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A meeting of the Audit Committee of the Board of Regents was held on Wednesday, July 9, 2008 at 8:15 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 and Richard Pfutzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt and Michael Volna.

Student Representatives present: Jennifer McCabe and Dustin Norman.

OFFICE OF INTERNAL AUDIT CHARTER

Associate Vice President Klatt presented proposed amendments to the Internal Audit Charter, as detailed in the docket materials. Klatt stated that the amendment, if approved, would change the name of the Department of Internal Audits to the Office of Internal Audit. She noted that department names represent campus-based activities while offices indicate system-wide responsibilities.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the proposed amendment to the Internal Audit Charter.

INTERNAL AUDIT PLAN

Prior to introducing the first agenda item, Regent Cohen noted receipt of a letter from the University of Michigan Office of Internal Audit commending Associate Vice President Klatt for her assistance with their recent peer review. Associate Vice President Klatt presented the 2008-09 Internal Audit Plan (Plan), as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. The Plan is intended to demonstrate the breadth and depth of audit activities addressing financial, operational, and compliance risks of the University; accountability for resources; and progress in efforts to continually improve the internal audit program. The Department of Internal Audits operates in three primary service areas: scheduled audit work, audit work requested by the administration, and investigations related to allegations of misconduct. The majority of staff time is spent on scheduled audit work, which provides assurance to the Board of Regents and offers assessment and educational value to the units receiving audit results.
Development of the Plan is based on information gathered through broad consultation across the University and a formal assessment of existing and emerging risks, both internal and external, and operational risk. A number of broad areas were identified, including: information technology and data security; sponsored account management conflicts of interest; and expansion of international activities. As part of the planning process, internal risks have been identified including: implementation of the Enterprise Financial System; strategic positioning; the impact of the Central Corridor Light Rail Transit Line through the Twin Cities campus; Academic Health Center expansion plans; and emerging plans associated with the development of UMore Park.

Klatt reported that the Plan is aligned with the operational risk assessment, which classifies areas based on their level of risk and significance to the institution. She also summarized planned audit coverage (by components, allocation of resources, and strategic priority) and provided an update on the completion of the FY2008 Audit Plan and the metrics used to assess the internal audit activity.

COMMITEE 2008-2009 WORKPLAN DISCUSSION

Associate Vice President Klatt presented the proposed committee workplan for the coming year. The workplan is a means to assist the Committee in its oversight responsibilities and provides a structure to ensure the topics of highest priority receive the Committee's attention. Committee members expressed support for the workplan.

In response to a question from Regent Frobenius, Executive Director Cieslak suggested that Audit Committee members could discuss in Board committees on which they serve those issues identified as high risk and high impact.

The meeting adjourned at 9:08 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, July 9, 2008 at 10:45 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: Senior Vice President and Provost Thomas Sullivan; Senior Vice President Frank Cerra; Vice Presidents Timothy Mulcahy, Charles Muscoplat, and Richard Pfutzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Stuart Mason, Donna Peterson, and Michael Volna.

Student Representatives present: Kristi Kremers and Jennifer McCabe.

**BOARD OF REGENTS POLICY: PURCHASING**

Associate Vice President Volna presented for action proposed amendments to Board of Regents Policy: Purchasing. Volna explained that the proposed amendments add language regarding equal opportunity compliance and consolidate into one Board policy all language related to purchasing. These changes allow for the elimination of Board of Regents Policy: Non-Equal Opportunity Vendors Prohibited since it would be duplicative. The deletion of language relating to the provision of information regarding MINNCOR (Section II, subd. 5) is recommended because MINNCOR's products and services are no longer available.

A motion was made and seconded and the committee voted unanimously to recommend approval of amendments to Board of Regents Policy: Purchasing, as presented in the docket materials.

**ISSUES RELATED TO: BIOMEDICAL FACILITIES DEBT FINANCING STRATEGY**

Vice President Pfutzenreuter reviewed broad strategies and specific requirements regarding debt financing of the four Biomedical Facilities projects, as included in the docket and associated materials distributed at the meeting and on file in the Board Office. Funding for the four projects will be similar in design to the State’s support of TCF Bank Stadium; the State will finance $219 million, or 75 percent of the project costs, and the University’s responsibility is for the remaining 25 percent, or $73 million. He stressed the importance of clarifying for the rating agencies that the total debt of $292 million will be authorized at one time by the Board, but debt issuance will occur as each individual project gets underway. In addition, the $219 million State share should be excluded from the University’s total debt capacity, thus maintaining the University’s good and excellent debt ratings.
Pfutzenreuter noted that the legislation requires the Board to certify the following through resolutions for each project: 1) the University's commitment to pay 25 percent of project costs; 2) the maximum cost for each project and the University's compliance with the 25 percent match; 3) the annual principal and interest payments for each series of bonds the University issues representing the State's $219 million share; and 4) the University's assurance that tuition revenues will not be used to pay the University's share of the debt.

In response to questions from the committee, Pfutzenreuter stated that the project funding model assumes five percent interest for 25 years. Academic units whose faculty and staff occupy the new buildings will be responsible for the debt and may use operations and maintenance funds and other resources, such as fundraising, to pay the University's share. He reiterated that tuition and fee revenue would not be used to pay for the buildings.

**COMMITTEE 2008-09 WORKPLAN DISCUSSION**

Vice President Pfutzenreuter discussed issues and priorities for inclusion in the 2008-09 Finance and Operations committee workplan, as included in the docket and associated materials distributed at the meeting and on file in the Board Office. He reviewed annual reports, transactional activities, and possible policy and related discussions for the 2008-09 workplan. He recommended the inclusion of a discussion of financial transactions over $250,000 that are not considered “purchase of goods and services” and therefore not included in the Consent Report.

The committee suggested a number of other topics for discussion and expressed support for the Workplan.

**CONSENT REPORT**

Vice President Pfutzenreuter presented the Consent Report, as detailed in the docket materials, including the following:

**General Contingency**

Expenditure of $317,000 for a new sterilizer in the School of Dentistry.

**Purchase of Goods and Services Over $250,000 to:**

- Adecco Staffing for an estimated $2,000,000 for administration of a temporary clerical work force management program for the period of July 1, 2008 through June 30, 2009.
- Barr Engineering Company for an estimated $1,400,000 for Environmental Investigation and Response Action and Environmental Review Support Services as needed for the period of July 11, 2008 through June 30, 2011 at the University of Minnesota Outreach, Research and Education (UMORE Park), Rosemount, Minnesota for the Statewide Strategic Resource Development Department.
- Cemanahuac Comunidad Educativa for the Spanish in Cuernavaca program for a not to exceed amount of $452,150 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Years 2008-2009 and 2009-2010 in Cuernavaca, Mexico.
• Fundación Cimas del Ecuador for the Minnesota Studies in International Development-Ecuador program for a not to exceed amount of $710,399 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Years 2008-2009 and 2009-2010 in Quito, Ecuador.

• Fundación Ortega y Gasset, Argentina for the Language and Culture in Buenos Aires program for a not to exceed amount of $997,895 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Years 2008-2009 and 2009-2010 in Buenos Aires, Argentina.

• JumpTV for $540,000 (3-year term) of guaranteed revenue for the Department of Intercollegiate Athletics hosted website for a time period of FY09 through FY11.

• Mohamud Jama for the Minnesota Studies in International Development-Kenya program for a not to exceed amount of $854,061 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Years 2008-2009 and 2009-2010 in Nairobi, Kenya.

• Ortega y Gasset Foundation for the International Program in Toledo, Spain program for a not to exceed amount of $5,442,713 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Years 2008-2009, 2009-2010 and 2010-2011 in Toledo, Spain.

• Ousmane Sene for the Minnesota Studies in International Development-Senegal program for a not to exceed amount of $571,368 for providing study abroad academic credit programs for the Learning Abroad Center for Academic Years 2008-2009 and 2009-2010 in Dakar, Senegal.

• Qiagen Inc. for $744,600 for the purchase of OneStep RT-PCR kits as needed for the period October 1, 2008 through September 30, 2009 for the Veterinary Diagnostic Laboratory.

• Rima Hooja for the Minnesota Studies in International Development-India program for a not to exceed amount of $452,800 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Years 2008-2009 and 2009-2010 in Jaipur, India.

• Varian, Inc. for $313,180 for a 400MR Nuclear Magnetic Resonance Spectrometer to be delivered in October 2008 for the Department of Medicinal Chemistry.

• VENUSA and Entre Americas Learn and Travel for the Spanish in Venezuela program for a not to exceed amount of $1,324,616 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Years 2008-2009 and 2009-2010 in Mérida, Venezuela.
• Xerox for an estimated $307,200 for the purchase of copy paper, to be stocked at the University Stores, for use in University departments. The contract period is August 1, 2008 through July 31, 2009.

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

INFORMATION ITEMS

There were no Information Items this month.

The meeting adjourned at 11:29 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Facilities Committee of the Board of Regents was held on Wednesday, July 9, 2008 at 10:45 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: Chancellors Charles Casey, Stephen Lehmkuhle, and Kathryn Martin; Senior Vice President Frank Cerra; Vice President Kathleen O’Brien; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice President Michael Perkins.

Student Representatives present: Dustin Norman and Erick Elgin.

REAL ESTATE TRANSACTIONS

A. Twenty-Five Year Agreement for New DECC Arena, Duluth, for UMD Bulldog Men’s and Women’s Hockey and Graduations (Duluth Campus)

The following motion was made and seconded:

The Facilities Committee recommends approval of the 25-year agreement for the use of the new Duluth Entertainment and Convention Center (DECC) arena while expressing a strong preference that the new arena be named DECC Bulldog Arena; and any decision to name the new arena will be submitted to the University and subject to its reasonable approval.

Details of the transaction, as included in the docket and materials distributed at the meeting, include:

Twenty-five year agreement for the new Duluth Entertainment and Convention Center arena for UMD Bulldog men’s and women’s hockey and graduation ceremonies.

Details of transaction: The 25-year agreement requires a University rent payment of $290,146 per year commencing January 1, 2011, with annual increases of 3%. The University’s obligation to pay rent on the 25-year agreement ends when the sales tax collected by the DECC Authority and/or the City of Duluth is sufficient to cover the debt service on the bonds issued for construction of the new arena are fully paid, or the earlier date that the bonds issued by the City of Duluth for the new arena are fully paid or would have been paid in accordance with their original terms, but in no event earlier than ten years after the commencement of the 25-year agreement. The University will pay
an additional advertising fee of $165,000 for the first year, increasing 3% annually throughout the entire 25-year term.

Use of funds: The University will use revenues from the sale of UMD Bulldog tickets and advertising to pay for the annual rent and advertising fee.

Regent Simmons stated that the motion appropriately addresses the arena naming issues that were discussed when the transaction was reviewed by the committee at a previous meeting.

The committee voted unanimously to recommend approval of the 25-year agreement for the new Duluth Entertainment and Convention Center arena for UMD Bulldog men’s and women’s hockey and graduation ceremonies.

B. Acquisition by Eminent Domain of 90.07 Acres, Carver County (Landscape Arboretum)

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:

Acquisition by eminent domain of 90.07 acres in the NE ¼ of Section 18 and the SE ¼ of Section 7, Township 116 North, Range 23 West, Carver County (Landscape Arboretum).

Details of transaction: The land, which is adjacent to the University of Minnesota Landscape Arboretum, is held in a trust with several beneficiaries. The University has reached a tentative agreement that does not require eminent domain, but a purchase agreement and/or arbitration agreement has yet to be executed.

Source of funds: Donations benefitting the Landscape Arboretum and University funds.

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 acquisition by eminent domain of 90.07 acres in Carver County.

REAL ESTATE TRANSACTION

A. Acquisition of 90.07 Acres, Carver County (Landscape Arboretum)

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:

Acquisition of 90.07 acres in the NE ¼ of Section 18 and the SE ¼ of Section 7, Township 116 North, Range 23 West, Carver County (Landscape Arboretum).
Details of transaction: The land, which is adjacent to the University of Minnesota Landscape Arboretum, is held in a trust with several beneficiaries. The University has reached a tentative agreement, but a purchase agreement and/or arbitration agreement has yet to be executed.

Source of funds: Donations benefitting the Landscape Arboretum and University funds. It also may possible to use grant funds from the Legislative-Citizen Commission on Minnesota Resources for the purchase of the property in the negotiated transaction involving binding arbitration.

Susan Weinberg, Director of Real Estate, reported that although a tentative agreement on a negotiated purchase has been reached with the trust, the transaction was brought to the committee at the same time as the eminent domain action because no final agreement has been executed. Brian Slovut, Associate General Counsel, explained that the tentative agreement provides for the University to close on the purchase of the property, pay a portion of the total cost at the time of closing, and agree to a binding arbitration process to determine the final purchase price.

The committee voted unanimously to recommend approval of the acquisition of 90.07 acres in Carver County.

SCHEMATIC PLANS

A. Maintenance/Farm Research Operations Center, Northwest Research & Outreach Center, Crookston

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

The schematic plans for the Maintenance/Farm Research Operations Center, Northwest Research and Outreach Center (NWROC), Crookston Campus, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Allen Levine, Dean of the College of Food, Agricultural, and Natural Resource Sciences, and Associate Vice President Perkins described the project. Levine explained that the current maintenance facility, which was built in 1971, has safety and code problems, lacks sufficient office and meeting space, and cannot accommodate changes in crop and animal research and NWROC’s outreach mission. The project will include a new metal building and new gravel roads to improve circulation, as detailed in the docket and materials distributed at the meeting.

In response to a question from Regent Larson, Levine reported that research on sugar beet production is unique to the NWROC. In response to concerns from Regent Bohnsack regarding the cost of the building, Perkins explained that the cost is driven by federal, state, and University building codes.

The committee voted unanimously to recommend approval of schematic plans for the Maintenance/Farm Research Operations Center, Northwest Research and Outreach Center, Crookston campus.
Committee 2008-09 Workplan Discussion

The committee briefly discussed the workplan for 2008-09. Vice President O’Brien presented an outline of potential topics and announced that a more detailed workplan would be presented at a future committee meeting.

CONSENT REPORT

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

- Three-year lease for continued use of 10,486 square feet in Mill Place at 111 3rd Avenue S, Minneapolis, for University Press (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:

- Final project review for the Carlson School of Management repurposing project;
- Update on the University of Minnesota Urban Research and Outreach/Engagement Center; and
- Request from Doran Companies to purchase 10,980 square feet at 1506-4th Street SE, Minneapolis, for Sydney Hall development and Dinky Dome renovation.

The meeting adjourned at 11:40 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
STRATEGIC POSITIONING UPDATE:
ACADEMIC COMMUNICATION STRATEGIES

Senior Vice President & Provost Sullivan led the discussion of academic communication strategies within the context of strategic positioning (materials in the docket). He recalled that during the morning work session on communications there had been some discussion of the public's widespread support for the University's aspirational goal to become a Top 3 public research university. Effective communication strategies are not only vital to the success of individual strategic positioning initiatives, but the internal and external communication of mission, values, and goals is critical if the University is to achieve this aspirational goal.

Academic communications from the Office of the Provost are used to enhance reputation, deliver information, and/or create community. Among the communication vehicles originating from the Office of the Provost are the annual strategic positioning progress report; the annual *University Plan, Performance & Accountability Report*, which aligns outcomes with Board-approved strategic positioning goals; periodic small-group conversations with selected groups; and the provost's website, which provides easy access to all of the activities of the provost's office.

In response to a question from Larson, Sullivan reported that a process is under way to articulate and rank the University's priorities, make a case for them, and determine the metrics by which success will be judged. He acknowledged that communicating priorities and measures to faculty, staff, and students will be a critical component of this success.
In response to questions from Student Representatives McCabe and Norman, Sullivan noted that students do respond to his communications. Also, about twice a year 15 or 20 students are invited to attend Conversations with the Provost, which have no set agenda. The discussion at the most recent gathering was fast-changing communication technologies.

**NORTHSIDE PARTNERSHIP: PROGRESS REPORT**

Senior Vice President & Provost Sullivan invited Senior Vice President Jones and Dr. Irma McClaurin, Associate Vice President and Executive Director of the Urban Research and Outreach/Engagement Center, to lead the discussion of the University Northside Partnership (UNP). Jones reminded the committee that in February 2007 he had described UNP as a new strategy to strengthen the University's role as an urban university and its engagement with urban communities. This strategy, a key component of the University's aspirational goal to become a Top 3 public research university, seeks to address some of society's increasingly complex problems through partnerships with communities, government entities, the business sector, and the philanthropic community.

Jones reviewed the vision, mission, and essential commitment of the University to address critical needs of the state, the nation, and the world as detailed in the docket and associated materials on file in the Board Office. He described the compelling reasons for an urban agenda; summarized the areas of emphasis for this agenda; recalled the rationale for selecting North Minneapolis as the initial focus of the University's efforts; and identified major partners. Highlighting UNP's progress to date, he stated that the Urban Research and Outreach/Engagement Center (UROC) was founded to deliver the vision being forged through UNP. McClaurin was selected as the first executive director of UROC to ensure that it becomes an anchor in the community and a model for the Twin Cities metropolitan area, Minnesota, and the nation.

McClaurin indicated that in cooperation with the dean of the College of Education and Human Development, UNP has brought together work groups of faculty and community residents. As these collaborative partnerships coalesce, synergies are emerging around the issues of strengthening community, building human capital, and improving health.

UROC's goal is to establish a new research and engagement model with the community at its center to serve as an equal partner in the process of producing results that matter to its members. UROC also is engaged in a five-year strategic planning effort to establish limits, identify opportunities, and attract the philosophic and corporate support necessary to sustain the endeavor. Next steps include community awards, opportunity grants, and fellowships; action research training workshops for faculty and partners; the first national conference for community partners; grants to faculty who integrate local urban issues and action research into curriculums; the creation of a governance structure for UNP and UROC; and the development of a vision for 2020.

In response to a number of questions from the committee, McClaurin explained that, as part of its strategic plan, UROC will develop a holistic evaluation model that encompasses community-defined metrics. Jones also assured the committee that a comprehensive communications strategy will be devised, beginning with an assessment of baseline data regarding current community attitudes and programming.
COMMITTEE 2008-09 WORKPLAN DISCUSSION

Regent Larson and Senior Vice President & Provost Sullivan led a discussion of the committee’s workplan for 2008-09. The committee suggested a number of other topics for discussion and expressed support for the workplan.

CONSENT REPORT

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

- **New Academic Programs**
  - Graduate School – Create Interdisciplinary all-University M.S. and Ph.D. degrees in Biomedical Informatics and Computational Biology
  - Graduate School – Create Interdisciplinary Ph.D. degree in Cognitive Science
  - Graduate School – Create Interdisciplinary M.A. degree in Bioethics
  - Graduate School – Create a Combined B.C.E. and M.S. Degree in Civil Engineering
  - Graduate School – Create a Combined B.Geo.E. and M.S. Degree in Geological Engineering
  - Graduate School – Create a Joint J.D. Degree and M.A. or Ph.D. Degree Program in Mass Communication
  - School of Public Health (Twin Cities Campus) – Create a Global Health Practice Option in the M.P.H. Degree for Program Delivery in India and Online
  - College of Pharmacy and Carlson School of Management (Twin Cities Campus) – Create a Dual Pharm.D. Degree and M.B.A. Degree Program

- **Changed Academic Programs**
  - College of Continuing Education (Twin Cities Campus) – Deliver Multi-Disciplinary Subplan of the B.S. Degree, Inter-College Program Online
  - College of Continuing Education (Twin Cities Campus) – Deliver Multi-Disciplinary Subplan of the B.A. Degree, Inter-College Program Online
  - College of Education and Human Service Professions (Duluth Campus) – Deliver B.A.Sc. Degree in Unified Early Childhood Studies to the Mesabi Range Community and Technical College
  - Graduate School – Change Name of Ph.D. Degree in Biosystems and Agricultural Engineering to Ph.D. Degree in Bioproducts and Biosystems Science, Engineering and Management
  - Graduate School – Change Name of M.S.B.A.E. Degree in Biosystems and Agricultural Engineering to M.S.B.B.S.E.M. Degree in Bioproducts and Biosystems Science, Engineering and Management
  - Graduate School – Change Name of M.A. Degree in Health Journalism to M.A. Degree in Health Journalism and Communication
- Graduate School – Create a Plan B Option for the M.S. Degree in Chemical Physics
- Graduate School – Create a Minor in Music at the Ph.D. Level
- Graduate School – Allow Co-directed Ph.D. Dissertations in Civil Engineering with Ecole Polytechnique

- Discontinued Academic Program

  - Graduate School – Discontinue the Master of Biosystems and Agricultural Engineering (M.B.A.E.) Degree

INFORMATION ITEMS

There were no information items this month.

The meeting adjourned at 2:30 p.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 Wednesday, July 9, 2008 at 1:30 p.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: Senior Vice President and Provost Thomas Sullivan; Senior Vice President Frank Cerra; Vice President Carol Carrier; and Executive Director Ann Cieslak.

Student Representatives present: Erick Elgin and Adam Yust.

STRATEGIC POSITIONING UPDATE: WELCOME WEEK INITIATIVE

Vice President Carrier invited Associate Vice Provost Laura Coffin Koch and Beth Lingren Clark, Director, Orientation and First-Year Programs, to present information on the new Welcome Week program for first-year students, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Coffin Koch described the purpose and goals of the new Welcome Week for first-year students, which includes the following:

- Provide opportunities to enhance academic and personal success, increase satisfaction and retention, and improve graduation rates;
- Establish a sense of community, understand expectations related to community membership, assist in the adjustment to the campus environment and student life, and help to develop and maintain meaningful relationships with other students, faculty, staff, and the surrounding community;
- Discover and learn to access the resources and opportunities available at the University; and
- Provide leadership opportunities for current students to enhance leadership development and commitment to the University.

Lingren explained that the development of Welcome Week activities is closely tied to University student learning and development outcomes, is founded in academics, and complements the two-day summer orientation experience. She added that all program components will be comprehensively evaluated to ensure that student learning and development outcomes are met, that there is a positive impact on retention and graduation rates, and that Welcome Week aligns with and supports the strategic positioning goal of exceptional students.

In response to questions from the committee, Lingren described the parent’s role in Welcome Week, noting that parents will be encouraged to help their student move to
campus and to participate in parent programming. A more extensive orientation for parents is held during the two-day student summer orientation. In response to a question from Regent Hung, Coffin Koch reported that a Welcome Week program for transfer and graduate students would be considered in the future.

POST-TENURE REVIEW: UPDATE

Senior Vice President and Provost Sullivan and Vice Provost Arlene Carney presented an update on post-tenure review procedures and outcomes, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Sullivan reviewed the process and procedures for post-tenure review, noting that during the 2006-07 academic year 99 percent of faculty reviewed met or exceeded the goals and expectations established by their academic unit. He summarized the post-tenure review process and reported the following: tenured faculty performance goals and objectives are either currently under revision or have already been revised; faculty performance is evaluated annually; and there will be an enhanced focus on improving and tracking faculty post-tenure performance.

In response to questions from the committee, Sullivan explained that an appeals process is in place for faculty who receive a recommendation for termination by the Provost. He added that Board of Regents Policy: Faculty Tenure is specific regarding faculty accountability, and that it is imperative to adhere to approved process and procedures throughout post-tenure. Sullivan noted that the rigorous pre- and post-tenure evaluation process ensures high academic quality and accountability and supports continued faculty development.

FINANCING FUTURE HEALTH CARE THROUGH HEALTH CARE SAVINGS PLAN ACCOUNTS

Vice President Carrier and Jackie Singer, Director of Retirement Programs, presented a new plan for financing future health care through a Health Care Savings Plan (Plan), as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. The Plan provides for an individual investment account that is used to fund out-of-pocket medical expenses incurred after termination or retirement. The Minnesota State Retirement System administers the tax-exempt account.

Singer reported that as of August 2008, three of the five employee groups at the University have chosen to participate in the Plan. The Plan is only available to public employers in the State, and she explained that when an employee group adopts the Plan, all employees within the group must participate. Singer reviewed examples of Plan savings to University employees.

COMMITTEE 2008-09 WORKPLAN DISCUSSION

Vice President Carrier reviewed the 2008-09 Workplan, as detailed in the docket and on file in the Board Office. A final workplan will be presented at the committee’s September 2008 meeting.

CONSENT REPORT

There were no Consent Report items this month.
INFORMATION ITEMS

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

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

The meeting adjourned at 2:33 p.m.

[Signature]

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A work session of the Board of Regents of the University of Minnesota was held on Wednesday, July 9, 2008 at 9:15 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; Vice President Karen Himle; and Executive Director Ann Cieslak.

Regent Simmons called to order a meeting of the Board of Regents, announcing that the work session responds to the Board's workplan priority regarding the importance of understanding and acting on an appropriate communications strategy that serves the University's mission. President Bruininks added that appropriate communications will remain a top priority, with a particular emphasis in the future on how to better position the University and its contributions to society. Simmons invited Vice President Himle to lead the discussion.

Himle stated that effective communications can build public support by bridging the distance between what the University is doing and the public's understanding of the University's contributions. She highlighted the results of the latest Annual Image and Reputation Survey (Survey), which the University has conducted since 2001 to measure the level of public understanding, the level of trust, and the public's general understanding of the work of the institution (materials on file in the Board Office).

The University continues to enjoy an overall positive reputation and is perceived as (1) a provider of high quality education; (2) a good value for tuition dollars; and, through its medical research and training, (3) relevant to the everyday lives of Minnesotans. The public also expressed solid support for the University's Top 3 public research university goal and responded positively to a number of key messages delivered through the University's Driven to Discover campaign. The Survey also reveals some points of concern, including a lack of intensity in the public's favorable ratings and media recall that is tied most often to athletics. Some respondents also expressed doubts about the University's management of its financial resources, even though most believe the University's management capabilities are similar to other organizations of its size and complexity.

Himle described the ways in which University Relations uses national and international media tracking data to assess the impact of the University's communications and its efforts to stay abreast of new opportunities in rapidly changing media environments. The communication strategy for the coming year will include continued reinforcement of the public's positive perceptions of the University's quality, value, and relevance; continued promotion of the importance of research at a public university; and continued education regarding the University's commitment to responsible stewardship of its financial resources.
A lengthy discussion ensued, which Simmons summarized as follows:

- **Trends vs. Comparisons** – The research presented describes trends rather than comparisons. Trend data is helpful, but it provides guidance only relative to the past rather than guidance regarding what the University’s future course should be.

- **Message Sustainability** – *Driven to Discover* has been a very effective campaign, but consideration must be given to the communication strategy that will sustain the message and the images.

- **Walking the Talk** – Achievement of the University's goals will help sustain the message.

- **Message Complexity** – The complexity of the University’s image and of its message will always pose a communications challenge since messages must be tailored to reach different audiences.

- **Branding** – The challenge will be to leverage the image of the institution as a whole while highlighting distinguishing characteristics of the coordinate campuses.

- **Listening** – As the University works to achieve its goals, it must refine its message by soliciting input from various internal and external constituencies.

- **Focus** – A few critical elements must be identified on which the Board can focus its energy in order to make a difference in the life, quality, and image of the University.

She noted that the information presented and the issues raised will be helpful as the Board considers communication strategies during tomorrow’s annual retreat.

The work session adjourned at 10:35 a.m.

ANN D. CIESLAK  
Executive Director and  
Corporate Secretary
A meeting of the Board of Regents of the University of Minnesota was held on Wednesday, July 9, 2008, at 2:45 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, David Larson, and David Metzen.

Staff present: President Robert Bruininks; Chancellors Charles Casey and Stephen Lehmkuhle; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Nancy Barceló, Kathryn Brown, Carol Carrier, Karen Himle, Timothy Mulcahy, Kathleen O’Brien, and Richard Pfutzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Terry Bock and Gail Klatt.

RECOGNITIONS

Civil Service Committee Chair

President Bruininks and Vice President Carrier recognized the work of outgoing Civil Service Committee chair Cathy Marquardt. Marquardt served as chair for the 2007-08 fiscal year.

Council of Academic & Professional Administrators

President Bruininks and Vice President Carrier recognized the work of Pam Stenhjem, chair of the Council of Academic and Professional Administrators for the 2007-08 fiscal year.

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 – June 12, 2008
Facilities Committee – June 12, 2008
Faculty, Staff & Student Affairs Committee – June 12, 2008
Finance & Operations Committee – June 12, 2008
Board of Regents – June 12, 2008
Board of Regents Work Session – June 12, 2008
Board of Regents – June 13, 2008
REPORT OF THE PRESIDENT

President Bruininks stated that he had no report this month.

REPORT OF THE CHAIR

Chair Simmons welcomed Professor Emily Hoover, incoming chair of the Faculty Consultative Committee (FCC), to the meeting. Hoover will serve as FCC chair in 2008-09.

Simmons reported that the Board would begin its annual retreat at the Gainey Conference Center in Owatonna, MN beginning July 10, 2008. She noted the Board would not hold a regular meeting in August 2008, with the next meeting on September 11-12, 2008 on the Twin Cities campus.

RECEIVE AND FILE REPORTS

Chair Simmons noted the receipt and filing of the Civil Service Committee Report and the Council of Academic Professionals and Administrators Chair Report.

GIFTS

Foundation Assistant Vice President Judy Kirk presented the list of gifts to the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation through May 31, 2008, as included in the docket materials.

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

BOARD OF REGENTS POLICY: RESERVATION AND DELEGATION OF AUTHORITY

Chair Simmons presented proposed amendments to Board of Regents Policy: Reservation and Delegation of Authority, as detailed in the docket materials. The proposed amendments update and clarify language with respect to:

- the Board’s reservation of authority regarding historic resources;
- the Board’s reservation of authority to review individually negotiated employee severance agreements of unusual importance or significance;
- the maintenance of a current registry of presidential delegations and revocations; and
- updated titles for positions reserved for appointment by the Board.

The Board of Regents voted unanimously to adopt amendments to Board of Regents Policy: Reservation and Delegation of Authority, as follows:
Reservation and Delegation of Authority

ARTICLE I
RESERVATION OF AUTHORITY
SECTION I. GENERAL RESERVATIONS OF AUTHORITY.

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

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

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

SECTION II. CONDUCT OF BOARD BUSINESS.

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

SECTION III. ELECTION OF BOARD OFFICERS.

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

SECTION IV. APPOINTMENT AUTHORITY.

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

(a) Senior Vice President for Academic Affairs and Provost
(b) Senior Vice President for Health Sciences
(c) Senior Vice President, System Academic Administration
(d) Chancellor
(e) Vice President
(f) Provost
(g) General Counsel
(h) Librarian
(i) Director of Audits
(j) Dean
(k) Athletic Director, Twin Cities campus
(l) Such other administrative positions as the Board may specify from time to time.

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

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

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

SECTION V. ACADEMIC MATTERS.

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

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

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

Subd. 4. The Board reserves to itself authority to: (a) establish and review policies relating to the conduct of research and the receipt and accounting of sponsored research funds; (b) require timely reporting to the Board of sponsored research activity; and (c) approve financial support greater than $250,000 to non-University entities for the commercialization of technology, consistent with Board policies.

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

SECTION VI. AWARDS, HONORS, AND RECOGNITION.

The Board reserves to itself authority to establish and bestow awards, honors, and recognition, consistent with Board policies.
SECTION VII. BUDGETARY, FINANCIAL, AND INVESTMENT MATTERS.

Subd. 1. The Board reserves to itself authority to approve the following: annual operating budgets; the central reserves budget and minimum reserve level; and adjustments and amendments, consistent with Board policies.

Subd. 2. The Board reserves to itself authority to approve all requests for operating and capital budget appropriations from the State of Minnesota and positive or negative adjustments to the budget caused by a 1% or more change in total appropriations within a fiscal year.

Subd. 3. The Board reserves to itself authority to establish investment objectives, approve asset allocation guidelines, hire investment advisers, and approve policies and plans for investment income distribution.

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

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

Subd. 6. The Board reserves to itself authority to approve individual purchases of goods and services with a value greater than $250,000, consistent with Board policies.

SECTION VIII. PROPERTY, FACILITIES, AND CAPITAL BUDGETS.

Subd. 1. The Board reserves to itself authority to approve the purchase or sale of real property with a value greater than $250,000 or larger than ten (10) acres, consistent with Board policies.

Subd. 2. The Board reserves to itself authority to approve leases of real property, easements, and other interests in real property if the initial term amount to be paid by or to the University exceeds $250,000, consistent with Board policies.

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

Subd. 4. The Board reserves to itself authority to exercise property owner rights regarding the designation, decommissioning, or demolition of historic resources, consistent with Board policies and applicable state and federal laws.

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

Subd. 6. The Board reserves to itself authority to approve multi-year capital plans consisting of projects with a value greater than $1,000,000.
Subd. 7. The Board reserves to itself authority to approve annual capital budgets consisting of projects with a value greater than $500,000.

Subd. 8. The Board reserves to itself authority to approve capital budget amendments to approved projects and new projects when the amendment has a value greater than $500,000.

Subd. 9. The Board reserves to itself authority to approve project schematic plans for (a) interior renovations with a value greater than $5,000,000; (b) projects with a value greater than $2,000,000 that have an exterior visual impact; (c) projects that vary from adopted campus master plans or that have a significant visual impact; and (d) projects noted during the annual review of the capital budget.

Subd. 10. The Board reserves to itself authority for a subsequent review of approved capital budget projects with a value greater than $5,000,000 prior to the award of construction contracts.

SECTION IX. LEGAL MATTERS.

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

SECTION X. AUDIT FUNCTION.

The Board reserves to itself authority to adopt policies regulating the audit function; approve selection of external auditors and the director of audits; and evaluate the performance of the independent auditor, and, jointly with the president, the performance of the internal audit function.

SECTION XI. EMPLOYMENT AND LABOR RELATIONS.

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

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

Subd. 3. The Board reserves to itself authority to establish or discontinue retirement plans for University faculty and staff. For those plans sponsored by the University and governed by formal plan documents, the Board reserves to itself authority to approve amendments to those plans that significantly affect the cost structure of the plans. An amendment is considered to significantly affect the cost structure of the plan if the change causes a cost impact of more than $250,000.

Subd. 4. The Board reserves to itself authority to review individually negotiated employee severance agreements of unusual importance or significance.
SECTION XII. ASSOCIATED ORGANIZATIONS.

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

ARTICLE II
DELEGATION OF AUTHORITY
SECTION I. DELEGATION OF AUTHORITY TO THE PRESIDENT.

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

SECTION II. LIMITATIONS UPON PRESIDENTIAL AUTHORITY.

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

(a) The provisions of the University Charter and the Constitution of the State of Minnesota;

(b) The provisions of Board Bylaws;

(c) The provisions of Board policies and directives, including specifically Article I of this policy; and

(d) The directive that the president shall notify the Board of any matter not otherwise addressed in this section that significantly involves the authority and role of the Board, including its fiduciary, oversight, and public accountability responsibilities.

SECTION III. DELEGATION OF AUTHORITY BY THE PRESIDENT.

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

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

Subd. 3. All delegations and revocations under this section shall be reviewed as to form, legality, and consistency by the general counsel.
Subd. 4. Annually, the president shall report to the Board significant changes to the delegations.

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

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

SECTION V. DELEGATION OF AUTHORITY TO THE BOARD SECRETARY, TREASURER, GENERAL COUNSEL, AND DIRECTOR OF AUDITS.

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

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

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

SECTION VI. CONFORMANCE WITH THIS POLICY.

Subd. 1. No executive officer or employee of the University shall have any authority to take any action or make any representation on behalf of the University beyond the scope of, or materially inconsistent with, the authority delegated to such executive officer or employee as provided in this policy.

Subd. 2. The secretary and the general counsel each shall have the duty to inform the Board of any existing or proposed Board policy or directive that is inconsistent with or alters the delegations of authority as provided in this policy.


BIOMEDICAL FACILITIES: IMPLEMENTATION PROGRAM

Senior Vice President Cerra and Vice Presidents Pfutzenreuter and O’Brien led the discussion of policy issues related to the implementation of the Biomedical Facilities Program (Program).

Cerra reported that recent legislation provides for a biomedical science research funding program to further the investment in biomedical science research facilities that will benefit the state’s economy, advance the biomedical technology industry, benefit human health, and facilitate research collaboration between the University and other private and public institutions in Minnesota. The Program allows the University to
bond for nearly $300 million, in partnership with the State, to finance four new research buildings in the East Gateway district of the Twin Cities campus.

Cerra stated that the Program is part of a state-wide effort in the biomedical and life sciences and represents a major investment by the University in interdisciplinary science. Research in these buildings will focus be on imaging, cancer, cardiovascular health, and infectious disease and neuroscience. The Academic Health Center has developed a planned growth model around these research areas, and the model details necessary new faculty hires and leadership. Cerra emphasized the importance of these research areas to achieve strategic positioning goals, recruit and retain top faculty and researchers, attract new research funding, and enhance employment opportunities.

Vice President Pfutzenreuter reported that the Program involves four new facilities on campus at a cost of approximately $292 million. State legislation provides 75 percent of the total ($219 million), which will be matched with 25 percent University funding ($73 million). He summarized several requirements the Board must accomplish as part of the legislation and described how the University will receive payments from the state.

Vice President O'Brien discussed next steps: planning, conceptual design, and construction management of the proposed facilities and the search for a Biomedical Facilities Program Director.

Chair Simmons stressed that the Board is interested in knowing more about the implementation plan, how the Board will be continually engaged, and the timing of future Board decisions. Of particular interest will be a better understanding of what will be necessary to bring these facilities to life through construction and staffing.

CENTRAL CORRIDOR LIGHT RAIL TRANSIT MEMORANDUM OF UNDERSTANDING

Chair Simmons recalled that when the Board took action regarding the Central Corridor Light Rail Transit Line (CCLRT) at-grade on Washington Avenue, it was stipulated that the Board would approve any agreements or memorandum of understanding (MOU) necessary to move forward with implementation. President Bruininks reported that the MOU presented today between the University of Minnesota, the Metropolitan Council, the City of Minneapolis, and Hennepin County lays the foundation for the long-term planning and implementation of this transportation initiative and ensures necessary mitigations and improvements to materially improve the transportation system in and around the University.

A motion was made and seconded to approve the Resolution Approving a Memorandum of Understanding Related to the Central Corridor Light Rail Transit Project, as follows:

WHEREAS, the University again wishes to demonstrate its full commitment to enhanced public transit and a highly effective Central Corridor Light Rail Transit (“CCLRT”) Project; and

WHEREAS, the safe and efficient operation of the CCLRT line through the University's campus is an essential concern and obligation for the University to consider and address; and
WHEREAS, consistent with the Board of Regents’ Resolution Related to CCLRT approved on June 13, 2008, the University will pursue the Washington Avenue Transit/Pedestrian Mall alignment with other Project partners; and

WHEREAS, the Metropolitan Council, the City of Minneapolis, the Hennepin County Regional Railroad Authority, Hennepin County, and the University ("Parties") agree that mitigation of traffic and other environmental impacts in and around the campus due to the construction of the Project is essential to the integrity of campus activities and surrounding neighborhoods and the successful operation of the CCLRT line; and

WHEREAS, the Parties agree that by entering into a Memorandum of Understanding ("MOU") they will efficiently and cooperatively work together to resolve outstanding Project mitigation related issues and insure the viability and success of this important Project; and

WHEREAS, the Parties have reached agreement on a MOU, attached to this Resolution, that defines specific CCLRT Project Mitigation Measures and funding commitments, Betterments advocacy and funding, and environmental and historic preservation issues; and

WHEREAS, the MOU and other agreements necessary to the completion of the CCLRT line for the University campus shall be subject to Board of Regents approval;

NOW, THEREFORE, BE IT RESOLVED THAT the MOU attached to this Resolution is approved and the Administration is directed to take all necessary steps to execute it and carry out its terms cooperatively with the other Parties, consistent with the Board of Regents Resolution Related to CCLRT approved on June 13, 2008 that requires mitigation measures that accomplish the principles set forth in the Resolution, and financial commitments necessary to accomplish all necessary mitigation measures and betterments.

Vice President O’Brien discussed elements of the proposed MOU, noting that its components are crafted to help achieve the stated objectives and to ensure implementation of the plan. She reviewed the mitigation principles (included in the materials distributed at the meeting and on file in the Board Office), which emphasize creation of a total transportation system with increased capacity and improved access for the central city area.

O’Brien noted that the MOU defines the scope and commitment of the parties to the improvements included in the base budget, improvements needed to mitigate traffic, and improvements to be pursued outside the project scope. She summarized the improvements and mitigation measures, including traffic signal improvements, modification of intersections, and traffic signage. The MOU also provides direction to develop a second MOU that will define and detail specific design, construction, and operation issues. She noted additional provisions in the MOU address environmental and historic review and best efforts, pointing out concerns regarding impacts on Coffman Union, Northrop Mall, and the historic Knoll Area.
O'Brien reported on the creation of multiple, University-wide work teams with experts guiding each team’s charge. Although the Metropolitan Council is the lead agency for the CCLRT, the involvement of University staff ensures that the institution fully participates in the process. She outlined the framework for the second MOU, indicating that a draft could come for Board approval in early spring 2009.

Chair Simmons referred Boardmembers to (1) correspondence addressed to the President from Metropolitan Council Chair Peter Bell and Hennepin County Commissioner Peter McLaughlin, and (2) to correspondence from President Bruininks to Chair Bell relevant to the CCLRT and the draft resolution. The draft resolution will direct University administration to take action to fulfill the MOU consistent with mitigations set forward in discussions during the June 2008 Board of Regents meeting.

In response to a question from Regent Hunter, O’Brien stated that the Office of the General Counsel had reviewed all the documents.

In response to questions from Regent Johnson, O’Brien clarified project funding, those items included in the base budget, and those items considered betterments outside the project scope for which funding would be sought, potentially through federal transportation funds, county and city state aid, and bonding. She added that the parties intend to develop the funding plan for betterments as part of the second MOU.

In response to a comment from Regent Frobenius, O’Brien stated that Academic Health Center (AHC) district planning includes studies of improved access to the AHC from the east end of campus near Oak Street and Huron Boulevard. Chair Simmons noted that improved access and the success of the AHC are principles the Board agreed to earlier.

Regent Hung expressed concerns that the MOU does not address mitigation funding and therefore she would find it difficult to support this resolution. Chair Simmons observed that the Board has to be satisfied with the mitigation plans for its support to continue.

The Board of Regents voted 11-1 to approve the Resolution Approving a Memorandum of Understanding Related to the Central Corridor Light Rail Transit Project. Regent Hung voted against the resolution.

**LEGISLATIVE REPORT: STATE & FEDERAL**

President Bruininks, while noting the extraordinary support provided by the State this year, acknowledged the challenges the institution is facing with regard to federal funding. He introduced Associate Vice President Peterson and Channing Riggs, Director of Federal Relations, to present the report.

Peterson observed that support for the institution is strong at both the state and federal levels, but the cost of higher education and research funding are concerns raised at both levels. She discussed the 2008 legislative session, emphasizing the extraordinary success of the biomedical research program funding, which indicates strong state support. She also discussed recent legislation that may affect the institution; how faculty serve as a resource to the state; the value of the University to the State; future challenges due to the budget deficit; and the potential impact of the upcoming elections.
Director Riggs provided an overview of the federal budget, the University's breakdown of federal funds received for research, student aid, and recent and pending topics discussed at the federal level. She emphasized the importance of working to convey a common message to legislators on the importance of the University to the State of Minnesota.

**REPORT OF THE FACILITIES COMMITTEE**

Regent Bohnsack, Vice 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 July 9, 2008 committee minutes.

b) Approval of the following real estate transactions as presented to the committee and described in the July 9, 2008 meeting minutes.

1) Twenty-five year agreement for new Duluth Entertainment and Convention Center Arena (DECC), while expressing a strong preference that the new arena be named DECC Bulldog Arena; and any decision to name the new arena will be submitted to the University and subject to its reasonable approval.

2) Approval of a Resolution Regarding Acquisition of Property by Eminent Domain (University of Minnesota Landscape Arboretum), as follows.

WHEREAS, the Board of Regents is empowered to acquire property using eminent domain pursuant to Minn. Stat. § 137.02, subd. 3;

WHEREAS, the mission of the University of Minnesota Landscape Arboretum (Arboretum), as part of the University of Minnesota, is to be a resource for horticultural and environmental information, research and public education, and to inspire and delight visitors with quality plants in well designed and maintained displays, collections, model landscapes, and conservation areas.

WHEREAS, there is an immediate need to acquire the property bordering the Arboretum, described in Exhibit A and depicted on the map in Exhibit B to this Resolution (the "Property"), to further the mission of the Arboretum by allowing: the expansion of horticultural and ecological research, educational programs and the demonstration gardens at the Arboretum; the protection of the maple-basswood forest ecosystem; the protection of the Arboretum's watershed (allowing ecological control of 95% of the watershed from which surface water flows through the Arboretum) and preservation of the landscape character and the varied ecosystem fragments at the Arboretum; the connection between the Arboretum and the Horticultural Research Center property to the northwest, allowing improved internal circulation as well as more efficient and safe operations.
WHEREAS, the use of eminent domain is necessary because the University has been unable to acquire the Property by a voluntary transaction.

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED:

1. Acquisition of the Property described in Exhibit A is necessary to further the mission of the Arboretum as described above. There is a public purpose, as defined in Chapter 117 of Minnesota Statutes, and an immediate need for the University to acquire the Property. The legal description in Exhibit A represents the most accurate information the University has at this time, but it may be modified if new information is obtained requiring such modification.

2. The appropriate administrative officers are authorized to commence eminent domain proceedings pursuant to Minnesota law, for the purpose of acquiring fee simple title to, and possession of, as soon as may be allowed by law, the Property, as described in Exhibit A.

   a) Approval of the following real estate transaction as presented to the committee and described in the July 9, 2008 committee minutes.

      1) Acquisition by purchase of 90.07 acres in Carver County adjacent to the Landscape Arboretum.

   b) Approval of schematic plans for the following project as presented to the committee and described in the July 9, 2008 committee minutes.

      1) Maintenance/Farm Research Operations Center, Northwest Research and Outreach Center, Crookston.

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

Bohnsack reported that the committee also discussed the committee’s 2008-09 workplan and a number of information items contained in the docket materials.

REPORT OF THE AUDIT COMMITTEE

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

   a) Approval of amendments to the Internal Audit Charter as presented to the committee and described in the July 9, 2008 committee minutes.

The Board of Regents voted unanimously to approve the recommendation of the Audit Committee.

Cohen reported that the committee also discussed the internal audit plan and the committee’s 2008-09 workplan.
REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

Regent Frobenius, Chair of the committee, reported that the committee received a post-tenure review update and a strategic positioning update on the Welcome Week initiative; discussed financing future health care through health care savings plan accounts; the committee’s 2008-09 workplan; and reviewed a number of information items included in the docket materials.

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 July 9, 2008 minutes.

b) Adoption of amendments to Board of Regents Policy: Purchasing, as follows.

Purchasing

Purchasing activities at the University of Minnesota (University) shall include goods and services, professional services, and design and construction services.

SECTION I. GUIDING PRINCIPLES.

The following principles shall guide the University’s purchasing process:

(a) purchasing activities shall comply with all applicable laws and policies of the Board of Regents (Board), including, but not limited to, Board of Regents Policy: Targeted Business, Urban Community Economic Development, and Small Business Programs;

(b) purchasing activities shall be conducted in a manner that promotes integrity, stewardship, diversity, and sustainability;

(c) purchasing activities shall provide goods and services, professional services, and design services at the best value and appropriate standards of quality, considering total cost of ownership;

(d) purchasing procedures shall be efficient, timely, and transparent; and

(e) purchasing activities shall promote the use of businesses owned and operated by minorities, women, and disabled persons.

SECTION II. COMPETITIVE PROCESSES.

Subd. 1. Competitive Threshold. Except as provided in this policy, vendors shall be selected by a competitive process for purchases
above a dollar threshold determined by the administration. This threshold shall be reviewed and approved by the Board biennially.

Subd. 2. Vendor Selection. The University reserves the right to establish competitive and non-competitive negotiated agreements with vendors when it is in the best interest of the University. Vendor selections shall be made using an objective process and may be based on total benefits to the University, considering price, level of service, and other variables as appropriate.

Subd. 3. Bid/Proposal Rejection. The University may reject any bid/proposal when it determines in the exercise of its sole discretion that such bid/proposal is not in the best interest of the University. A bid/proposal shall be rejected when it is determined that a vendor or bid/proposal does not comply with required specifications or with applicable federal/state laws and University policies relating to equal opportunity. Records of such rejections shall be maintained and available for review. For bids/proposals over a threshold determined by administrative policy, vendors shall be notified in writing of the reasons for rejection.

Subd. 4. Exceptions to Competitive Process. If a competitive process is not in the best interest of the University, the president or delegate may except a purchase from the required competitive process referenced in subd. 1 of this section. Such exceptions shall be reported to the Board, consistent with Board policies.

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

Hunter reported that the committee also discussed issues related to biomedical facilities debt financing and the committee’s 2008-09 workplan.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

a) Recommend approval of the Consent Report for the Educational Planning and Policy Committee as presented to the committee and described in the July 9, 2008 minutes.

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

Larson reported that the committee also received a strategic positioning update on academic communication strategies; received a progress report on the Northside Partnership; and discussed the committee’s 2008-09 workplan.
REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent Baraga reported that the committee did not meet this month.

The meeting adjourned at 4:15 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary