University.

SECTION V. PRINCIPAL INVESTIGATOR STATUS.

Subd. 1. Relationship to the University. An individual’s appointment document shall govern the relationship of a principal investigator to the University. Principal investigator status does not imply a University commitment to any subsequent appointment beyond the term of appointment then in effect, nor does it alter the standing of individuals with graduate student/professional training status or commit the University to their future employment.

Subd. 2. Voluntary Termination of Principal Investigator Relationship with University. Should the principal investigator, of whatever title, leave the University prior to completion of the project, the future of that project shall be governed by the terms of that grant/contract agreement, the wishes of the sponsor, or negotiations among the sponsor, the University, and the principal investigator, as appropriate to specific circumstances.

Subd. 3. Rescission. An individual’s status as a principal investigator may be rescinded for just cause during the term of the grant/contract agreement, but the individual may appeal the decision in accordance with applicable University policies and procedures.

SECTION VI. SPONSORED PROJECT ACCEPTANCE.

Subd. 1. Acceptance. To be accepted, sponsored projects must adhere to applicable Board policies and administrative policies and procedures.

Subd. 2. Ownership. Grants and contracts for sponsored research and training projects are awarded to the University rather than to individual investigators.
SECTION VII. REPORTING.

The following information shall be reported to the Board:

(a) Quarterly – Report on grants and contracts received during the quarter.

(b) Annually – Report on the status of the University’s research, including sponsored project activity.

(c) Ad hoc – Report on significant individual grants and contracts on an ad hoc, but timely basis. Significant grants are those that represent more than 2 percent of the prior year’s externally funded research expenditures or that would have a substantial impact on the academic plan or budget of the University.


The Board of Regents voted unanimously to approve the recommendations of the Educational Planning and Policy Committee.

Bell reported that the committee received a report on the research agenda and investment priorities, received a report on research and its importance to the academic mission, received a report on University of Minnesota Extension: Taking Research to the People; received a report on research and the undergraduate experience. The committee also reviewed a number of information items contained in the docket materials.

REPORT OF THE FACILITIES COMMITTEE

Regent Metzen, Chair of the committee, reported that the committee voted unanimously to recommend:

a) Approval of amendments to the FY07 Capital Budget by:

1. $1,420,000 to incorporate funding for the Johnston Hall Renovation project, Twin Cities campus;
2. $760,00 to incorporate funding for the 90 Church Street Data Center HVAC Upgrade project, Twin Cities Campus;
3. $726,000 to incorporate funding for the West Bank Office Building Data Center HVAC Upgrade project located on the Twin Cities campus.

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

Metzen reported that the committee reviewed a capital budget amendment for the East Gateway District, Twin Cities campus; reviewed two real estate transactions: 1) five-year lease at University Enterprise Laboratory, 1000 Westgate Drive, St. Paul for Academic Health Center’s Lion’s Eye Bank, Twin Cities campus; and 2) seven-year lease at University Park Plaza, 2829 University Avenue SE, Minneapolis for Academic Health Center, Twin Cities campus; received a report on Energy and Utilities: Principles and Progress Update; and reviewed a number of information items as described in the docket materials.
REPORT OF THE AUDIT COMMITTEE

Regent Frobenius, Chair of the committee, reported that the committee reviewed the external auditor’s management letter, received a report on longitudinal analysis of research infrastructure audit results and their strategic implications, received an internal audit update, and reviewed a number of information items as described in the docket materials.

REPORT OF THE FACULTY, STAFF, & STUDENT AFFAIRS COMMITTEE

Regent Bohnsack, Chair of the committee, reported that the committee voted unanimously to recommend:

a) Approval of the Consent Report for the Faculty, Staff & Student Affairs Committee as presented to the committee and described in the February 8, 2007 minutes; and

b) Adoption of Board of Regents Policy: Employee Work-Life and Personal Leaves, as follows:

Employee Work-Life and Personal Leaves

SECTION I. SCOPE.

This policy governs the work-life and personal leave opportunities of faculty, academic professional and administrative, civil service, union-represented staff, and graduate assistant employee groups of the University of Minnesota (University).

SECTION II. DEFINITIONS.

Subd. 1. Flexible Work Arrangements. Flexible work arrangements shall mean alternatives to the standard schedule for individual positions, including time-flexible scheduling, compressed work weeks, telecommuting, voluntary reduction in percent time, and job sharing.

Subd. 2. Well-Being. Well-being shall mean the physical, mental, psychological, and emotional health of the employee.

SECTION III. GUIDING PRINCIPLES.

The following principles shall guide the University's workplace:

(a) The University fosters a productive, healthy, and safe workplace that helps employees effectively integrate and manage their work and personal life responsibilities.

(b) The University provides leave opportunities that contribute to employee well-being, support family care concerns, align with legal requirements, and are appropriately benchmarked and consistent with peer institutions.

(c) The University strives to provide for a responsibly managed workplace through careful selection, preparation, and accountability of supervisors, managers, and leaders.
(d) The University seeks to effectively address the personal needs of employees and the needs of their respective units when considering discretionary leave requests.

SECTION IV. WORKPLACE PROVISIONS.

Subd. 1. Policies and Programs. The University shall have policies and programs that engender employee well-being, permit flexibility, provide employees options to help in managing work and personal life responsibilities, and are appropriate to the work to be done.

Subd. 2. Flexible Work Arrangements. If appropriate, the University shall support flexible work arrangements as an effective management tool in building job satisfaction, improving productivity, and retaining employees.

Subd. 3. Healthy Behaviors. The University recognizes the importance of supporting employee well-being through University-sponsored wellness programs and initiatives that encourage healthy behaviors in employees.

SECTION V. LEAVE OPPORTUNITIES.

The University makes available several types of paid and unpaid leaves. To the extent provided for by administrative policies, rules, and collective bargaining agreements, the following leaves may be offered and granted:

(a) bereavement;
(b) civic duty;
(c) disability;
(d) family medical;
(e) medical;
(f) military;
(g) parental;
(h) personal; and
(i) vacation.

SECTION VI. EMPLOYER RESPONSIBILITY.

Subd. 1. Leadership Accountability. University leaders, managers, and supervisors shall be held accountable and recognized for excellence in efforts that foster workplace cultures that address the business needs of the University and unit and that promote employee well-being.

Subd. 2. Administration. Leaves of absence, flexible work arrangements, and programs that promote healthy behaviors shall be administered consistent with applicable administrative policies, rules, and collective bargaining agreements.

SECTION VII. EMPLOYEE RESPONSIBILITY.

The University expects employees to exercise responsibility for contributing to a welcoming, inclusive, and positive workplace by respecting students and other employees; valuing multiple perspectives; and supporting each other in effectively managing work and life responsibilities. Employees shall be held accountable for workplace behaviors consistent with all applicable Board and administrative policies, rules, and collective bargaining agreements.
The Board of Regents voted unanimously to approve the recommendations of the Faculty, Staff & Student Affairs Committee.

Bohnsack reported that the committee also reviewed proposed Board of Regents Policy: Employee Compensation and Recognition, reviewed proposed Board of Regents Policy: Employee Performance Evaluation and Development, received a report on supporting new faculty at the University of Minnesota, and reviewed a number of information items as described in the docket materials.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

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

a) Approval of the amended Consent Report for the Finance & Operations Committee as presented to the committee and described in the February 8, 2007 minutes.

The Board of Regents voted unanimously to approve the recommendation of the Finance & Operations Committee.

Hunter reported that the committee also discussed issues related to certain investment classes, discussed the Six-Year Capital Plan and debt capacity, and reviewed a number of information items as described in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Chair Baraga reported that the committee met on February 8, 2007 to discuss attorney-client privileged matters and no action was taken at the meeting.

The meeting adjourned at 10:56 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

Board of Regents
February 9, 2007