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      A. Science Teaching & Student Services, Twin Cities Campus
      B. Carlson School of Management Repurposing, Twin Cities Campus
      C. Community Services Renovation, Morris Campus
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      A. Ten-Year Sublease for 11,900 Gross Square Feet at 331 – 17th Avenue SE, Minneapolis, Twin Cities Campus
   4. Review of Real Estate Transactions
      A. Agreements for Use of University Facilities & Services for Walden Summer Residency Program July 9-20, 2008, Twin Cities Campus
      B. Purchase of 523 Oak Street & 524 & 528 Ontario Street SE Minneapolis, Twin Cities Campus
   5. Review of Capital Budget Amendments
      A. Medical Bioscience Building Research Support Equipment, Twin Cities Campus
      B. Heller Hall Floors 9-12 Remodeling for Department of History, Twin Cities Campus
7. Information Items

O. Report of the Faculty, Staff & Student Affairs Committee
   1. Approval of Consent Report
   2. Information Items

P. Report of the Audit Committee
   1. External Auditor's Management Letter & Related Audit Work
   2. Improvements to Institutional Oversight of Internal Service Organizations
   3. Internal Audit Update
   4. Information Items

Q. Report of the Litigation Review Committee
   1. Resolution to Conduct Non-Public Meeting of the Litigation Review Committee to Discuss Attorney-Client Privileged Matters
A meeting of the Audit Committee of the Board of Regents was held on Thursday, February 7, 2008 at 8:00 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Clyde Allen, Dallas Bohnsack, John Frobenius, Venora Hung, and Dean Johnson.

Staff present: 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, Stuart Mason, and Michael Volna.

Student Representatives present: Meghan Keil and Nathan Swanson.

EXTERNAL AUDITOR’S MANAGEMENT LETTER & RELATED WORK

Acting Controller Denise Seck introduced Don Loberg and Craig Popenhagen, Principals, LarsonAllen, to present the external auditor's management letter for the year ending June 30, 2007, 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 FY2007 annual audit.

Loberg reviewed the management letter, including recommendations related to alternative investments, relationships with affiliated organizations, payroll processing, courier services, a newly implemented ticketing software program, athletic revenues recognition, and areas within federal grant administration. None of these issues was deemed critical.

Popenhagen reported progress on prior year comments both continuing and resolved, and how management has addressed the issues.

Loberg discussed the Statement of Auditing Standards 112 (SAS 112) letter, which communicates LarsonAllen's observations and recommendations regarding the University's internal controls and other matters resulting from the FY2007 annual audit. Loberg stated that there are two areas reported as significant deficiencies: construction project activity and bank reconciliations. Loberg described management’s response to the two items and stressed that these significant deficiencies do not result in a finding of material weakness. He noted that the University's audit results benchmarked favorably compared to similar institutions when new SAS standards were implemented.
Loberg stated that the Federal Awards Compliance Audit, which measures the University’s compliance with federal laws and regulations applicable to federal financial assistance received, is required to include any significant deficiencies or materials weaknesses noted in the SAS 112 report. The audit resulted in no additional findings.

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

**IMPROVEMENTS TO INSTITUTIONAL OVERSIGHT OF INTERNAL SERVICE ORGANIZATIONS**

Regent Cohen invited Acting Controller Denise Seck to discuss changes and enhancements to the University’s internal sales activity policy and procedures, as detailed in the docket and associated materials presented at the meeting and on file in the Board Office.

Seck explained that internal sales activity is the sale of goods and services by one University unit to another University unit at approved rates on a regular and continuing basis. Seck noted that the University’s administrative policies and procedures related to internal sales activity were recently revised to enhance internal controls and compliance with federal cost accounting standards, clarify expectations and roles and responsibilities surrounding internal sales activity, instill accountability within departments, and provide resources and reporting tools to enhance knowledge, efficiency and oversight.

Seck reported that as a recipient of federal funds, the University must comply with federal cost accounting standards. She provided background on requirements necessary to meet these accounting standards, and indicated that failure to comply with federal standards can put the institution at significant financial and reputational risk.

Seck noted a number of issues that prompted a thorough review of current policies and practices related to internal sales. She described a workgroup formed with representation from a number of University units, presented several areas of concern to address, and described a number of changes to improve the process.

Seck reported that next steps include finalizing the new policy and procedures, development of on-line training programs, and communicating changes to the University community. The new policy and procedures will be effective July 1, 2008.

**INTERNAL AUDIT UPDATE**

Associate Vice President Klatt presented the Internal Audit Update, as included in the docket materials. She reported that during the past quarter 30 percent of the outstanding recommendations rated as "essential" were implemented by University departments, a percentage lower than the previous quarter and less than the expected rate of 40 percent. In addition, nine units fully implemented all their remaining "essential" recommendations. Klatt noted that the lower implementation rate is likely attributable to time departmental staff are dedicating to issues related to the Enterprise Financial System implementation. Thirteen audits were completed during the last quarter.
INFORMATION ITEMS

Associate Vice President Klatt referred the committee to the information items contained in the docket materials, including:

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

The meeting adjourned at 9:15 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Litigation Review Committee

February 7, 2008

A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, February 7, 2008 at 8:31 a.m. in the William R. Peterson Conference Room, 600 McNamara Alumni Center.

Regents present: Anthony Baraga, presiding; Steven Hunter and Patricia Simmons.

Staff present: President Robert Bruininks; Vice Presidents Kathryn Brown, Karen Himle, and Kathleen O’Brien; General Counsel Mark Rotenberg; and Executive Director Ann Cieslak.

Others present: William Donohue.

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

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(h), a non-public meeting of the Board of Regents Litigation Review Committee be held on Thursday, February 7, 2008 at approximately 8:30 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:

II. Tuernbold v University of Minnesota, et al;
III. MPCA Claims

The committee voted unanimously to approve the resolution. The public portion of the meeting adjourned at 8:34 a.m.

The non-public portion of the meeting adjourned at 9:40 a.m.

ANN D. CIESLAK
Executive Director and Corporate Secretary

Litigation Review Committee
February 7, 2008
A meeting of the Facilities Committee of the Board of Regents was held on Thursday, February 7, 2008 at 9:45 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David Metzen, presiding; Anthony Baraga, Dallas Bohnsack, Maureen Cisneros, David Larson, and Patricia Simmons.

Staff present: Chancellor Jacqueline Johnson; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice President Kathleen O’Brien; Executive Director Ann Cieslak; and Associate Vice Presidents Michael Berthelsen, Robert Kvavik, Meredith McQuaid, and Michael Perkins.

Student Representatives present: Nathan Olson and Jim Irrgang.

SCHEMATIC PLANS

A. Science Teaching & Student Services Center, Twin Cities Campus

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

The schematic plans for the Science Teaching and Student Services Center, Minneapolis, Twin Cities campus, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Associate Vice Presidents Perkins and Kvavik presented information on the project and explained that the new building will provide innovative and flexible teaching spaces and consolidate academic and transactional student services, as detailed in the docket and materials distributed at the meeting. In response to a question from Regent Baraga, Perkins stated that the east side of the building will be all brick and will complement the adjacent buildings on Northrop Mall.

The committee voted unanimously to recommend approval of schematic plans for the Science Teaching and Student Services Center, Minneapolis, Twin Cities campus.

B. Carlson School of Management Repurposing, Twin Cities Campus

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

The schematic plans for the Carlson School of Management Repurposing, Minneapolis, Twin Cities campus, are approved and the
appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Associate Vice President Perkins and Carolyn Chase, Assistant Dean of the Carlson School of Management, presented information on the project and explained that space used by programs moving to Hanson Hall will be reconfigured for other Carlson departments and programs, as detailed in the docket and materials distributed at the meeting. Chase explained that the funding for the project is coming from the campaign to raise funds for the Hanson Hall construction.

The committee voted unanimously to recommend approval of schematic plans for the Carlson School of Management Repurposing, Minneapolis, Twin Cities campus.

C. Community Services Renovation, Morris Campus

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

The schematic plans for the Community Services Renovation, Morris, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Chancellor Johnson and Associate Vice President Perkins presented information on the project and explained that the renovation will provide a campus welcome center and meet the programmatic needs of admissions, external relations, and continuing education, as detailed in the docket and materials distributed at the meeting. Perkins reported that the renovation is designed to obtain a certification in Leadership in Energy and Environmental Design (LEED). In response to a question from Regent Simmons, Perkins explained that the premium for LEED certification is between 2 to 5 percent for most projects, which is projected to be recovered several times during the lifespan of a building.

The committee voted unanimously to recommend approval of schematic plans for the Community Services Renovation, Morris.

REAL ESTATE TRANSACTION

A. Ten-Year Sublease for 11,900 Gross Square Feet at 331-17th Avenue SE, Minneapolis, Twin Cities Campus

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

On the recommendation of the President and the Vice President for University Services, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transaction:

Ten-year sublease for 11,900 gross square feet at 331 17th Avenue SE, Minneapolis, Twin Cities Campus.
Details of transaction: The premises will be subleased from the University Episcopal Center commencing May 1, 2008 for a period of ten years, with five successive five-year options to continue the sublease thereafter. The University will pay base
rent of $12.00 per useable square foot plus operating costs estimated at $5.00 per useable square foot for the first year of the sublease. Base rent will increase by 3 percent each year. The University’s share of the leasehold improvement project will not exceed $190,000. Source of funds: University funds.

Susan Weinberg, Director of Real Estate, noted that the transaction was being brought for review and action in one month in order to begin the leasehold improvement project as soon as possible.

The committee voted unanimously to recommend approval of the ten-year sublease for 11,900 gross square feet at 331-17th Avenue SE, Minneapolis.

REAL ESTATE TRANSACTIONS

A. Agreements for Use of University Facilities & Services for Walden Summer Residency Program, July 9-20, 2008, Twin Cities Campus

The committee reviewed a proposal for agreements for the use of University facilities and services on the Twin Cities campus for Walden University’s Summer Residency Program, July 9-20, 2008. Susan Weinberg, Director of Real Estate, summarized the facilities and services used by the program and the fees paid to the University, as detailed in the docket materials.

In response to a question from Regent Larson, Laurie McLaughlin, Director of Residential Life, stated that summer rental of residential life facilities allows the University to drop student housing rates approximately 2 percent.

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

B. Purchase of 523 Oak Street SE and 524 & 528 Ontario Street SE, Minneapolis, Twin Cities Campus

The committee reviewed a proposal for the purchase of 523 Oak Street SE and 524 and 528 Ontario Street SE, Minneapolis. Susan Weinberg, Director of Real Estate, summarized the location and description of the property and the source of funds, as detailed in the docket materials. She explained that these properties are being purchased on a block in which the University has purchased other properties and will serve a number of potential University needs in conjunction with the expansion of the Twin Cities campus.

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

CAPITAL BUDGET AMENDMENTS

A. Medical Bioscience Building Research Support Equipment, Twin Cities Campus

The committee reviewed a proposal to amend the FY2008 Capital Budget by $2,000,000 to incorporate funding for research support equipment for the Medical Bioscience Building project located on the Twin Cities campus.

Senior Vice President Cerra explained that the research programs to be housed within the building have identified additional support equipment needed to perform their research functions, primarily in the area of animal care. Associate Vice President
Perkins reported that there are no changes to the outside of the building from the original plans and that the building remains on track to open in fall 2009.

In response to a question from Regent Baraga, Cerra reported that the University is accredited and in compliance with the standards of the Association for the Assessment and Accreditation of Laboratory Animal Care.

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

**B. Heller Hall Floors 9-12 Remodeling for Department of History, Twin Cities Campus**

The committee reviewed a proposal to amend the FY2008 Capital Budget by $2,519,000 to incorporate funding for the Heller Hall, Department of History renovation project located on the Twin Cities campus.

Mark Pharis, Associate Dean in the College of Liberal Arts, explained that the project will provide contiguous space over four floors of Heller Hall for the Department of History, which is currently dispersed over a large area in the Social Sciences Building. He noted that this space is available in Heller Hall because the Department of Economics will be moving into the new Hanson Hall in Spring 2008. Associate Vice President Perkins reported that the project will be funded by the College of Liberal Arts and that no operating cost changes are anticipated.

In response to a question from Regent Larson, Vice President O’Brien commented that although the Department of Economics is moving and Heller Hall is named for former University Economics Professor Walter Heller, there are no plans to change the name of the building.

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

**ENERGY & UTILITIES: PRINCIPLES & PROGRESS UPDATE**

Vice President O’Brien introduced Associate Vice President Berthelsen to present information on energy management issues at the University, as detailed in the docket and materials distributed at the meeting. Berthelsen provided specific information on the budget for energy management, market trends in fuel costs, and departmental sustainability measures. Highlights of the presentation included:

- The University’s average gas and solid fuel costs have consistently been less than those of the state of Minnesota for the past five years.
- The University’s carbon footprint, or total amount of carbon dioxide produced, is projected to decrease in the upcoming three years.
- The total hours when the University lost either electrical power or steam power decreased from FY2007 to FY2008.

Berthelsen provided information on the projected energy needs of the Minneapolis campus for the next twenty years, specifically focusing on the capacity of the Twin Cities campus steam tunnel system. He estimated that between 850 to 8100 million of work will be needed for the nearly 8½ miles of tunnels on the Twin Cities campus.
CONSENT REPORT

A motion was made and seconded to recommend approval of the Consent Report including:

- Purchase of 1215 Woodland Avenue, Duluth; and
- Conveyance of permanent and temporary construction easements to the State of Minnesota, Department of Transportation, for I-35W Bridge Project (Twin Cities campus).

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

INFORMATION ITEMS

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

- The University's efforts in implementing Board of Regents Policy: *Sustainability and Energy Efficiency*; and
- A request from Doran Companies for purchase of a 10,890 square foot parcel from the University at 1506 - 4th Street SE, Minneapolis.

The meeting adjourned at 11:45 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Finance and Operations Committee of the Board of Regents was held on Thursday, February 7, 2008 at 9:45 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Steven Hunter, presiding; Clyde Allen, Linda Cohen, John Frobenius, Venora Hung, and Dean Johnson.

Staff present: Chancellor Charles Casey; Senior Vice President Frank Cerra; Vice Presidents Steve Cawley and Richard Pfutzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt, Stuart Mason, and Michael Volna.

Student Representatives present: Nathan Swanson and Mark Torma.

**ISSUES RELATED TO: ANNUAL CAPITAL FINANCING & DEBT MANAGEMENT REPORT**

Vice President Pfutzenreuter invited Carol Fleck, Director of Debt Management, and John Augustine, Managing Director of Lehman Brothers, to present the Annual Capital Financing & Debt Management Report for FY2007, as included in the docket materials and on file in the Board Office.

Fleck indicated that the University's approach to debt management is to focus on using an overall portfolio; to link debt structure and external debt service with the budget process; and to maintain the current excellent long- and short-term core debt ratings by Moody's and Standard & Poor's. Augustine reviewed determinants of the University's credit rating and debt capacity, noting that State support, student demand, and market positions and financial indicators place the University solidly in the Aa category. The University compares favorably when benchmarked with its peer group in terms of total resources, comprehensive debt, and debt service as a percentage of operations.

In response to questions from the committee, Augustine stated that audits have recently become increasingly important in determining ratings. The excellent quality of the University's audits and the regular communication by the Financial Management Group are valued by the rating agencies. He observed that the University's diversified revenue stream and the State's good credit rating have had a positive effect on the University's rating.

Regent Allen reported on the Debt Management Advisory Committee's recent discussion of debt structure. He stated that the committee supports recommended changes to maximize financial returns and lower interest rates on existing bonds through a Request for Proposal. The committee also suggested that the consideration of using $65 million of previously approved but un-issued commercial paper.
ISSUES RELATED TO: PRIVATE EQUITY

Vice President Pfutzenreuter introduced Associate Vice President Mason to review the portfolio characteristics of the Private Equity allocation in the Consolidated Endowment Fund (CEF), as included in the docket materials.

Mason stated that the University’s management oversight for private capital investments ensures that it is familiar with the portfolio, is aware of the companies involved, and is familiar with the types of investments made. Alternatives to private capital investments in the CEF include: venture capital, which traditionally performs well in a good economy and has recently done well; buyouts, or new acquisitions, which generally slow down in a bad economy; and distressed debt. Mason noted distressed debt opportunities are increasing due to the current economy, and the University’s percentage of this type of private capital may rise in order to take advantage of the current market. He added that private capital continues to be the University’s best performing asset.

In response to questions from the committee, Mason stated that current Board of Regents policy is flexible and will allow the University to take advantage of market opportunities that may arise.

UPDATE: ENTERPRISE FINANCIAL SYSTEM IMPLEMENTATION

Vice President Pfutzenreuter invited Vice President Cawley and Associate Vice President Volna to present an update on the Enterprise Financial System implementation (EFS), as included in the docket materials and associated materials on file in the Board Office. Volna reported significant progress on the EFS implementation plan since the last presentation in May 2007. He described the benefits EFS will provide, including a fully functioning and integrated accounts receivable and billing system; fixed asset management tools; an improved reimbursement function for travel and expenses; comprehensive financial analysis tools and capabilities; and a platform for grants tools.

Cawley reported the EFS project is on time and continues to be on budget. He noted that extensive testing of the system will be completed this spring to ensure a smooth transition when the system goes live on July 1, 2008.

CONSENT REPORT

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

- Cellular Specialties, Inc. for an estimated $1,248,628 to furnish, deliver and install public safety radio and Nextel cellular communications equipment for the Department of Public Safety.
- Communication Power Corporation for $280,172 for 7T Amplifier System Upgrade for the Radiology Department, Center for Magnetic Resonance Research.
- Enventis Telecom for $1,700,000 to purchase network hardware and software and to provide annual Cisco Smartnet hardware and software support for the period of April 1, 2008 through March 31, 2009 for Networking and Telecommunications Services, a division of the Office of Information Technology.
• Multi-Venue Productions for up to $375,000 for post-event clean ups in Athletic Facilities from February 28, 2008 to April 30, 2009 for Intercollegiate Athletic Facilities.

• Service des Relations Internationales, The University of Montpellier III for an amount not to exceed $750,000 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Years 2007-2008, 2008-2009, and 2009-2010 in Montpellier, France.

• Thermo Electron North America LLC for $730,093 for model LTQ-Orbitrap XL mass spectrometer with ETD upgrade and Accela uHPLC for the Biochemistry, Biophysics and Molecular Biology Department.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the consent report.

INFORMATION ITEMS

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

• Annual Report on Central Reserves.

The meeting adjourned at 11:28 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

Finance and Operations Committee
February 7, 2008
A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, February 7, 2008 at 3:30 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David Larson, presiding; Anthony Baraga, Maureen Cisneros, Linda Cohen, Steven Hunter, and Patricia Simmons.

Staff present: Chancellors Jacqueline Johnson and Stephen Lehmkuhle; Senior Vice President & Provost Thomas Sullivan; Senior Vice President Frank Cerra; and Executive Director Ann Cieslak.

Student Representatives present: Meghan Keil and Nathan Olson.

AREA HEALTH EDUCATION CENTER: RESOLUTION

Senior Vice President Cerra led the discussion of the Resolution Related to the Area Health Education Center (AHEC) as described in docket materials. Since 2004, the Board has approved resolutions to establish AHECs in Northeast, Southern, and Central Minnesota. This resolution will enable the creation of an independent, not-for-profit corporation in Crookston to support and promote rural health professional education in Northwest Minnesota.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the resolution to establish the Northwest Minnesota Area Health Education Center.

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:

I. New Academic Programs
   ▪ Graduate School—Create dual Master of Public Policy and Master of Business Administration degree program
   ▪ Graduate School—Create minor in Rehabilitation Science
   ▪ Graduate School—Create minor in Italian Studies
   ▪ Morris Campus—Create B.A. degree in Environmental Studies
   ▪ College of Liberal Arts (Twin Cities Campus)—Create B.A. and B.S. degrees in Sociology of Law, Criminology and Deviance
   ▪ Duluth Campus—Create B.B.A. degree in Financial Markets Finance
   ▪ Duluth Campus—Create minor in Financial Markets
II. Academic Program Changes

- College of Education and Human Development (Twin Cities Campus)—Change name of B.S. degree in Foundations of Education: Elementary to Elementary Education: Foundations
- College of Education and Human Development (Twin Cities Campus)—Change name of B.S. degree in Foundations of Education: Early Childhood to Early Childhood Education: Foundations
- College of Liberal Arts (Twin Cities Campus)—Discontinue minor in Designing Documents with New and Emerging Technologies
- College of Liberal Arts (Twin Cities Campus)—Discontinue minor in Internet Science and Society
- College of Education and Human Development and College of Food, Agricultural and Natural Resource Sciences (Twin Cities Campus)—Move degree granting status for B.S. degree in Agricultural Education from the College of Education and Human Development to the College of Food, Agricultural and Natural Resource Sciences
- College of Food, Agricultural and Natural Resource Sciences (Twin Cities Campus)—Change name of minor in Environment and Natural Resources to minor in Environmental Sciences, Policy and Management
- College of Design (Twin Cities Campus)—Add two tracks to the B.S. degree in Retail Merchandising
- Duluth Campus—Discontinue concentrations in B.A. in Environmental Studies
- Crookston Campus—Create new area of emphasis within the B.S. degree in Agricultural Systems Management
- Graduate School—Change name of M.A. degree in Speech-Language Pathology to Speech-Language-Hearing Sciences and add two tracks

INFORMATION ITEMS

There were no information items this month.

The meeting adjourned at 3:35 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff & Student Affairs Committee

February 7, 2008

A meeting of the Faculty, Staff & Student Affairs Committee of the Board of Regents was held on Thursday, February 7, 2008 at 3:30 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: John Frobenius, presiding; Dallas Bohnsack, Venora Hung, and Dean Johnson.

Staff present: Vice President Carol Carrier and Executive Director Ann Cieslak.

Student Representatives present: Adam Engleman and Catherine Wang.

CONSENT REPORT

Vice President Carrier presented the Consent Report, as detailed in the docket materials, which included the appointment of a senior administrator:

- David Wippman, Dean, Law School, effective July 1, 2008.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the consent report.

INFORMATION ITEMS

Vice President Carrier referred the committee to the Information Items contained in the docket materials.

The meeting adjourned at 3:35 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
Year 2007-08

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Work Session

February 7, 2008

A work session of the Board of Regents was held on Thursday, February 7, 2008 at 1:34 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Clyde Allen, Anthony Baraga, Dallas Bohnsack, Maureen Cisneros, Linda Cohen, John Frobenius, Venora Hung, Steven Hunter, Dean Johnson, and David Larson.

Staff present: President Robert Bruininks; Senior Vice President and Provost Thomas Sullivan; Vice President Carol Carrier; and Executive Director Ann Cieslak.

Regent Simmons explained that as part of the Board of Regents continued discussions on the University’s strategic positioning efforts, the work session would focus on the strategic area of exceptional students by examining graduate education. Senior Vice President and Provost Sullivan began the presentation by stating that graduate programs are at the core of the University’s academic reputation. He reported that the graduate school, which is the fourth largest in the United States, awarded over 800 Ph.D. degrees and over 1800 Masters degrees in 2007.

Gail Dubrow, Vice Provost and Dean of the Graduate School, provided information on the organization of the graduate school, degree completion, and career placement of graduates. She made the following observations regarding degree completion of graduate students:

- There is wide disparity among disciplines regarding the length of time to degree completion, with humanities-related disciplines normally taking longer.
- 50 percent of Ph.D. students complete their degrees in 7 years and 59 percent complete their degrees in 10 years.
- Measures to improve degree completion rates include offering multi-year financial support at admission, reforming programs to remove barriers to timely progress, and a new admissions initiative in conjunction with the Office of Equity and Diversity that focuses on matching potential students with the right program.

Jerry Rinehart, Vice Provost for Student Affairs, provided information on graduate student services, specifically profiling health insurance coverage, student housing opportunities, and graduate student finances. Rinehart highlighted the following:

- 50 percent of graduate students have health insurance through University-sponsored plans and approximately 20 to 25 percent are uninsured.
- 95 percent of graduate students live off-campus in private housing.
- 82 percent of graduate students are employed, with 43 percent working more than 30 hours per week.
- Loans account for the highest percentage of financial resources at 36 percent, with work and assistantships accounting for 34 percent.
Adam Johnson, a doctoral student in neuroscience, provided insights on his academic experience as a Ph.D. candidate and the challenging decisions that will await him when he completes his degree.

In response to a question from Regent Larson, Dubrow explained that field of study is a much greater predictor of degree completion time than whether the student is an international student or holds a fellowship. In response to a question from Regent Johnson, Dubrow stated that the academic global marketplace makes it difficult to track supply and demand trends for professor positions.

In response to a question from Regent Cohen, Dubrow explained that fellowship and grant funding is more available in the science, technology, engineering, and mathematics fields because there is much more individual research collaboration with advisors.

Simmons expressed appreciation for the focus on the health and well-being of graduate students and acknowledged challenges in such areas as funding, completion rates, housing opportunities, and student diversity.

The work session adjourned at 3:20 p.m.

[Signature]
ANN D. CIESLAK
Executive Director and
Corporate Secretary
UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

February 8, 2008

A meeting of the Board of Regents of the University of Minnesota was held on Friday, February 8, 2008, at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Clyde Allen, Anthony Baraga, Dallas Bohnsack, Maureen Cisneros, Linda Cohen, John Frobenius, Venora Hung, Steven Hunter, Dean Johnson, David Larson, and David Metzen.

Staff Present: President Robert Bruininks; Chancellors Jacqueline Johnson and Stephen Lehmkuhle; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Kathryn Brown, Carol Carrier, Karen Himle, and Timothy Mulcahy; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt, Stuart Mason, Donna Peterson, and Michael Volna.

RECOGNITION

Recognition was given to Bernhard Hering, McKnight Presidential Chair in Transplantation Science.

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 13, 2007
   Facilities Committee – December 13, 2007
   Faculty, Staff & Student Affairs Committee – December 13, 2007
   Finance & Operations Committee – December 13, 2007
   Litigation Review Committee – December 13, 2007
   Board of Regents – December 14, 2007

REPORT OF THE PRESIDENT

President Bruininks discussed the ways in which the University is increasing its visibility and focus on sustainability, energy efficiency, and issues related to climate change. He outlined a number of principles, goals, and achievements that demonstrate the University’s leadership regarding sustainability issues. The President reported on the signing in January of the President’s Climate Commitment, which further underscores the institution’s system-wide commitment in these areas.

President Bruininks noted the beginning of the 2008-09 legislative session. He stressed the importance of the University’s capital bonding request submitted to the
State and stressed the value of the State’s investments in research to Minnesota’s economy.

The President also reported briefly on a recent community visit to the Iron Range in northern Minnesota.

REPORT OF THE CHAIR

Chair Simmons noted the passing in January 2008 of Regent Emerita M. Elizabeth Craig, who served on the Board of Regents from 1987-93. She acknowledged Regent Bohnsack, who represented the Board at Craig’s memorial.

Chair Simmons reported that this week she celebrated the installation at the Hormel Institute of the first Blue Gene/L computer in Minnesota, currently the fastest computer in the world, used for mathematics, genomics and astrophysics research in many top laboratories.

Chair Simmons reported that the Board had an engaging dinner with selected legislative leaders the previous evening. She also noted that the next Board of Regents meetings will be held April 10-11, 2008 in the Twin Cities.

RECEIVE AND FILE REPORTS

Chair Simmons noted that there were no items for receipt and filing this month.

REPORT OF THE ALL-UNIVERSITY HONORS COMMITTEE

Chair Simmons noted that the Report of the All-University Honors Committee was forwarded to the Board from President Bruininks on January 28, 2008.

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, 2007.

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

APPOINTMENT: UNIVERSITY FOUNDATION TRUSTEE

A motion was made and seconded, and the Board of Regents voted unanimously to approve the following appointment to the University of Minnesota Foundation Board of Trustees:

Kit Hadley (term expires 2010).
BOARD OF REGENTS POLICY: MISSION STATEMENT

Chair Simmons presented for action proposed amendments to Board of Regents Policy: Mission Statement, as detailed in the docket materials. A motion was made and seconded, and the Board of Regents voted unanimously to adopt amendments to Board of Regents Policy: Mission Statement, as follows:

Mission Statement

Subd. 1. Mission. The University of Minnesota (University), founded in the belief that all people are enriched by understanding, is dedicated to the advancement of learning and the search for truth; to the sharing of this knowledge through education for a diverse community; and to the application of this knowledge to benefit the people of the state, the nation, and the world.

The University’s mission, carried out on multiple campuses and throughout the state, is threefold:

• Research and Discovery — To generate and preserve knowledge, understanding, and creativity by conducting high-quality research, scholarship, and artistic activity that benefit students, scholars, and communities across the state, the nation, and the world.

• Teaching and Learning — To share that knowledge, understanding, and creativity by providing a broad range of educational programs in a strong and diverse community of learners and teachers, and prepare graduate, professional, and undergraduate students, as well as non-degree seeking students interested in continuing education and lifelong learning, for active roles in a multiracial and multicultural world.

• Outreach and Public Service — To extend, apply, and exchange knowledge between the University and society by applying scholarly expertise to community problems, by helping organizations and individuals respond to their changing environments, and by making the knowledge and resources created and preserved at the University accessible to the citizens of the state, the nation, and the world.

Subd. 2. Guiding Principles. In all of its activities, the University strives to sustain an open exchange of ideas in an environment that:

• embodies the values of academic freedom, responsibility, integrity, and cooperation;

• provides an atmosphere of mutual respect, free from racism, sexism, and other forms of prejudice and intolerance;

• assists individuals, institutions, and communities in responding to a continuously changing world;

• is conscious of and responsive to the needs of the many communities it is committed to serving;
creates and supports partnerships within the University, with other educational systems and institutions, and with communities to achieve common goals; and

inspires, sets high expectations for, and empowers the individuals within its community.

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor Gary Balas, Chair of the Faculty Consultative Committee, reported on the activities of the committee since the last report to the Board of Regents and issues to be addressed in the 2007-08 academic year.

Board members commented on the importance of shared governance and expressed their gratitude for the good working relationship the Board shares with faculty leadership.

A copy of the full report is included in the docket materials on file in the Board Office.

FINANCING THE FUTURE: TUITION, FEES & COST OF ATTENDANCE

President Bruininks reported that this presentation is the second in a series of discussions on financial strategies necessary to advance the University’s strategic goals and addresses tuition and fees, a major portion of the institution’s revenue base. He stated that the strategic planning framework and alignment of financial strategies are integral to financing the mission and advancing the University’s strategic goals.

The President presented key financial strategies necessary to further the University’s strategic goals:

- Increase and stabilize state support;
- Develop a tuition strategy that provides a reasonable and consistent level of support for the University’s core educational costs;
- Increase sponsored funding;
- Increase private support; and
- Align resources to meet the institution’s strategic priorities.

He added that the following key financial strategies present related policy questions and help frame the discussion:

- What is the essential role of this revenue stream in support of the University mission?
- What are historic trends and future projections for this revenue stream; how does it compare with that of our peer institutions?
- What actions must be taken to develop this revenue stream?
- Does this revenue source support strategic goals at an appropriate level?
- What will it take to finance the future of the University, and how can it be achieved?
President Bruininks reported on the various main sources of University income for 2007. He indicated that over 75 percent of the University's core operating budget comes from state appropriations, student tuition and fees, and sponsored grants and projects. He described how tuition revenue and state appropriations fund instructional costs, student services, faculty compensation, and serve as a large percentage of the total budgets of University colleges campuswide.

President Bruininks discussed tuition trends and enrollment growth for the University compared to its peers in the Big Ten. He described a number of ways in which the institution is working to ensure access and affordability for students. He noted recent tuition reforms, including tuition bands, changes and reductions in nonresident tuition rates, and a reciprocity agreement with the State of Wisconsin. He also highlighted the successes of the Promise of Tomorrow Scholarship Drive, the Founders Free Tuition Program, and financial aid levels available to students.

President Bruininks presented key conclusions. He stressed the following: tuition should remain an essential part of the University's budget; tuition is tied to state funding levels, which are flat or declining nationally; the University will continue to work to ensure affordability and reduce costs; and, manage higher education costs through timely graduation.

A lengthy discussion ensued.

Regent Larson noted that state appropriation per student and per citizen has declined substantially and stressed the need to encourage legislators to address this trend. Regent Allen commented on the usefulness of this presentation and the need to continue to explore the impact of changing demographics on enrollment, and on the relationship between timely graduation to students working and borrowing more in order to finance their education.

Regent Johnson commented that funding higher education falls short on the list of priorities confronting legislators and policymakers, and he believes the University needs to encourage graduation, productivity, and being responsible state citizens. President Bruininks responded, urging the need to pay attention to the purposes and contributions of higher education, its overall value, and the educational opportunities the University provides to students.

Regent Cisneros emphasized the importance of maintaining student access in an environment of declining state support. She stressed the need to encourage and assist students to work toward timely graduation, and noted that undergraduate advising initiatives and investments such as the Science Teaching and Student Services Building will improve the way in which the institution delivers services to its students.

Regent Metzen commented on his concern about the declining focus on higher education statewide and nationwide, and the impact that has on this nation’s competitive advantage in the economy and job market.

Chair Simmons noted this discussion was critical to understand the role of tuition and fees in financing the future of the University. She summarized the trends including the relationship between tuition and state support and how the burden has shifted to students. She identified how state investment in higher education brings significant contributions back to the state. She added that the Board will continue to address principles and policies related to tuition and fees, including attracting students.
providing access, ensuring affordability, and the relationship between the University and preK-12.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

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

a) Approval of the Consent Report for the Finance & Operations Committee as presented to the committee and described in the February 7, 2008 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 the Annual Capital Financing and Debt Management Report; and issues related to private equity; received an update of the Enterprise Financial System implementation; and discussed a number of information items included in the docket materials. Hunter also provided a brief update on a recent meeting of the Debt Management Advisory Committee.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

Regent Larson, 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 7, 2008 minutes.

b) Approval of a resolution related to Northwest Minnesota (Crookston) Area Health Education Center, as follows.

WHEREAS, the Academic Health Center of the University of Minnesota is in receipt of an Area Health Education Center (AHEC) grant from the Federal Department of Health and Human Services for the purposes of supporting and promoting rural health professional education; and

WHEREAS, consistent with the directions of the Department of Health and Human Services, it is understood that the best method to implement this grant and accomplish its purpose is the formation of a nonprofit corporation in Northwest Minnesota, through which the activities supported by the grant may be implemented; and

WHEREAS, on the recommendation of the senior vice president for health sciences, the president of the University requests the approval of the Board of Regents (Board) for the formation of such a corporation.

NOW, THEREFORE, BE IT RESOLVED that the Board approves the formation of a nonprofit corporation to carry out the purposes of the
Minnesota AHEC grant, subject to the representations and conditions contained in related docket materials presented to the Board.

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

**REPORT OF THE FACILITIES COMMITTEE**

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

a) Approval of the Consent Report for the Facilities Committee as presented to the committee and described in the February 7, 2008 minutes.

b) Schematic plans for the following projects as presented to the committee and described in the February 7, 2008 minutes.

1. Science Teaching and Student Services Center, Twin Cities campus.

2. Carlson School of Management Repurposing, Twin Cities campus.

3. Community Services Renovation, Morris campus.

c) The following real estate transaction as presented to the committee and described in the February 7, 2008 minutes.

1. Ten-year sublease for 11,900 gross square feet at 331 – 17th Avenue SE, Minneapolis, Twin Cities campus.

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

Metzen reported that the committee also reviewed two real estate transactions: a) agreements for use of University facilities and services for Walden Summer Residency Program, July 9-20, 2008, Twin Cities campus; and b) purchase of 523 Oak Street and 524 and 528 Ontario Street SE, Minneapolis, Twin Cities campus; reviewed two amendments to the 2008 Capital Budget: a) Medical Bioscience Building Research Support Equipment, Twin Cities Campus; and b) Heller Hall floors 9-12 remodeling for the Department of History, Twin Cities campus. He reported that the committee also received an update on energy and utilities: principles and progress; and discussed several information items included in the docket materials.

**REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS**

Regent Frobenius, 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 7, 2008 minutes.
The Board of Regents voted unanimously to approve the recommendation of the Faculty, Staff & Student Affairs Committee.

Frobenius reported that the committee also reviewed the information items included in the docket materials.

REPORT OF THE AUDIT COMMITTEE

Regent Cohen, Chair of the committee, reported that the committee discussed: the external auditor's management letter and related audit work; improvements to Institutional oversight of Internal Service Organizations; received an internal audit update; and discussed the information items as presented in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent Baraga, Chair of the committee, reported that the committee met in closed session on February 7, 2008 to discuss attorney-client privileged matters and no actions were taken.

The meeting adjourned at 11:17 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary