I. Committee Meetings
A. Audit Committee - September 6, 2007 ................................................................. 20
B. Educational Planning & Policy Committee - September 6, 2007 ......................... 23
C. Faculty, Staff & Student Affairs Committee - September 6, 2007 ...................... 27
D. Facilities Committee - September 6, 2007 .............................................................. 30
E. Finance & Operations Committee - September 6, 2007 ....................................... 35
F. Litigation Review Committee - September 6, 2007 .............................................. 39

II. Board of Regents Meeting – September 7, 2007
A. Recognitions ............................................................................................................. 41
   1. Provost, University of Minnesota Rochester
   2. McKnight Professors
   3. McKnight Presidential Professorships & McKnight President Chair
B. Approval of Minutes ............................................................................................... 41
C. Report of the President .......................................................................................... 42
D. Approval of Report of the All-University Honors Committee ............................. 43
A meeting of the Audit Committee of the Board of Regents was held on Thursday, September 6, 2007 at 8:30 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 President Timothy Mulcahy; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt and Michael Volna.

Student Representatives present: Meghan Keil and Nathan Swanson.

EXTERNAL AUDIT UPDATE

Acting Controller Denise Seck introduced Don Loberg and Craig Popenhagen, Principals, LarsonAllen, to present progress on the June 30, 2007 annual external audit.

Loberg and Popenhagen reported that the audit is progressing ahead of schedule, with a significant portion of the work in process or completed on the financial statement, and audits of the Office of Asset Management, sponsored research, student financial aid, and information technology. Popenhagen identified a number of improvements that have increased efficiencies during the audit process. He also pointed out challenges in the areas of alternative investments, federal programs, and potential impacts from the current strike by AFSCME employees.

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

COMPLIANCE OFFICER REPORT

Chair Cohen introduced Thomas Schumacher, Director of Institutional Compliance to report on University compliance initiatives, as detailed in the docket materials.

Schumacher noted that September 2007 marks the five-year anniversary of the institution of the University's compliance program. He highlighted three areas of activities within the compliance office: UReport, the University's confidential reporting service; the plan to conduct compliance assessments for high-risk areas; and an evaluation of the compliance program.

Schumacher briefly discussed UReport, which allows individuals concerned with legal or policy violations to report them confidentially or anonymously to a third party vendor retained by the University. He summarized the nature of reports received,
indicating that trends continue to show a majority of reports involve human resources and employment issues. Schumacher noted that expanding the percentage of employees who are aware of the program remains a challenge and requires continued attention.

Schumacher described an initiative launched by the Office of Institutional Compliance and the Office of Internal Audit to evaluate compliance performance in higher risk areas. The pilot project will focus on grants administration, an area of heightened federal scrutiny and will include review of selected transactions in departments conducting federally sponsored work. The results of the pilot project review will be presented at a future meeting of the committee.

Schumacher reported that with respect to its peers, the University has a strong compliance program and is well positioned to meet rising higher education compliance obligations. He described a number of program initiatives and successes, and future challenges. He emphasized the continued need to focus on building a culture for ethics and compliance within the University community.

COMMITTEE WORKPLAN, 2007-08

Associate Vice President Klatt presented the proposed committee workplan for the coming year. She noted the workplan incorporates the Board of Regents desire to receive more information from the University compliance officer, and to continue the discussion of the changes in areas of federal research funding. Committee members expressed support for the workplan.

INTERNAL AUDIT UPDATE

Associate Vice President Klatt presented the Internal Audit Update, as included in the docket materials. She reported that, during the past quarter 38 percent of the outstanding recommendations rated as “essential” were implemented by University departments, a percentage higher than the previous quarter and nearly equal to the expected rate of 40 percent. In addition, five units fully implemented all their remaining “essential” recommendations.

CONSENT REPORT

A motion was made and seconded, and the committee voted unanimously to recommend approval of the consent report as presented in the docket materials, and including the following:

- Engagement of PriceWaterhouseCoopers, LLP, by the University’s Office for Technology Commercialization, to perform audit services on royalty calculations for sales occurring in the calendar years 2005 and 2006, for an amount not to exceed $99,000.
INFORMATION ITEMS

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

• Report on external auditor engagements.

The meeting adjourned at 9:40 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
RESOLUTION RELATED TO 2007 MINNESOTA-WISCONSIN TUITION RECIPROCITY AGREEMENT

Senior Vice President & Provost Sullivan introduced Craig Swan, Vice Provost for Undergraduate Education, who led the discussion of the Resolution Related to the 2007 Minnesota-Wisconsin Tuition Reciprocity Agreement. Swan reminded the committee that the University’s efforts began three years ago when President Bruininks requested amendments to the reciprocity agreement. After several months of negotiations, an agreement has been reached that meets the University’s concerns.

As described in the resolution, the agreement states that Wisconsin reciprocity students will be assessed the higher of either the tuition at a comparable Wisconsin institution or the resident tuition rate of the institution in which they will be enrolled. The agreement also creates a supplementary reciprocity program through which the State of Wisconsin will buy down the increased tuition for Wisconsin students enrolled in Minnesota institutions; establishes a principle about the tuition rate the University will charge; and directs tuition reciprocity payments to the University rather than to the State of Minnesota’s general fund. The agreement will be phased in, becoming effective with students entering Fall 2008.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the resolution related to the 2007 Minnesota-Wisconsin Tuition Reciprocity Agreement.

ACADEMIC PROGRAM CHANGES
ANNUAL REPORT

Director John Ziegenhagen and Gail Dubrow, Dean, Graduate School, led the discussion of the annual report of academic program changes (materials in the docket...
and on file in the Board Office). Ziegenhagen stated that this report provides a higher-level look at policy issues and broader trends in program changes than the transaction-by-transaction review during consideration of the committee’s Consent Report each month.

The review process includes assessments in such areas as consistency with the mission of the University; anticipated need and demand; expected learning outcomes; program quality; and efficiency and effectiveness in the use of University resources. An overall assessment of academic program changes during the past year indicates that many of the changes were related to (1) strategic alignment, especially in the three new colleges created through the strategic positioning process; (2) re-tooling in Health Sciences involving the development of new professional practice degree programs and the institution of quality assurance in existing programs; and (3) the expansion of programs at the new campus in Rochester.

Dubrow provided an overview of Graduate School programs and the role of graduate education in helping the University attain its goal of becoming a top public research institution. Through its quality assessments of 130 individual programs, the Graduate School helps the University implement the academic goals of strategic positioning; maintain its national reputation; identify issues critical to competing for the best students and faculty; and develop the metrics and measures for monitoring progress in graduate education.

Dubrow identified the following as the major goals of the Graduate School:
- multi-year awards to attract top students;
- top students who will attract excellent faculty;
- reductions in the time required for graduate degree completion; and
- improved doctoral degree completion rates.

In response to questions from the committee, Dubrow confirmed that Ph.D. placements are a good indicator of graduate education quality and that the Graduate School has begun to collect data on the post-graduation endeavors of former students.

**ACADEMIC ISSUES RELATED TO: UNIVERSITY PLAN, PERFORMANCE & ACCOUNTABILITY REPORT**

Director Ziegenhagen led the discussion of academic issues related to the *University Plan, Performance & Accountability Report*. He explained that this year’s report links metrics to the strategic positioning goals, identifies the comparison group to which the University aspires, shows the gains and losses that have been realized since the start of strategic positioning, and outlines future actions required if the University is to keep its competitive edge or close gaps between its performance and the comparison group.

Ziegenhagen noted that the discussion focuses on the performance of the Twin Cities campus relative to the institutions included in the University’s comparison group (materials in the docket and on file in the Board Office). There is still work to be done on the coordinate campuses relative to established goals, but similar efforts are underway on each campus.

Comparisons were made under the four strategic positioning categories of exceptional students, exceptional faculty and staff, exceptional innovation, and exceptional organization. With respect to exceptional students, the analysis reveals positive trends in a number of areas, but relative to institutions in the comparison group, the University has room for improvement. The University does lead the
comparison group in the award of doctoral degrees, and student satisfaction is very high on all campuses.

In the strategic positioning areas of exceptional faculty and staff and exceptional innovation, the University lags most institutions in its comparison group, but progress continues. On the library expenditures measure, substantial recovery has occurred as a result of strategic investments. The University also has exceeded comparison group trends in the areas of total endowment assets and annual giving, two metrics under strategic positioning’s exceptional organization goal.

In response to a question from Regent Simmons, Ziegenhagen acknowledged that the gap between the class rank of incoming University students and the comparison group is substantial, partly the result of the University’s tradition of ensuring access. Ziegenhagen suggested that a focused strategy and very disciplined investments will help close this gap while ensuring that the University recruits the very best, talented, and diverse student body possible. Sullivan added that since the commitment to strategic positioning, dramatic increases in the donor support has made it possible for the University to remove financial barriers for the many talented students who are now applying for admission.

A lengthy discussion ensued in which the committee agreed that setting percentage goals relative to the top three institutions could drive policy decisions that are potentially incompatible with the University’s mission. The committee also proposed the identification of land-grant institutions in the comparison group, the calculation of endowment assets per student, and the inclusion of measures for graduate education.

**COMMITTEE WORKPLAN, 2007-08**

Regent Larson and Senior Vice President & Provost Sullivan led a discussion of the committee’s workplan for 2007-08. Members of the committee expressed support for the workplan, requesting (a) that the workplan be aligned with the Board’s workplan to ensure that established priorities are addressed and (b) that the workplan be flexible in order to accommodate topics that may arise throughout the year.

**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 free-standing Minor in Risk Analysis for Introduced Species and Genotypes

**Changed Academic Programs:**
- College of Education and Human Development (Twin Cities Campus) – Discontinue Therapeutic Recreation area of emphasis in the M.A., Recreation, Park, and Leisure Studies degree
- College of Liberal Arts and College of Food, Agricultural and Natural Resource Sciences (Twin Cities Campus) – Move academic home of writing-related programs from the College of Food, Agricultural and Natural Resource Sciences to the College of Liberal Arts:
  - Bachelor of Science (B.S.) degree in Scientific and Technical Communication
  - Minor in Internet, Science and Society
• Minor in Land, Nature and Environmental Values
• Minor in Technical Communication
• Minor in Designing Documents with New and Emerging Technologies
• Crookston Campus – Add Urban Forestry emphasis in the B.S., Horticulture degree
• School of Public Health (Twin Cities Campus) – Add interdisciplinary concentration in Health Disparities in the M.P.H. degree

INFORMATION ITEMS

There were no information items this month.

The meeting adjourned at 4:50 p.m.

[Signature]

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, September 6, 2007 at 3:00 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: President Robert Bruininks; Chancellor Jacqueline Johnson; Senior Vice President Robert Jones; Vice President Carol Carrier; and Executive Director Ann Cieslak.

Student Representatives present: Ben McKibben and Mark Torma.

POST-TENURE REVIEW: UPDATE

Vice President Carrier invited Associate Vice Provost Arlene Carney to present the post-tenure review update, as detailed in the docket materials. Carney observed that post-tenure review serves to affirm and maintain the vitality of faculty members through review and recognition of their contributions by peers and administrators. Data indicates that more than 99 percent of faculty who were reviewed in 2005-06 successfully met or exceeded the goals and expectations established by their academic unit. She reported the University of Minnesota is a national leader in applying post-tenure review processes and that the University's performance improvement implementation plan has earned international attention. She added that faculty members who do not meet expectations are provided with performance improvement plans to address areas of concern.

In response to questions from the committee, Carney stated that student evaluations are used in the faculty evaluation process, and that peer evaluations are taken into consideration.

RESPONDING TO THE NEEDS OF STUDENT VETERANS

Vice President Carrier invited Vice Provost Craig Swan and Mary Koskan, Director of One Stop Student Services, to lead a discussion on how the University is responding to the needs of student veterans, as detailed in the docket materials on file in the Board Office. Swan noted that the University's work in this area is viewed as a model and is being closely monitored by other institutions.

Koskan presented veteran statistics at the University and highlighted One Stop initiatives, policy and procedure initiatives, and collaborations with University, local, state, and federal entities, including the following:
Establishment of the One Stop Veterans Office as a comprehensive resource for veterans;

Development of a Veterans Orientation Program to provide introductory information to student veterans about their educational benefits, University processes and procedures, and other available resources;

Sponsorship of a campus recognition/appreciation day for student veterans on November 11, 2007;

Posting comprehensive information on veterans certification for educational benefits on the One Stop website that provides timely, pertinent information on programs, criteria, benefits, and application procedures;

Distribution of a brochure for student veterans comparing student eligibility, benefits, financial aid, and certification procedures of the various veterans education benefit programs; and

Publishing and distributing the inaugural Veterans Connection newsletter.

Koskan outlined future initiatives that include surveying student veterans regarding their University experience, creating an online application to track student veterans’ certification process, and the development of a reintegration training DVD for faculty and staff for use at all Minnesota post-secondary institutions.

In response to questions from the committee, Koskan reported that the Twin Cities campus is working with the coordinate campuses and the Minnesota State Colleges and University system on student veteran issues.

STUDENT MENTAL HEALTH ISSUES

Vice President Carrier invited Vice Provost Gerald Rinehart, Gary Christenson, Director of the Boynton Mental Health Clinic, Betty Benson, Associate Director of Disability Services, and Jerry Shih, Coordinator of the University Consulting and Counseling Services to present issues regarding student mental health as detailed in the docket materials on file in the Board Office.

Rinehart described three primary goals for overall student mental health on campus:

- Identify resources that are sufficient to support student mental health needs;
- Promote awareness of how to access resources that are available; and
- Establish the organization of and enhance communication to facilitate crisis prevention and response.

Christianson explained the variety of mental health issues facing college students and highlighted the extensive mental health network at the University. He also provided information on future mental health programming including: 1) the development of a behavioral intervention team; 2) continued enhancement and refinement of the student mental health website; 3) activities that will help students put an end to the stigma of mental health; 4) development of a behavioral health measurements; and 5) education of staff and faculty regarding identification, resources, and referral for mental health issues.

In response to the questions from the committee, Shih reported that staff will intervene and assess a student in response to a referral. Rinehart stated that supporting students who are dealing with a mental illness is sometimes complicated by the disintegration of community and parental support. Carrier noted that faculty and staff have an active employee assistance program available to them.
COMMITTEE WORKPLAN 2007-08

Vice President Carrier presented the committee workplan for 2007-08 in accordance with Board of Regents Policy: *Board Operations and Agenda Guidelines*. The committee expressed support for the workplan.

CONSENT REPORT

Vice President Carrier presented the Consent Report and invited President Bruinikns and Senior Vice President Jones to speak regarding the senior administrative appointments recommended in the report. The following appointments were recommended for approval:

- Stephen Lehmkuhle, Chancellor, University of Minnesota Rochester
- Meredith McQuaid, Associate Vice President and Dean, International Programs
- Steven J. Rosenstone, Vice President, Scholarly & Cultural Affairs.

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, including:

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

The meeting adjourned at 4:58 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Facilities Committee
September 6, 2007

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, September 6, 2007 at 10:00 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, Jacqueline Johnson, and Kathryn Martin; Senior Vice President Robert Jones; Vice President Kathleen O’Brien; Executive Director Ann Cieslak; and Associate Vice Presidents Michael Berthelsen, Michael Perkins, and Donna Peterson.

Student Representatives present: Nathan Olson and Jim Irrgang.

REAL ESTATE TRANSACTIONS

A. Purchase of 22.68 Acres from LaMinora Properties Inc., Lot 2, Sec. 18, Township 68 North, Range 19 West, St. Louis County

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 22.68 acres from LaMinora Properties Inc., Lot 2, Sec. 18, Township 68 North, Range 19 West, St. Louis County.
Details of transaction: The University will pay LaMinora Properties, Inc. $36,855 in cash at closing for fee simple title to property. Closing will occur at the conclusion of the environmental review process for the NOvA Experiment.
Source of funds: University funds.

Vice President O’Brien noted that the transaction had been reviewed by the committee at the July 2007 meeting.

The committee voted unanimously to recommend approval of the purchase of 22.68 Acres from LaMinora Properties, Inc. in St. Louis County.
B. Purchase of 23.22 Acres from the State of Minnesota, Department of Natural Resources, Lot 3, Sec. 18, Township 68 North, Range 19 West, St. Louis County

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 23.22 acres from the State of Minnesota, Department of Natural Resources, Lot 3, Sec. 18, Township 68 North, Range 19 West, St. Louis County.
Details of transaction: The University will pay the State of Minnesota $24,000 in cash at closing for fee simple title to property. Closing will occur at the conclusion of the environmental review process for the NOvA Experiment.
Source of funds: University funds.

Vice President O'Brien noted that the transaction had been reviewed by the committee at the July 2007 meeting.

The committee voted unanimously to recommend approval of the purchase of 23.22 Acres from the State of Minnesota, Department of Natural Resources, in St. Louis County.

REAL ESTATE TRANSACTION

A. Conversion of 120 Acres at the Fens Research Facility in Zim, Minnesota into a Wetland Bank (Duluth 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:

Execution of a perpetual conservation easement to dedicate 120 acres at the Fens Research Facility, Zim, Minnesota, to wetland banking.
Details of transaction: The Minnesota Board of Water and Soil Resources (BWSR) will pay $9,000 per acre for the easement consideration, and $6,000 per acre for the development of the wetland, related transactional costs, 5 years of monitoring and reporting, and care of site in perpetuity.

Susan Weinberg, Director of Real Estate, announced that the transaction was being presented for review and action in order to comply with BWSR RFP deadlines for wetland banking. In response to a question from Regent Simmons, Tom Malterer, Director of the Peat Program at the University's Natural Resources Research Institute, reported that the wetland banking will not result in any negative implications for local residents.
The committee voted unanimously to recommend approval of the conversion of 120 acres at the Fens Research Facility in Zim, Minnesota into a Wetland Bank.

**SCHEMATIC PLANS**

**A. Chester Park School Renovation (Duluth Campus)**

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

The schematic plans for the Chester Park School Renovation Project, Duluth, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Gregory Fox, University of Minnesota Duluth (UMD) Vice Chancellor for Finance and Operations, and John Rashid, UMD Associate Director for Facilities Management, presented information on the project and explained that the renovation will meet the programmatic needs of the College of Education, Music Department, and the Sea Grants Program. In response to a question from Regent Larson, Rashid explained that building a new facility on this site would cost nearly $10 million more than the renovation project.

The committee voted unanimously to recommend approval of schematic plans for the Chester Park School Renovation Project, Duluth.

**CAPITAL BUDGET AMENDMENT**

**A. East Gateway District, Metropolitan Council Sewer Work**

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 FY2007 Capital Budget is amended to increase the budget for the following project:

East Gateway District, Metropolitan Council Sanitary Sewer Work, Minneapolis, Twin Cities campus.
Scope of Project: Connection of a new sanitary sewer drop shaft for the Metropolitan Council to the existing sanitary sewer line for the East Gateway District.
Cost Estimate: $1,800,000.
Capital Funding: Metropolitan Council - $1,800,000.
Estimated completion date: Winter 2009.

Vice President O’Brien informed the committee that the amendment was being presented for review and action at this time so that the work can be done simultaneously with other University construction in the East Gateway district. She presented the basis for the request, the project scope, and the construction schedule as detailed in the docket materials.

The committee voted unanimously to recommend approval of the capital budget amendment for the East Gateway District, Metropolitan Council Sewer Work, Minneapolis, Twin Cities campus.
REAL ESTATE TRANSACTION

A. Purchase of 2001 Plymouth Avenue N., Minneapolis, for Northside Partnership Program

The committee reviewed a proposal for the purchase of 2001 Plymouth Avenue N., Minneapolis, for the Northside Partnership Program. Director of Real Estate Susan Weinberg summarized the location and description of the property and the source of funds, as detailed in the docket materials. Senior Vice President Jones provided background information on the Northside Partnership Program and how the eventual renovation of the existing facility will provide a physical presence for the University on the North side of Minneapolis.

In response to a question from Regent Larson, Vice President O'Brien indicated that building a new facility on the site would be approximately double the cost of the proposed renovation. In response to a question from Regent Bohnsack, Jones explained that the Northside Program will be implemented as an urban outreach and research center and that an executive director will eventually be hired to lead the program.

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

FACILITIES CONDITION ASSESSMENT UPDATE

Vice President O'Brien introduced Associate Vice President Michael Berthelsen and Sean Schuller of Facilities Management to present the Facilities Condition Assessment, a comprehensive evaluation of the condition of the institution's campus facilities and infrastructure portfolio, as contained in the docket materials. The presenters provided an overview for all campuses of gross square feet, estimated replacement value, and the projected short-term renovation and restoration needs. Highlights of the presentation included:

- The University currently has approximately 28 million gross square feet on all campuses and an average building age of 42 years.
- The replacement value of buildings on all University campuses is $5.6 billion and the projected 10-year needs are $2.27 billion.
- The University's Facility Condition Needs Index (FCNI - percentage of facilities that need renovation/replacement within the next ten years) reveals the University's needs as significantly higher than the national average for higher education institutions.

In response to a question from Regent Simmons, Berthelsen explained that reaching the University's targeted FCNI will require better decision-making in terms of whether to renovate or replace buildings. He added that the University is examining the best practices of peer institutions with excellent FCNI scores such as Stanford and Michigan. Regent Metzen commented that although the University has traditionally lagged in facilities maintenance, HEAPR funding from the state has improved the situation in recent years.

COMMITTEE WORKPLAN, 2007-08

Vice President O'Brien summarized the development of the committee workplan for the coming year in accordance with Board of Regents Policy: Board Operations & Agenda Guidelines. O'Brien detailed the topics proposed for discussion each month. The committee expressed support for the workplan.
CONSENT REPORT

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

• Agreements for University facilities and services for The Society for the Study of Evolution Conference, June 19-25, 2008; and

• Conveyance of 32.3 Acres and Temporary Easements Encumbering 3.52 Acres in Waseca County (Southern Research and Outreach Center).

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:

• Capital Planning and Project Management Semi-Annual Report;
• Facilities Management Leadership Team; and
• Hanson Hall Landscape Enhancements.

The meeting adjourned at 11:45 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Finance and Operations Committee of the Board of Regents was held on Thursday, September 6, 2007 at 10:00 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 Frank Cerra; Vice President Richard Pfutzenreuter; and Executive Director Ann Cieslak.

Student Representatives present: Nathan Swanson and Mark Torma.

ISSUES RELATED TO: ANNUAL ASSET MANAGEMENT REPORT

Regent Steven Hunter invited Chris Suedbeck, Assistant Director, Office of Asset Management, to present the Annual Asset Management Report, as included in the docket materials. Suedbeck reviewed the June 30, 2007 report and highlighted the following items:

- The invested assets of the University totaled approximately $1.9 billion;
- The Consolidated Endowment Fund value was up 21.1 percent over the June 2006 report and exceeded the benchmark (17.8 percent);
- The investment yield on the portfolio over the last twelve months was 4.7 percent compared to a benchmark yield of 5.7 percent; and
- Total outstanding debt as of June 30, 2007 was $778.3 million, and the total weighted average interest rate on all outstanding debt obligations was 4.36 percent.

Suedbeck noted that when compared to all public and private university endowments, the University has the 25th largest endowment in the United States.

ISSUES RELATED TO: 2008 STATE CAPITAL REQUEST

Vice President Pfutzenreuter led a discussion of the 2008 State Capital Request, as detailed in materials distributed at the meeting and on file in the Board Office. He reviewed the financial plan and the priority order of projects. If all projects are authorized, debt financed will range from $57.3 to $69.3 million. Depending on the success of fundraising for such projects as the Bell Museum, the total long-term debt funded may be lower. An additional annual facility operating cost of approximately $1.5 million will be incurred if all of the projects are funded.
Regent Hunter introduced Vice President Pfutzenreuter to review the draft 2007-08 committee workplan, as detailed in the docket materials. Pfutzenreuter explained that the plan is organized around five broad categories, reflecting the role of the committee in meeting its fiduciary responsibilities. He noted that the workplan proposes review and approval of the 2009 annual operating budget one month earlier than in recent years to facilitate Enterprise Financial System data entry prior to full implementation of the new system in July 2008.

CONSENT REPORT

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

- AT&T for an estimated $390,000 to provide Integrated Switched Digital Network (ISDN) Primary Rate Services for the period of October 1, 2007 through September 30, 2009 for Networking and Telecommunications Services, a division of the Office of Information Technology.
- C.J. Duffey Paper Co. for $317,000 for paper stock as needed for the period of September 10, 2007 through August 31, 2008 for Printing Services.
- Extend contracts with Computer Concepts & Services Inc and DRC Systems to purchase analysis and programming services in the amount of $550,000 for the period of October 1, 2007 through March 31, 2009 for the University of Minnesota Auxiliary Services.
- Dakota Paper Co. for an estimated $263,834 for the purchase of Custodial Papers (paper towels and toilet paper), to be stocked at the University Stores for use in University departments. The contract period is September 15, 2007 through July 31, 2008.
- FAMIS Software, Inc. for $328,039 for the Office of Space Management to purchase a space management module, Auto Cad interface, and computer programming services.
- Harris Health Trends Inc. for the estimated amount of $1,490,000 to provide health improvement services offered through the University of Minnesota Office of Human Resources Employee Benefits for the one-year period of January 1, 2008 through December 31, 2008.
- Health Partners Administrators, Inc. for the estimated annual amount of $3,360,000 for administering a self-funded UPlan medical plan option offered through the University of Minnesota, Office of Human Resources Employee Benefits for the one-year period of January 1, 2008 through December 31, 2008.
- Medica for the estimated annual amount of $2,500,000 for administering four self-funded UPlan medical plan options offered through the University of Minnesota, Office of Human Resources Employee Benefits for the one-year period of January 1, 2008 through December 31, 2008.
• Midwest Assurance Co. (HealthPartners, Inc.) and National Benefits Resources, Inc. to renew a contract for stop loss insurance for the UPlan Medical Program for a total $1,050,000 for the period of January 1, 2008 through December 31, 2008 on behalf of the Employee Benefits Department.

• ProSource Technologies, Inc. for $768,154 for a Geological Assessment at University of Minnesota Outreach, Research & Education (UMore Park), Rosemount, Minnesota, for the Statewide Strategic Resource Development Department.

• RxAmerica for the estimated amount of $480,000 to provide Pharmacy Benefits Management for the one-year period of January 1, 2008 through December 31, 2008 for the self-funded UPlan program offered through the University of Minnesota, Office of Human Resources Employee Benefits.

• Unisource for $546,600 for paper stock as needed for the period of September 10, 2007 through August 31, 2008 for Printing Services.

• U.S. Census Bureau for $440,983 for data recovery and new data products from the 1960 census over the period September 17, 2007 to September 16, 2011 for the Minnesota Population Center.

• Varian, Inc. for $9,990,000 for Ultrahigh field MR Imaging and spectroscopy system housed in the Center for Magnetic Resonance.

• Watson Wyatt & Co., doing business as Watson Wyatt Worldwide, for $205,000 to exercise the option to extend the data warehouse services contract for the third and final year through December 31, 2008.

• WiscNet, a division of the University of Wisconsin–Madison, Department of Information Technology, for $378,535 for Membership fees and Network Operation Services to operate BOREAS-Net for the period March 1, 2007 through June 30, 2008.

Vice President Cerra responded to questions from the committee regarding the purchase from Varian, Inc. included in the Consent Report.

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

INFORMATION ITEMS

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

• Quarterly Purchasing Report; and
• Annual Economic Development Report.

Pfurstenreuter invited Craig Taylor, Program Director, to present the report of the Office for Business & Community Economic Development. Taylor reviewed the report and responded to questions from the committee. He clarified how Women, Minority and Disabled Businesses (WMDB) and small businesses are defined, stating that state and federal criteria vary for different types of business. He described goals for the stadium
project, including a community development plan that specifies utilization of WMDB and small businesses and encourages the use of trade apprentices and interns from the University.

The meeting adjourned at 11:16 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, September 6, 2007 at 8:46 a.m. in the William R. Peterson Conference Room, 600 McNamara Alumni Center.

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

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

Others present: William Donohue, Greg Hestness, Elmore James, Kenneth Larson, and Tracy Smith.

The meeting convened in public session at 8:46 a.m.

General Counsel Rotenberg presented highlights from the Annual Report on Legal Matters.

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

At 9:10 a.m. a motion was made and seconded that the following resolution be approved:

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

NOW, THEREFORE, BE IT RESOLVED that in accordance with Minnesota State Statute Section 13D.01, Subd. 3; and 13D.05, Subd. 3(b), a non-public meeting of the Board of Regents Litigation Review Committee be held on Thursday, September 6, 2007 at approximately 9:00 a.m. in the William R. Peterson Conference Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters including the following:

I. Regents of the University of Minnesota v. United States of America;
II. Charles F. Gill v Geoff Maciejewski, acting in his individual capacity as an officer of the University of Minnesota Police Department;
III. Das Patent Litigation; and
IV. Carl Zeiss MicroImaging GmbH (claim)
The committee voted unanimously to approve the resolution. The public portion of the meeting adjourned at 9:11 a.m.

The non-public portion of the meeting adjourned at 9:52 a.m.

[Signature]

ANN D. CIESLAK
Executive Director and
Corporate Secretary

Litigation Review Committee
September 6, 2007
The meeting of the Board of Regents of the University of Minnesota was held on Friday, September 7, 2007, 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, Steven Hunter, Dean Johnson, David Larson, and David Metzen.

Staff Present: President Robert Bruininks; Chancellor Jacqueline Johnson; Senior Vice President and Provost Thomas Sullivan; Senior Vice President Frank Cerra; Vice Presidents Kathryn Brown, Timothy Mulcahy, Charles Muscoplat and Richard Pfutzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice President Donna Peterson.

RECOGNITIONS

Provost, University of Minnesota Rochester

Recognition was given to David Carl for his service as provost of the University of Minnesota Rochester. The Board of Regents expressed appreciation for his leadership and accomplishments during his tenure at the University of Minnesota Rochester.

Regents Professors

Recognition was given to newly-appointed Regents Professors Frank S. Bates, Chemical Engineering; Richard Lepert, Cultural Studies and Comparative Literature; Matt McQuire, Psychology; Elaine Tyler May, American Studies; and Peter B. Reich, Forest Resources. Regent Professorships are the highest honor that the University of Minnesota bestows on its faculty. The individual holds the title as long as the individual retains a full-time, tenured appointment as a faculty member of the University.

McKnight Presidential Awards

Recognition was given to John Bryson, McKnight Presidential Professor in Planning and Public Affairs, Humphrey Institute of Public Affairs; and to John Wagner, McKnight Presidential Chair in Hematology and Oncology in the Division of Hematology-Oncology and Blood and Marrow Transplantation.

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 – July 11, 2007  
Educational Planning & Policy Committee – July 11, 2007  
Facilities Committee – July 11, 2007  
Faculty, Staff & Student Affairs Committee – July 11, 2007  
Finance & Operations Committee – July 11, 2007  
Board of Regents – July 11, 2007

REPORT OF THE PRESIDENT

President Bruininks spoke briefly regarding the events following the collapse of the I-35W bridge on August 1, 2007. The President thanked a number of people from the University community for their courage and quick response in the immediate aftermath of the tragedy. He announced a special reception at Eastcliff on Wednesday, September 12, 2007 to recognize University responders.

President Bruininks reported availability of a recently-published comprehensive strategic positioning report. The report compiles the ongoing priorities of the University of Minnesota and highlights a number of areas of focus important to revitalize the future of the University and ensure the long-term excellence.

He also noted that he is recommending the appointment of College of Liberal Arts (CLA) Dean Steven Rosenstone as Vice President for Scholarly and Cultural Affairs. CLA Associate Dean James Parente will serve as interim dean until a search has been completed.

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

Due to a disruption in the audience relating to support for striking University AFSCME employees, Chair Simmons requested that order be restored and that public comments be held. After several attempts to call the meeting to order, Simmons read the following statement:

It is essential that the disruptive behavior cease so that the Regents can conduct their business. All those who fail to comply will be in violation of Minnesota Statute 624.72 Sub. 3, interference with the use of public property and will be placed under arrest by the University police. All disruptive parties are asked to vacate the room within two minutes or be subject to arrest.

Chair Simmons recessed the meeting at 9:35 a.m. The meeting reconvened at 10:32 a.m.

Chair Simmons recognized Regent Hunter, who briefly addressed the Board.

Hunter, who holds the position of Secretary/Treasurer for the AFL/CIO, indicated that he is in a difficult position. He provided his history as a member of the
union and expressed support and understanding for the AFSCME employees. He also stressed the importance of the collective bargaining process. He stated that he understands the process can be difficult and does not always run smoothly, but he would urge the union and administration to go back to the bargaining table to reach a fair offer and settlement as soon as possible.

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 August 22, 2007.

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

Due to disruptive behavior, the meeting adjourned at 10:40 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary