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UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Educational Planning & Policy Committee
April 10, 2008

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, April 10, 2008 at 10:15 a.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 Charles Casey, Jacqueline Johnson, Stephen Lehmkuhle, and Kathryn Martin; Senior Vice President & Provost Thomas Sullivan; Senior Vice President Robert Jones; Vice President Nancy Barceló; Associate Vice President Gail Klatt; and Executive Director Ann Cieslak.

Student Representatives present: Jennifer McCabe and Nathan Olson.

PreK-12 UPDATE: COLLEGE READINESS INITIATIVES

Senior Vice President & Provost Sullivan noted that the University's college readiness initiatives are a part of the University's leadership role and its strategic positioning process, but they are also important in helping Minnesotans understand the challenges facing PreK-12 education. He introduced Senior Vice President Jones, Dean Darlyne Bailey, College of Education and Human Development (CEHD), and Kent Pekel, executive director of the College Readiness Consortium (Consortium). The three presenters provided information on a number of initiatives as provided in the docket materials and on file in the Board Office.

Jones emphasized that today's discussion is not only a critical aspect of transforming the University, but also addresses the University's expanded PreK-12 commitment and initiatives. In the years ahead, the University must address (1) changing demographics, which will reduce the number of students graduating from Minnesota's high schools, and (2) the growing student achievement gap that involves a lack of attainment and a low level of preparation for success in postsecondary education for some students.

As the state's land-grant research institution, the University has accepted the challenge to play a more substantial and strategic role in making sure all students are ready and able to succeed in college. To accomplish this, the University considered a number of alternative strategies before creating the Consortium in 2006. Under the leadership of Pekel, the Consortium complements the University's ongoing efforts in this area and works to increase the number of diverse students who graduate from high school with the knowledge, skills, and habits to succeed in higher education.
Pekel maintained that change must be successfully implemented in the PreK-12 system in order to meet the demands of a post-Industrial Age economy and to meet the needs of rapidly growing, but less prepared communities of students. One positive benefit of the work of the Consortium could be that many more and better-prepared students come to the University, but the Consortium’s focus is on working with PreK-12 to change the entire system. In this way, the University is using its resources to help Minnesota maintain its position as a net producer/net gainer of college graduates, an enviable position since the U.S. overall lags other developed nations in the share of the work force with at least an associate degree.

Pekel asserted that students who are "college material" are not a scarce resource; rather, they are a resource that must be identified and developed. In order to ensure college readiness, schools must raise expectations and eliminate institutional divides between K-12 and postsecondary education; make every school a prep school so that students complete K-12 education ready for success in higher education; and eliminate the disconnect between student aspirations and appropriate actions. The biggest change required in higher education is to become proactive rather than waiting for students to arrive. Among the University’s proactive responses are the P-16 Partnership (to address expectations and eliminate institutional barriers); the Minnesota Principals Academy (to make every school a prep school); the Ramp-Up to Readiness Program (to connect aspirations to action); and outreach initiatives that inform and shape the public dialogue about education in Minnesota.

Bailey explained the relationship of CEHD to the University's college readiness initiatives. A major focus of CEHD has been the Twin Cities metro area, and especially the Minneapolis Public Schools (MPS), where graduation rates are much lower than in most suburban schools. MPS graduation rates have improved over the last few years, but current rates continue to be unacceptable.

Bailey indicated that what is required is a purposeful alignment of focused attention and quality resources to produce an intentional web of ongoing support for Minnesota's youth. Because these challenges will not be resolved by any single intervention, CEHD is organized in a way that fosters multidisciplinary and multicultural research; scholarly teaching and learning; and deeply sustainable, replicable, and effective community engagement that transcends the traditional, individualized silos of academia. She described one of the new partnerships with the Hormel Foundation that cuts across the typical functions of teaching, research, and community engagement.

In response to a question from Regent Baraga, Pekel agreed that there are disparities among students with respect to their ability to succeed in college, but even many skilled jobs, such as electrician, require preparation in reading and math equivalent to those required for freshman level coursework at a four-year institution.

In response to several questions from Regent Larson, Pekel acknowledged that marketing the affordability of a college education through such programs as the University’s Founders Free Tuition Program is critical to the Consortium’s initiatives. Student perceptions of affordability have been difficult to overcome, but there is a marketing and outreach effort under way to deliver the affordability message across the state.

In response to questions from Regents Cohen and Cisneros, Bailey noted that the long-term success of college readiness will require interventions with a whole range
of programs so that there is an intentional, continuous web of support that is consistent and focused. With respect to Minnesota's workforce, lifelong learning will be the key to ensuring the workforce needed is the workforce available. The challenge will be to cast the net broadly to address the education needs of the young, middle-aged workers, and seniors.

CONSENT REPORT

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

- **New Academic Programs**
  - College of Education and Human Development (Twin Cities Campus) — Create Minor in Applied Psychology in Educational and Community Settings
  - Duluth Campus — Create Minor in Deaf Studies
  - Duluth Campus — Create Certificate in American Sign Language
  - College of Liberal Arts (Twin Cities Campus) — Create Minor in Geographic Information Science

- **Academic Program Changes**
  - College of Liberal Arts (Twin Cities Campus) — Change name of B.A. degree in Astronomy to Astrophysics
  - College of Liberal Arts (Twin Cities Campus) — Change name of Minor in Astronomy to Astrophysics

INFORMATION ITEMS

There were no information items this month.

The meeting adjourned at 11:40 a.m.

ANN D. CIESLAK
Executive Director and Corporate Secretary
A meeting of the Faculty, Staff & Student Affairs Committee of the Board of Regents was held on Thursday, April 10, 2008 at 10:15 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellor Jacqueline Johnson; Vice President Carol Carrier; Executive Director Ann Cieslak; and Associate Vice President Gail Klatt.

Student Representatives present: Jim Irrgang and Catherine Wang.

COLLECTIVE BARGAINING AGREEMENT WITH THE MINNESOTA STATE BUILDING & CONSTRUCTION TRADES COUNCIL

Vice President Carrier introduced Patti Dion, Director of Employee Relations, to present the Collective Bargaining Agreement with the Minnesota State Building & Construction Trades Council, as included in the docket materials. Dion reported the union has had contracts with the University for more than 30 years.

Dion explained the Minnesota State Building & Construction Trades Council contract is different than others at the University in that it serves as an umbrella for nineteen different trades groups. Business agents from each of the trades groups met to develop the agreement. The contract will be in effect from the date of signing through January 2, 2011.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the collective bargaining agreement with Minnesota State Building & Construction Trades Council.

COLLECTIVE BARGAINING AGREEMENT WITH THE GRAPHIC COMMUNICATIONS INTERNATIONAL UNION, LOCAL 1B

Vice President Carrier invited Patti Dion, Director of Employee Relations, to present the Collective Bargaining Agreement with the Graphic Communications International Union (Printers, Unit 2), as included in the docket materials. Dion reported the contract covers eight employees in the University’s Print Shop. The contract will be in effect from the date of signing through October 31, 2010.

In response to a question from Regent Johnson, Dion explained that the employee pension contribution for this group is negotiated industry-wide.
A motion was made and seconded, and the committee voted unanimously to recommend approval of the collective bargaining agreement with Graphic Communications International Union (Printers, Unit 2).

**COLLECTIVE BARGAINING AGREEMENT WITH LAW ENFORCEMENT LABOR SERVICES, INC.**

Vice President Carrier invited Patti Dion, Director of Employee Relations, to present the Collective Bargaining Agreement with Law Enforcement Labor Services, Inc. (Police Officers, Unit 1), as included in the docket materials.

Dion reported the agreement will be in effect from the date of signing through December 31, 2009. She explained that the contract will include a post-retirement health care savings account to be funded with the employee’s unused vacation and compensatory time balances at the time of separation of employment from the University. Dion noted this is the first employee group at the University to institute this type of program.

In response to questions from the committee, Dion noted the agreement limits the number of hours that can be accrued and transferred to the new post-retirement health care savings account. Carrier added that the program is under consideration by all employee groups at the University.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the collective bargaining agreement with Law Enforcement Labor Services, Inc. (Police Officers, Unit 1).

**NATIONAL COLLEGIATE ATHLETIC ASSOCIATION CERTIFICATION REPORT UPDATE**

Vice President Carrier introduced Associate Vice President Klatt to present a report on the National Collegiate Athletic Association (NCAA) certification self-study, as included in the docket and associated materials on file in the Board Office. Klatt explained that the current review is the second re-certification cycle at the University, which is required every ten years.

Klatt reported a broad cross-section of University employees and community members participated in the self-study process, which provided rich discussion and assessment within a number of sub-committees.

Significant overall conclusions from the self-study includes:

- Substantial changes have positively impacted intercollegiate athletics at the University over the past ten years;
- Investments to improve the academic success of all University students resulted in benefits for student-athletes;
- Academic integrity has been strengthened through changes in reporting lines;
- Investment in the McNamara Academic Center and the Bridge program resulted in an improved quality of academic support and advising for student-athletes; and
- The University has a strong, well-structured compliance program and is committed to rules compliance.

Klatt reviewed a number of recommendations from the self-study, including:

- Improvement in the timely graduation of student athletes; implementation of the
recommendations developed by the Task Force for Academic Support and Performance of Student-Athletes; additional review of the decline in the number of female coaches; and a closer review of budget disparities between men’s and women’s sports in the areas of equipment, publicity, administrative support, and recruiting. She added that the steering committee recommends the current governance infrastructure, including the two faculty governance committees and the athletic compliance function reporting to the General Counsel’s Office, be continued and maintained.

Klatt concluded the report by noting an NCAA peer review team will visit the University’s campus in October 2008, and that the NCAA Certification Committee will make its certification decision in February 2009.

In response to questions from the committee, Klatt clarified the Director of Admissions, not the Intercollegiate Athletics department, makes admission decisions for all student-athletes.

**LEADERSHIP DEVELOPMENT INITIATIVES TO SUPPORT A CULTURE OF EXCELLENCE**

Vice President Carrier introduced Scott Martens, Director of the Office of Continuous Improvement, and Mel Mitchell, Director of Organizational Effectiveness, to present leadership development initiatives at the University that support a culture of excellence, as included in the docket materials and associated materials on file in the Board Office. Carrier commented that leadership development at all levels of the organization is a key tenet in support of the University’s transformation.

Mitchell reviewed University leadership programs, and stated that aligning and coordinating the programs and introducing additional programs will strengthen the strategic talent management system. He reviewed the President’s Emerging Leaders (PEL) program that builds the leadership base at the University by engaging participants in high priority projects. Mitchell cited data suggesting that PEL participants’ value is often recognized through promotion either within their department or the University. Martens described the Transformational Leadership Program (TLP), which builds on the PEL program and focuses on essential leadership behaviors with a focus on the disciplines of process and change leadership.

In response to questions from the committee, Mitchell stated that, at this time there are no specific targets for the number of participants in the PEL program. Regent Frobenius observed the importance of imbedding cultural change at the University is critical for success and expressed hope that the number of employees utilizing leadership programs will rise in the near future.

**CONSENT REPORT**

Vice President Carrier presented the Consent Report, as detailed in the document materials, including the following:

• Appointment of Cheryl Contant. Vice Chancellor for Academic Affairs & Dean, University of Minnesota Morris.

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 11:48 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Facilities Committee of the Board of Regents was held on Thursday, April 10, 2008 at 1:45 p.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: Chancellors Stephen Lehmkuhle and Kathryn Martin; Senior Vice President Frank Cerra; Vice Presidents Charles Muscoplat and Kathleen O'Brien; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice Presidents Michael Berthelsen and Michael Perkins.

Student Representatives present: Nathan Olson and Adam Engelman.

REAL ESTATE TRANSACTIONS

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

Agreements for the Use of University Facilities and Services for Walden Summer Session Residency Program, Twin Cities Campus during the period of July 12-28, 2008.
Details of transaction: Walden University, Inc. will pay an estimated $274,473 for lodging, $79,861 for food service, and $185,423 for the use of University buildings. In addition to the total of $539,757, Walden will pay the costs of services provided by other University units.
Use of funds: Housing and Residential Life will receive payment for lodging, University Dining Service will receive payment for food service, and the other funds will be directed toward the University facilities being utilized.

Vice President O'Brien reported that the transaction was reviewed by the committee at a prior meeting.
The committee voted unanimously to recommend approval of the agreements for the use of University facilities and services for Walden Summer Session Residency Program, Twin Cities Campus.

B. Purchase of 523 Oak Street SE and 524 & 528 Ontario Street 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:

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

Details of transaction: The University will pay $1.2 million in cash for the property with a closing date of June 30, 2008.

Source of funds: University debt.

Vice President O’Brien reported that the transaction was reviewed by the committee at a prior meeting.

The committee voted unanimously to recommend approval of the purchase of 523 Oak Street SE and 524 and 528 Ontario Street SE, Minneapolis, Twin Cities campus.

CAPITAL BUDGET AMENDMENTS

A. Medical Bioscience Building Research Support Equipment, 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 FY2008 Capital Budget is amended to increase the budget for the following project:

Medical Biosciences Building Research Support Equipment, Twin Cities campus.
Scope of Project: Additional support equipment is needed to fully equip the bio-safety level 3 laboratories and spaces that support the Center for Memory Research and Care, the Neurodegenerative Disease Group, and the Neuromuscular Disease Group.

Cost Estimate: $2,000,000.

Capital Funding: University funds.

Estimated completion date: December 2009.

Vice President O’Brien informed the committee that the schematic plans for the Medical Biosciences Building were approved by the Board in March 2007 and that the amendment had been reviewed at the February 2008 committee meeting.

The committee voted unanimously to recommend approval of the capital budget amendment for the Medical Biosciences Building Research Support Equipment, Twin Cities campus.
B. Heller Hall Floors 9-12 Remodeling for Department of History, 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 FY2008 Capital Budget is amended to increase the budget for the following project:

Heller Hall, Floors 9-12, Remodeling for Department of History, Twin Cities campus.
Scope of Project: Renovation of floors will include new paint, floor finishes, lighting, and doors and some modification to HVAC systems.
Cost Estimate: $2,519,000.
Capital Funding: College of Liberal Arts Departmental Funds.
Estimated completion date: December 2008.

Vice President O'Brien informed the committee that the amendment had been reviewed at the February 2008 committee meeting.

The committee voted unanimously to recommend approval of the capital budget amendment for Heller Hall, Floors 9-12, Remodeling for Department of History, Twin Cities campus.

SCHEMATIC PLANS

A. Malosky Stadium Renovation, Duluth Campus

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

The schematic plans for the Malosky Stadium Renovation, Duluth campus, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

John Rashid, University of Minnesota Duluth (UMD) Associate Director for Facilities Management, and Bob Nielson, UMD Athletic Director, presented information on the project and explained that a new 4-story facility will be constructed behind the existing grandstand, as detailed in the docket materials and handouts distributed at the meeting. Nielson explained that because the existing bleachers will be maintained, the stadium capacity will remain at approximately 5,200.

In response to a question from Regent Larson, Nielson stated that he expects the fees from club seats to result in revenues for the athletic department. In response to a question from Regent Metzen, Nielson expressed hope that continued fundraising would support finishing additional space in the facility.

The committee voted unanimously to recommend approval of schematic plans for the Malosky Stadium Renovation, Duluth campus.
RESOLUTION TO CONDUCT AN ENVIRONMENTAL REVIEW OF GRAVEL MINING AT UMORE PARK

Vice President O'Brien introduced Vice President Muscoplat and General Counsel Rotenberg to present information on the environmental review of gravel mining at UMore Park. Muscoplat provided background information on the University’s preliminary assessment of sand and gravel resources on the property and stated that a final report will be completed by June 2008.

Rotenberg explained that the preliminary results indicate that the amount of sand and gravel resources is commercially viable, and therefore would trigger the preparation of an environmental impact statement. He reminded the committee that approval of an environmental review does not constitute approval of the gravel mining project. Rotenberg recommended that the Board of Regents serve as the Responsible Government Unit (RGU) for the environmental review because the University owns the property and because of the Board’s experience in serving as the RGU for the environmental review of other recent projects.

In response to a question from Regent Bohnsack, Rotenberg explained that the resolution neither addresses the gravel assessment conclusions, nor precludes the University from moving forward with the project when the environmental review is complete. In response to a question from Regent Larson, Muscoplat confirmed that the preliminary results are showing a significant amount of gravel, although he could not recommend a course of action until the gravel assessment and the environmental review are completed.

The committee voted unanimously to recommend approval of the resolution to conduct an environmental review of gravel mining at UMore Park.

BOARD OF REGENTS POLICY: HISTORICAL PRESERVATION AND CONSERVATION OF BUILDINGS

Vice President O'Brien introduced Leslie Krueger, University Services Chief of Staff, to present proposed amendments to Board of Regents Policy: Historical Preservation and Conservation of Buildings, as detailed in the docket materials and handouts distributed at the meeting. Krueger explained that the new policy expresses a commitment to the preservation of the University's historic resources and focuses on the implementation of campus master plans for providing direction on the evaluation, preservation, and redevelopment of historic resources. She reported that an amendment to Board of Regents Policy: Reservation and Delegation of Authority will be brought for review at an upcoming meeting to state the Board's reserved authority to authorize the decommissioning of historic resources.

In response to a question from Regent Simmons, O'Brien explained that the primary manner in which the University identifies historic resources is through campus master plans. Regent Metzen stated that the Board’s role in the identification of historic resources should be clarified before the policy returns to the committee for action.

CAPITAL PLANNING & PROJECT MANAGEMENT SEMI-ANNUAL PROJECT REPORT

Associate Vice President Perkins presented the Capital Planning and Project Management (CPPM) Semi-Annual Report. The report provided an update on all
building projects at the University that are currently in progress or have recently been completed, as detailed in the docket materials and handouts distributed at the meeting.

Perkins reported that there are 255 active projects at the University, to which $61.4 million has been budgeted. He reviewed the status of several large-scale University projects on all campuses and highlighted potential budget challenges.

Perkins explained that recent projects such as the Morris biomass heating plant and the Morris wind-to-hydrogen facility have created significant construction and budget challenges because of the use of emerging technology and advanced engineering specifications. Regent Simmons encouraged the implementation of these types of research projects and suggested that cost ranges be considered for approval as a method of approaching the challenges of constructing projects within budget. Vice President O’Brien stated that CPPM will need to do more work on the front end to assess potential costs before requesting approval of emerging technology research facility projects.

CONSENT REPORT

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

- Agreements for use of University facilities and services for National Sports Foundation for USA Cup Soccer, July 9-20, 2008 (Twin Cities Campus);
- Agreements for use of University facilities and services for J. Robinson Wrestling Camp, June 28 – July 25, 2008 (Twin Cities Campus); and
- Fourteen-month lease for use of 178,962 square feet of University land in areas of I-35W Bridge by Flatiron-Manson (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 plan for an extension of the Minneapolis Grand Rounds parkway system through Southeast Minneapolis and its implications for the Twin Cities campus; and
- Final project review for Malosky Stadium renovation, Duluth campus.

The meeting adjourned at 3:00 p.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, April 10, 2008 at 1:45 p.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; Vice Presidents Steve Cawley and Richard Pfutzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Stuart Mason and Michael Volna.

Student Representatives present: Nathan Swanson and Catherine Wang.

ANNUAL INVESTMENT CONSULTANTS REPORT: CAMBRIDGE ASSOCIATES

Vice President Pfutzenreuter invited Associate Vice President Mason and George Pendergast and Steven Symchych from Cambridge Associates to present the Annual Investment Consultants Report, as detailed in the docket materials. Pendergast stated the University is on the verge of joining other competitive Cambridge clients with assets of more than $1 billion. He suggested the University's investment returns for the past year are competitive but somewhat volatile, and that continued diversification will help to offset the volatility. Pendergast explained that the University's return of 17.4 percent is .4 percent higher than the top ten performing institutions group mean over a five-year period.

In response to questions from the committee, Symchych clarified the comparison group used in the report is comprised of top-tier institutions with fully diversified and mature private equity programs and long histories with specific funds. He added the University is doing very well when compared to this select group. Regent Hunter supported a recommendation by Regent Frobenius for additional discussion of the University's rate of return at a future meeting.

ANNUAL INSURANCE & RISK MANAGEMENT REPORT

Vice President Pfutzenreuter invited Associate Vice President Volna to present the 2007 Annual Risk Management & Insurance Report, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. Volna cited the University’s prudent mix of risk retention and risk transfer as key elements in the downward trend of claims across most risk categories since 2004. Through the Regents of the University of Minnesota Insurance Company (RUMINCO, Ltd), the University’s self-insurance company formed in 1978, an estimated 89.9 million savings over commercially purchased insurance has been realized for the period 2003-2007. Volna reported the University’s average increase for insurance over a five-year period has trended favorably at 1 percent annually.
Volna presented the following Workplan for 2008:

- Hire a new director of risk management and insurance, which has been accomplished;
- Review the Risk Management Department’s “Best Practice” policies and implement comprehensive data analysis;
- Market miscellaneous lines of insurance and capitalize on soft markets through reduced premiums and additional coverage;
- Perform a strategic review of RUMINCO, Ltd. by evaluating domicile options, updating legal insurance documents, and assessing the potential of placing additional lines of coverage; and
- Continue work on program improvements with Midwestern Higher Education Compact Master Property Program.

In response to questions from the committee, Volna described the make up of the RUMINCO Board and identified the plan coverage, including buildings, auxiliary enterprises, works of art, and libraries.

CONSENT REPORT

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

- ARAMARK Educational Services, LLC for a contract valued at an estimated $616 million to provide retail food service, residential food service, and catering services on the Twin Cities campus, including Northrop Memorial Auditorium, the Minnesota Landscape Arboretum, and the Intercollegiate Athletic Venues for the period of July 1, 2008 through June 30, 2020 for the Department of Auxiliary Services.
- Cardinal Health for purchase of pharmaceuticals and related supplies for Boynton Health Service Pharmacy for the period of May 1, 2008 through April 30, 2010 for an estimated two-year total of $8 million.
- The Coca-Cola Company and Coca-Cola Enterprises Inc. D/B/A Midwest Coca-Cola Bottling Company for an Exclusive Beverage and Sponsorship Agreement valued at $35,000,000 for the period of July 1, 2008 through June 30, 2018 for the Department of Auxiliary Services.
- Computer Concepts & Services, Inc, to purchase analysis and programming services not to exceed $475,000 for the period of May 1, 2008 through April 30, 2010 for the University of Minnesota Veterinary Diagnostic Laboratory.
- Learfield Communications for the Department of Intercollegiate Athletics for an extension of its multi-media rights and inclusion of TCF Bank Stadium.
- Mercer for the estimated amount of $389,900 to provide audit services for the Office of Human Resources, Employee Benefits for the two-year period of May 1, 2008 through May 1, 2010 with four one-year options to renew.
• Sodexo Educational Services, LLC for a contract valued at an estimated $36 million to provide retail food service, residential food service, and catering service on the Morris and the Crookston campuses for the period of July 1, 2008 through June 30, 2018 for the Department of Auxiliary Services.

• Sun Microsystems Inc. for $707,745 for the purchase of a 256-node high-performance computer cluster.

• Taher, Inc. for a contract valued at an estimated $8.9 million to provide non-beverage vending service on the Twin Cities, Morris, and Rochester campuses for the period of July 1, 2008 through June 30, 2018 for the Department of Auxiliary Services.

• Trapeze Networks for $357,500 to provide PowerDsine power supplies that will be used to power wireless access points purchased to replace the current wireless network for Networking and Telecommunications Services, a division of the Office of Information Technology (OIT).

Approval of New Investment Manager

The Office of Investments and Banking proposes engaging one new investment manager to invest target allocations in the Consolidated Endowment Fund.

• PRIVATE CAPITAL: VENTURE CAPITAL
  Lightspeed Venture Partners VIII (LSVP)

Approval of Liquidity Provider

• The Treasurer proposes engaging Wells Fargo Bank, N.A., St. Paul, MN, to provide a line of credit of up to $130 million for a one-year period as liquidity support for University indebtedness.

In response to questions from the committee, Leslie Bowman, Director of University Services Dining Contracts, noted that the Coco-Cola contract incorporates language related to the United Nations (UN) global compact, and requires the company to remain signatories to the UN compact throughout the term of the agreement.

In response to questions from the committee regarding the Big 10 Network, Tom Wistrcill, Senior Associate Athletic Director, clarified that the Learfield Communications contract covers the University’s radio broadcast rights. The Learfield contract, which can be renegotiated by the University after eight years, includes sponsorship on the Gophersports website and on-line radio transmission.

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

INFORMATION ITEMS

Vice President Pfunstenreuter referred committee members to the Information Items contained in the docket materials, including:
• Quarterly Purchasing Report;
• Quarterly Asset Management Report;
• Semi-Annual Management Report;
• Financial Oversight;
• Key Indicators; and
• Emergency Approvals.

The meeting adjourned at 3:08 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Audit Committee of the Board of Regents was held on Thursday, April 10, 2008 at 3:30 p.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 and Richard Pfutzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt and Michael Volna.

Student Representatives present: Jennifer McCabe and Nathan Swanson.

Regent Cohen welcomed Student Representative McCabe, alternate representative for the Duluth campus, to the meeting.

EXTERNAL AUDITOR REVIEW

Regent Cohen invited Acting Controller Denise Seck to present the annual review of external auditor relationships, services provided, and fees paid for FY2007 and FY2008, as described in the docket materials.

Seck reported on management’s assessment of LarsonAllen’s performance. She noted that the audit and non-audit engagements performed by LarsonAllen were completed in a timely manner, with no significant issues or budget over-runs. Fees paid to LarsonAllen were lower than budgeted as deadlines were met and audit work completed earlier than in previous years.

In response to questions from committee members, Seck indicated that the current contract with LarsonAllen is the third year of a five-year contract. She also noted that the implementation of the Enterprise Financial System should shorten the audit schedule.

Don Loberg and Craig Popenhagen, Principals, LarsonAllen, discussed the firm’s assessment of their independence relative to the University. Loberg described examples of activities under continuous review for independence, and the process and policies in place to ensure independence. Loberg confirmed that, after an in-depth review, the firm is confident of its independence with respect to the University, as defined by public accounting standards.
COMPLIANCE OFFICER REPORT

Regent Cohen introduced Interim Director Susan Rafferty, Office of Institutional Compliance, to present the semi-annual report on compliance related activities, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. Rafferty highlighted two items:

- Status report on institution-wide compliance work; and
- Semi-annual report on UReport, the University’s confidential reporting service.

Rafferty reported that an effective compliance program includes nine elements:

- Risk assessment;
- Identification of responsible parties and roles;
- Standards and procedures;
- Program oversight;
- Awareness, education, and training;
- Lines of communication;
- Monitoring and auditing;
- Enforcement; and
- Corrective action.

She described how the elements contribute to an effective compliance program and detect and prevent violations. Rafferty highlighted activities of the Office of Institutional Compliance and discussed how the University continues to be well-positioned to meet rising higher education compliance obligations by maintaining and enhancing the compliance program infrastructure; planning for strengthened communication of Board of Regents Policy: Code of Conduct; and preparing for the upcoming PULSE survey, which provides an ongoing assessment of institutional compliance and ethics culture.

Rafferty indicated that the University has a sound compliance infrastructure in place, with continuing compliance education programs that provide training to administrators who oversee operational compliance functions throughout the University.

Rafferty briefly discussed UReport, the reporting system that allows individuals concerned about legal or policy violations to report them confidentially or anonymously to a third party vendor retained by the University. She noted that UReport also offers opportunities for employees to raise issues locally, and for management to identify areas for improvement.

In response to questions from Regent Frobenius, Rafferty explained that monitoring and auditing processes are the backbone of the compliance function and are carried out in several ways at the University, the most visible being internal audits. Associate Vice President Klatt indicated that the Department of Internal Audits has always focused heavily on compliance, with nearly 60 percent of internal audit resources dedicated to evaluating those types of risks. She added that there is a need and a responsibility for areas to monitor compliance on their own, but that there is room for improvement in implementing corrective action to sustain an improvement. Klatt noted that the magnitude of compliance risks vary greatly across the institution and some units that have lower levels of risk do not receive extensive audit coverage. However, the Department audits particular areas of compliance risk across the institution and selects units so they can focus on all levels of risk.
Regent Cohen commended Rafferty for the report and for her work as Interim Compliance Director.

**INFORMATION ITEMS**

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

- Report on audit and non-audit services and fees; and
- Report on external auditor engagements.

The meeting adjourned at 4:22 p.m.

[Signature]

ANN D. CIESLAK  
Executive Director and  
Corporate Secretary

Audit Committee  
April 10, 2008
A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, April 10, 2008 at 3:36 p.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 President Kathryn Brown; General Counsel Mark Rotenberg; and Executive Director Ann Cieslak.

Others present: William Donohue and Caroline Middleton.

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(b), a non-public meeting of the Board of Regents Litigation Review Committee be held on Thursday, April 10, 2008 at approximately 4:00 p.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. Williams v. Regents of the University of Minnesota, et al;
II. Regents of the University of Minnesota v United States of America (IRS Regulations Regarding FICA);
III. Settlement of Claims of Ramadan Market LLC;
IV. Regents of the University of Minnesota v. AGA Medical (patent litigation)

The committee voted unanimously to approve the resolution. The public portion of the meeting adjourned at 3:37 p.m.
Rotenberg presented recommendations for settlement in the Settlement of Claims of Ramadan Market LLC. After discussion of the recommendations, the committee voted unanimously to approve the recommendation of General Counsel Rotenberg for the settlement of claims of Ramadan Market LLC.

The non-public portion of the meeting adjourned at 4:24 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Board of Regents of the University of Minnesota was held on Thursday, April 10, 2008 at 8:00 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; Senior Vice President Frank Cerra; and Executive Director Ann Cieslak.

Regent Simmons called the meeting to order, noting that the purpose of the work session was (1) to provide the Board with adequate knowledge and understanding of the Academic Health Center (AHC); and (2) to help the Board prepare for its annual retreat, which will involve critical discussions of how best to govern the University, the AHC, and the AHC in the context of the entire University. She also acknowledged with appreciation the contributions of Regents Frobenius, Allen, and Baraga to the AHC Work Group and its final report and introduced Senior Vice President Cerra, who led the discussion.

Cerra profiled the components of the AHC; its students, faculty, and staff; its annual research dollars and patient visits; and its sources of revenue. He also described the AHC’s relationships and operating interface with UMPhysicians (UMP), Fairview Health Services (Fairview), the University of Minnesota Medical Center/University of Minnesota Children’s Hospital, and the Veterans Administration Medical Center, all of which are defined by agreements specifying roles, rights, responsibilities, and resources.

Cerra explained the relationship between the University’s Strategic Positioning Initiative and the AHC’s commitment to be “a talent magnet for faculty, staff, and students that is distinguished for educational programs and as a destination of choice for clinical sciences.” The core of the AHC’s mission will be to train the next generation of care providers, an effort that will require increasing reliance on learning in academic/community settings; recruiting/learning strategies that support workforce needs; connectivity between education and care delivery; more resources than are likely to be available from tuition, fees, and state support; and increasing amounts of student debt.

Cerra reviewed the AHC’s strategy for addressing health professional shortages across the state; the AHC’s 2011 goals; the AHC’s financial strategies for achieving its goals; and the first five tasks that the AHC must address in order to move ahead. These five tasks also lead directly to many of the key decisions the Board will be asked to make over the next five years, including the AHC’s strategic goals and workplan, resource allocations, proposed capital projects, and major partnership agreements.
President Bruininks added that it is impossible to perfectly anticipate what will be needed in the future, but paying close attention now will eliminate some of the uncertainty. The University’s advantage is that there is a strategic framework for thinking about the future. With respect to national rankings, he agreed that the University’s Top 3/Top 20 goals are very ambitious and visible goals, but this effort always has been a quest for excellence involving outstanding education, groundbreaking interdisciplinary work, and transforming research. Also, the solutions to funding challenges largely lie within the University itself, which controls most of the sources of revenue on which the AHC relies. There are funding gaps, but they can be overcome if the University appropriately uses all the levers at its disposal.

A lengthy discussion ensued, which Simmons summarized as follows:

- The Board needs a deep understanding of the AHC within the context of the entire University. For example, it will be helpful for the Board to hear how the institution will address the healthcare and workforce challenges facing its coordinate campuses, which are located throughout the state.
- It is clear that in order to be ranked among the Top 20 medical schools nationally the AHC must expand its research enterprise. However, this Board also expects the AHC to excel in patient care and education, which will require successful implementation of non-research related strategies.
- There is a functional convergence underway in which Fairview, UMP, and the AHC are becoming one, a trend that can be expected to accelerate in light of current strategic planning discussions with Fairview and UMP. In order to succeed on quality and value in education and patient care, the AHC must succeed in functional convergence, but the Board will need to hear and understand more about the meaning behind these critical expressions.
- Over the next five years, the Board will be asked to make critical decisions regarding the AHC within the context of the entire University. Therefore, it will be important for the Board to recognize that:
  - the AHC operates in a very dynamic environment that requires a dynamic strategic plan;
  - the AHC’s essential relationships are very complex;
  - the AHC faces huge challenges in fulfilling its goals;
  - the AHC has an obligation to the state to fulfill its mission and wisely use its resources;
  - Board agendas will need to be focused to ensure adequate time is available for discussion of these important issues; and
  - effective leadership and management will be essential if the Board is to stay adequately informed and appropriately engaged.

The meeting adjourned at 9:45 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

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Board of Regents Work Session
April 10, 2008
A meeting of the Board of Regents of the University of Minnesota was held on Friday, April 11, 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, David Larson, and David Metzen.

Staff Present: President Robert Bruininks; Chancellors Charles Casey, 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, Timothy Mulcahy, Kathleen O'Brien, and Richard Pfutzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt, Donna Peterson, and Laurie Scheich.

RECOGNITIONS

Recognition was given to the 2008-2010 McKnight Land-Grant Professors:

- Professor Taner Akkin, Biomedical Engineering
- Professor Alptekin Aksan, Mechanical Engineering
- Professor Elizabeth Beaumont, Political Science
- Professor Mark Bee, Ecology, Evolution & Behavior
- Professor Nicholas Hopper, Computer Science & Engineering
- Professor Chris Kim, Electrical & Computer Engineering
- Professor Kirill Martemyanov, Pharmacology
- Professor Katsumi Matsumoto, Geology & Geophysics
- Professor Jason McGrath, Asian Languages & Literatures
- Professor Shana Sturla, Medicinal Chemistry
- Professor Elizabeth Wilson, Public Affairs
- Professor Michael Wilson, Anthropology
- Professor Hui Zou, Statistics

INTRODUCTIONS

Senior Vice President and Provost Sullivan introduced David Wippman, newly-appointed Dean of the Law School. Wippman will assume his duties July 1, 2008. Sullivan also introduced Robert McMaster, newly-appointed Vice Provost and Dean for Undergraduate Education. McMaster assumed his duties January 1, 2008. Wippman and McMaster briefly addressed the Board.
APPROVAL OF MINUTES

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

Audit Committee – February 7, 2008
Educational Planning & Policy Committee – February 7, 2008
Facilities Committee – February 7, 2008
Faculty, Staff & Student Affairs Committee – February 7, 2008
Finance & Operations Committee – February 7, 2008
Litigation Review Committee – February 7, 2008
Board of Regents Work Session – February 7, 2008
Board of Regents – February 8, 2008

REPORT OF THE PRESIDENT

President Bruininks reported on a $65 million gift to the University over 15 years from Minnesota Masonic Charities to support cancer research, treatment and prevention. He also briefly reported on the capital bonding bill recently passed by the state legislature, which included Higher Education Asset Preservation and Repair funds and funding for capital projects on all campuses. The President noted State of Minnesota funding of the University's Biomedical Sciences Facilities Research Program, central to developing the East Gateway District and advancing the biomedical industry in the State. He acknowledged the support of a number of legislators, including Senator Keith Langseth, for their continued efforts to make the biomedical program possible.

The President noted a number of recent events that took place on the coordinate campuses, including the inauguration of Chancellor Stephen Lehmkuhle in Rochester, recent testimony of Chancellor Johnson on sustainability at the Morris campus before a United States Senate committee, a visit with faculty, staff and students at the Crookston campus, and the recognition of the Duluth Women's Hockey Team as NCAA champions.

REPORT OF THE CHAIR

Chair Simmons congratulated the Duluth Women's Hockey Team and Coach Shannon Miller on winning the NCAA championship. She noted the Board of Regents would recognize the team when the Board holds its monthly meeting at UMD in October 2008.

Chair Simmons expressed appreciation to Regents who participated in the inauguration of Chancellor Stephen Lehmkuhle on the Rochester campus. Additionally, a number of Regents participated in recent events at the Law School celebrating the birthday of former vice president Walter Mondale. Chair Simmons also reported that several Regents participated in a ceremonial placing of the first brick at the TCF Bank Stadium currently under construction.

Chair Simmons acknowledged the leadership of President Bruininks and staff for the successful outcome of the capital bonding bill. She noted the importance of the funds for fulfilling the University's mission to the State of Minnesota.
RECEIVE AND FILE REPORTS

Chair Simmons noted the receipt and filing of the Annual Capital Financing and Debt Management Report and the Quarterly Report of Grant and Contract Activity.

BOARD CALENDAR ANNUAL REVIEW

Chair Simmons presented the Board of Regents calendar. The calendar lists required actions, reports, and other items routinely presented for consideration by the Board and its committees. It is reviewed annually as required by Board of Regents Policy: Board Operations and Agenda Guidelines.

Chair Simmons noted that the calendar has been revised since the Board last reviewed it in March 2007. The current revisions were made to bring the calendar into compliance with amended or new Board of Regents policies, reflect existing practice, and correct inaccuracies.

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 March 24, 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.

QUARTERLY SUMMARY OF EXPENDITURES

Chair Simmons presented the Quarterly Summary of Expenditures for the Office of the Board of Regents, the President’s Office, and Eastcliff Operations, for six months ending December 31, 2007.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the Summary of Expenditures for the period ending December 31, 2007.

GIFTS

Foundation President Gerald Fischer and Minnesota Medical Foundation President Elizabeth Malkerson presented the list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation for two months through February 29, 2008.

Fischer reported that 88 percent of funds for TCF Stadium have been raised, with $10.2 million remaining. He reported that the scholarship campaign has raised $51 million this year, for a total $228.5 million in new monies raised for student support.

Malkerson reported on the announcement the previous day of a fifteen-year $65 million gift from the Minnesota Masonic Charities to support cancer research at the
University. The gift to the University's Cancer Center, now known as the Masonic Cancer Center, University of Minnesota, is the largest single philanthropic gift ever to this University or any public Minnesota university.

Chair Simmons thanked Malkerson for the report and noted that this gift will be officially presented to the Board for acceptance at a future meeting.

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

LIGHT RAIL TRANSIT UPDATE

Chair Simmons introduced the Central Corridor Light Rail Transit (LRT) update by reviewing a resolution related to the Central Corridor adopted by the Board of Regents in July 2001. The resolution recommends alternative alignments be evaluated for the LRT, including a northerly alignment; modified bus rapid transit alignment; and, if the rail is located on Washington Avenue, the requirement of a tunnel.

She noted that recently the Metropolitan Council announced that a tunnel is not part of planning for an at-grade Washington Avenue light rail route. The University approached the Metropolitan Council regarding study of the northern alignment. The commissioned study is underway with results to date presented today.

President Bruininks reviewed a number of policy questions for consideration during the discussion:

• Why does the University need a strong, functioning transportation system?
• What is the best long-term transportation option for the region, the University and the surrounding neighborhoods?
• What are the mission-critical activities of the University that will be affected by the location of the LRT line?
• What mitigations are essential for any option to work?
• How can the University work to ensure the best long-term solution?

The President noted that previous studies assumed a below-grade alignment or the study of a northern alignment. He reported that the University is the third largest trip generator in the state, and discussed the volume of visitors to the Twin Cities campus and hospitals and clinics annually. He stressed the University commitment to public transit, noting that one-third of projected LRT riders will be generated by the University. The placement of the LRT is of enormous consequence to the University, metropolitan area, and the State of Minnesota. He noted the developments in the East Gateway District research corridor and a number of other University initiatives that will require ease of access to campus. He introduced Vice President O'Brien to discuss findings of the study.

O'Brien noted that the presentation will outline the benefits of a northern alignment, preliminary findings of the engineering study, and next steps.

O'Brien provided an overview of the importance of the LRT to the campus and surrounding neighborhoods, and how placement of the line will impact mission-critical activities, the future campus, academic programming, the development of the community, and ease of access to the hospital and clinics.
O’Brien reported that in late February 2008 the Metropolitan Council determined that the tunnel alignment under Washington Avenue is cost-prohibitive and approved an at-grade alignment with a pedestrian/transit mall. She presented a number of negative impacts of a Washington Avenue at-grade alignment, including elimination of one of two main arteries that serve the campus; reduction in access to hospitals and clinics; permanent impacts to the historic Northrop Mall and Knoll area; and safety conflicts. O’Brien noted that following the elimination of the below-grade option the University developed a number of principles to guide the design of an at-grade alternative. Together with the city of Minneapolis and Hennepin County, the University identified essential upgrades to the road systems and other issues that would need to be addressed for the at-grade alternative to be acceptable.

O’Brien introduced Michael Monahan, Principal at SRF Consulting Group, Inc., a national engineering firm specializing in transportation and traffic engineering. Monahan reported that the northern alignment study begun last month demonstrates that such an alignment is a feasible alternative. He presented illustrated comparisons of the northern alignment and Washington Avenue alignment. He discussed elements of the northern alignment and explained the infrastructure modifications that would be necessary on the east and west banks, Dinkytown, and Stadium Village areas of the Twin Cities campus. He also reported that a northern alignment would result in significant costs savings over the Washington Avenue at-grade alignment; avoid mitigation costs of the Washington Avenue alignment; and reduce rail travel time.

O’Brien reported on next steps: completion of the northern alignment feasibility analysis; working to include the northern alignment in the Metropolitan Council environmental review process; continuation of the University’s work with LRT partners on the mitigations for the Washington Avenue at-grade alignment; and use of the 2001 Board of Regents resolution to guide the work.

In response to a question from Regent Hunter, O’Brien stated that if 10 percent of patients were discouraged from utilizing the University’s hospitals and clinics, the result would be lost revenue of $100 million annually.

Regent Metzen commented that the Board of Regents is not recommending a change to the 2001 resolution, but rather reaffirming it in 2008. He asked that this sentiment be conveyed back to appropriate people, as there is no movement on the part of Board to change its position.

Regent Frobenius noted that the critical element in the approval of the 2001 resolution was a tunnel under Washington Avenue, which was what made the street function. This study and presentation illustrated more clearly the impact LRT at-grade on Washington Avenue would have on the health care, teaching, and research areas of the University and the potential impacts on adjacent engineering and technology sites.

Regent Baraga expressed his support of the northern alignment as the best alternative to at-grade alignment on Washington Avenue.

Regent Larson commented that this presentation not only reaffirms the 2001 resolution approved by the Board of Regents but enhances it as well, especially when coupled with lower cost estimates and decreased travel time. He noted that substantial mitigation costs required for an at-grade alignment on Washington Avenue could negatively impact research conducted at the University.
In response to a question from Regent Simmons, Monahan reported that forecasting ridership is underway. He noted that several factors impact ridership.

Simmons summarized the discussion based on the history, presentation of the study today, and comments by Board members.

- The University is a national and international leader in transit. The University champions transit, informs it, uses it. Therefore, the University supports strong public transportation systems, including the LRT.
- The University is committed to a data-driven approach to what it does, and the approach to this issue is rigorous and thorough. The Metropolitan Council has stated that the at-grade alignment is the preferred route. The study presented today articulates previously expressed and additional major concerns for the University and the surrounding neighbors. These issues must be addressed, as some are mission critical, including the Academic Health Center, where care to patients might be compromised, and necessary revenues may be compromised.
- The northern alignment appears to be the best solution to these mission-critical concerns. The University and surrounding communities need effective transportation. The University accounts for one-third of the ridership on the LRT; it appears the northern alignment would address that based on available and anticipated data results.
- Should an at-grade Washington Avenue route come into design, the Board has not yet heard plans to reroute traffic following elimination of one of two main arteries onto the Twin Cities campus.
- The mission and commitment of the University to the State must be served and must not be compromised. The University seeks and accepts public funds and private giving to fulfill the obligations to the University's mission and to the citizens of Minnesota. The University is not in a position to divert substantial finances or compromise its ability to deliver patient care and lose revenue.
- In conclusion, the data has been commissioned, and, comments made by Board members serve to affirm the Board's stated position in the 2001 resolution.

A copy of the presentation is on file in the Board Office.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

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

a) Approval of the revised Consent Report for the Finance & Operations Committee as presented to the committee and described in the April 10, 2008 minutes.

The Board of Regents voted unanimously to approve the recommendation of the Finance & Operations Committee.
Hunter reported that the committee also received the Annual Investment Consultants Report from Cambridge Associates; received the Annual Insurance and Risk Management Report; and discussed a number of information items detailed in the docket materials.

**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 revised Consent Report for the Educational Planning and Policy Committee as presented to the committee and described in the April 10, 2008 minutes.

Larson reported that the committee also received an update on preK-12 college readiness initiatives.

**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 April 10, 2008 minutes.

b) The following real estate transactions as presented to the committee and described in the April 10, 2008 minutes.

1. Agreements for use of University facilities and services for Walden Summer Residency Program, July 9-20, 2008, Twin Cities campus.

2. Purchase of 523 Oak Street SE, and 524 and 528 Ontario Street SE, Minneapolis, Twin Cities campus.

c) Approval of amendments to the 2008 Capital Budget by:

1. $2,000,000 to include funding for Medical Bioscience Building research support equipment, Twin Cities campus.

2. $2,519,000 to include funding for the Heller Hall floors 9-12 remodeling for the Department of History, Twin Cities campus.

d) Approval of schematic plans for the following project as presented to the committee and described in the April 10, 2008 minutes.

1. Malosky Stadium Renovation, Duluth campus.

e) Approval of a Resolution to Conduct an Environmental Review of Gravel Mining at UMore Park, as follows:
WHEREAS, The Board of Regents has adopted principles to guide the future development of UMore Park; and

WHEREAS, the principles require, among other things, that the University "plan in such a way so as to optimize the value of UMore Park utilizing short-term strategies without restricting options for long-term strategies; ensure that all planning and development activities are conducted with the highest standards of fairness, integrity, and sound business practice; and respect the needs of neighboring communities and local, regional and state governments"; and

WHEREAS, the Board of Regents authorized the Administration, as part of the planning process, to prepare "a plan for the extraction of sand and gravel from the site"; and

WHEREAS, it has been determined that substantial sand and gravel resources of a quality that could be mined are present at UMore Park; and

WHEREAS, the mining of the sand and gravel is consistent with the principles adopted by the Board of Regents and public policy favoring the extraction of gravel resources; and

WHEREAS, consistent with the principles adopted by the Board of Regents it is desirable to assure that potentially significant environmental effects that could result from the mining of sand and gravel resources are identified and analyzed, that appropriate alternatives are discussed, and that methods by which the environmental effects of such mining can be mitigated are considered before the Board of Regents makes a final decision about mining at UMore Park; and

WHEREAS, the Board of Regents has responsibility for approving and supervising the project if it is undertaken;

NOW, THEREFORE, BE IT RESOLVED, that an environmental review process mandated by Minnesota Statutes Ch. 116D, which includes opportunities for input from the University community, the City of Rosemount, Empire Township, residents of adjacent neighborhoods, local businesses, and other public agencies, and is otherwise consistent with the principles previously adopted by the Board of Regents, shall be undertaken by the University, and the University shall be the Responsible Governmental Unit for that environmental review process.

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

Metzen reported that the committee also reviewed amendments to Board of Regents Policy: Historical Preservation and Conservation of Buildings; received the Capital Management and Project Management Semi-Annual Project Report; and reviewed a number of 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 April 10, 2008 minutes.

b) Approval of a Resolution Related to the Proposed Labor Agreement with Minnesota State Building and Construction Trades Council, as follows:

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

   WHEREAS, The Minnesota State Building and Construction Trades Council have ratified acceptance of this agreement; and

   WHEREAS, according to Board of Regents Policy: Board Operations and Agenda Guidelines, approval of labor agreements by the Board of Regents is required;

   NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for April 10, 2008.

Regent Hunter recused himself and left the room for the discussion and action on the above item due to a possible conflict of interest.

c) Approval of a Resolution Related to the Proposed Labor Agreement with Graphic Communications International Union Local 1-B, (Printers, Unit 2) as follows:

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

   WHEREAS, Graphic Communications International Union Local 1-B members have ratified acceptance of this agreement; and

   WHEREAS, according to Board of Regents Policy: Board Operations and Agenda Guidelines, approval of labor agreements by the Board of Regents is required;

   NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for April 10, 2008.

c) Approval of a Resolution Related to the Proposed Labor Agreement with Law Enforcement Labor Services Employees (Police Officers, Unit 1), as follows:
WHEREAS, the parties have met and negotiated over the course of the past several months and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit; and

WHEREAS, Law Enforcement Labor Services members have ratified acceptance of this agreement; and

WHEREAS, according to Board of Regents Policy: Board Operations and Agenda Guidelines, approval of labor agreements by the Board of Regents is required;

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for April 10, 2008.

The Board of Regents voted unanimously to approve the recommendations of the Faculty, Staff & Student Affairs Committee.

Frobenius reported that the committee also received an NCAA certification update; discussed leadership development initiatives to support a culture of excellence; and reviewed the information items included in the docket materials.

REPORT OF THE AUDIT COMMITTEE

Regent Cohen, Chair of the committee, reported that the committee received an external auditor review, a report from the compliance officer, and reviewed several information items included in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Chair Simmons reported that the committee met in closed session on April 10, 2008 to discuss attorney-client privileged matters and one settlement agreement was approved.

The meeting adjourned at 10:40 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

Board of Regents
April 11, 2008