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A meeting of the Audit Committee of the Board of Regents was held on Thursday, November 8, 2007 at 10:00 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellor Charles Casey; Senior Vice President and Provost Thomas Sullivan; Vice Presidents Steve Cawley, Timothy Mulcahy, and Richard Pfutzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak, and Associate Vice Presidents Gail Klatt and Michael Volna.

Student Representatives present: Meghan Keil and Nathan Swanson.

REPORT OF THE EXTERNAL AUDITOR

Acting Controller Denise Seck introduced Don Loberg and Craig Popenhagen, Principals, LarsonAllen, who presented the external auditor's opinion on the accuracy and reliability of the University's FY2007 financial statements, as included in the materials distributed at the meeting and on file in the Board Office. This report is meant to assure the committee that the University has the appropriate policies, procedures, and control systems to produce accurate and reliable financial information.

Loberg and Popenhagen reported on the FY2007 audit, indicating that the University's financial statements received an unqualified audit opinion and the Office of Asset Management (OAM) agreed-upon procedures audit resulted in no material findings. He reported on the positive audit process as a result of increased communication among LarsonAllen, internal auditors and the component units. This communication contributed to the successful and timely completion of all aspects of the audit. Loberg also announced that a number of other audit projects are ahead of schedule.

Loberg stated that the institution's financial position is very healthy, with a considerable increase in net assets in 2007. He presented a number of financial ratios which demonstrate that the University compares favorably with other Big 10 universities. Popenhagen explained that the positive financial performance over previous years was due to positive net income, market value gains in investments, capital appropriations, and tuition revenue. He added that the University's instructional expense as compared to tuition revenue is stable and instructional expense as compared to tuition revenue is consistent with that of other Big 10 universities. This data reflects the University's effort to control costs. Popenhagen also reported on the impact of two
new auditing standards on the financial statements and briefly discussed required communication to the Audit Committee.

In response to a question from Regent Johnson, Loberg indicated that the implementation of the new Enterprise Financial System has progressed favorably, but the system itself has not been audited and could identify areas of vulnerability.

Regent Frobenius suggested that it would be beneficial to review capital expenditures as a percent of operating budgets to determine whether this institution is keeping pace with the capital side of reinvestment in the campus. Regent Hung commented that it would be helpful to compare this institution to aspirational institution peers in addition to the comparison with peer institutions.

**COMPLIANCE OFFICER REPORT: RESULTS OF UNIVERSITY-WIDE RESEARCH COMPLIANCE STUDY**

Regent Cohen introduced Susan Rafferty, Interim Director of the Office of Institutional Compliance to discuss areas in sponsored projects administration identified as having high-risk and impact activities. Rafferty stated that an initiative was launched last fall to evaluate compliance performance across the University system. It was designed to provide additional institutional review of and assurance for the compliance risk areas identified as high risk and high impact on the enterprise compliance risk assessment profile, or “heat map.”

Rafferty described the areas within sponsored projects administration that were selected for compliance evaluation, including effort reporting, cost sharing, subrecipient monitoring, direct charging of administrative costs, and cost transfers. The evaluation indicates strong adherence to both federal regulations and to University policies and procedures across several key high-risk areas. Rafferty highlighted a number of findings of the study (detailed in the docket materials), noting areas with good compliance and those that present opportunities for improvement. She identified the following measures which should result in even stronger compliance:

- Focused educational efforts;
- Better communications among grants administrators; and
- Clarifying administrative policies and procedures.

In response to a question from Regent Frobenius, Rafferty indicated that this report is based on a sampling of areas within sponsored projects administration and is not directly connected to the institution’s external audit. Klatt clarified that this evaluation reviewed activity in a wide range of University operations, while the A133 audit evaluates targeted areas and allows auditors to draw conclusions on controls within those specific program areas. Senior Vice President and Provost Sullivan added that this evaluation is complimentary to the external audit and provides the Board with a broader array of data in which to consider the effectiveness of both.

**INFORMATION ITEMS**

Associate Vice President Klatt referred the committee to the information items contained in the docket materials, including:
• Emergency Approvals; and
• Semi-Annual Controller's Report.

The meeting adjourned at 10:51 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Facilities Committee of the Board of Regents was held on
Thursday, November 8, 2007 at 1:30 p.m. in the West Committee Room, 600 McNamara
Alumni Center.

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

Staff present: Chancellor Stephen Lehmkuhle; Senior Vice President Robert 
Jones; Vice President Kathleen O’Brien; General Counsel Mark Rotenberg; and Executive 
Director Ann Cieslak.

Student Representatives present: Nathan Olson and Jim Irrgang.

REAL ESTATE TRANSACTION

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

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 2001 Plymouth Avenue N., Minneapolis.
Details of transaction: The University will pay Penn Plymouth 
Corporation, a subsidiary of the Northside Residents Redevelopment 
Council, $1,125,000 in cash at closing for fee simple title to property.
Source of funds: University debt.

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

The committee voted unanimously to recommend approval of the purchase of 
2001 Plymouth Avenue N., Minneapolis.
ENVIRONMENTAL ASSESSMENT WORKSHEET
FOR NOvA LABORATORY PROJECT

Vice President O’Brien explained that the committee would be reviewing and acting on a resolution related to the Environmental Assessment Worksheet (EAW) for the NOvA Laboratory Project, as contained in the docket materials. She reminded the committee that Professor Marvin Marshak had provided an overview of the project at the June 2007 committee meeting and that the Board of Regents had approved a resolution in July 2007 committing to serve as the Responsible Governmental Unit (RGU) for the environmental review of the project. O’Brien introduced General Counsel Rotenberg to explain the Board’s responsibility as the RGU, the process of developing the EAW, and the details of the resolution. Highlights of the presentation included:

• The project is the result of a four-year, $45 million cooperative agreement with the United States Department of Energy to construct and operate a physics laboratory on approximately ninety acres of undeveloped land in Ash River, Minnesota.
• The EAW was completed because of the project’s proximity to Voyaguers National Park, the scope and nature of the excavation and construction of the facility, and the presence of a mineral oil-based liquid that will be necessary for the operation of the laboratory.
• The EAW considered the project’s impact on such elements as fish and wildlife, ground cover, water quality, ecologically-sensitive resources, recreation opportunities, and the potential for facility-produced pollution.
• The EAW concludes that the project has no potential for significant environmental impacts, therefore it is recommended that a complete Environmental Impact Statement is not necessary.
• A separate federal environmental review is being completed, but will not require Board action.

Rotenberg informed the committee that the full EAW will remain on file in the Board Office. In response to a question from Regent Simmons, Rotenberg explained that the height of the building and mitigation measures such as building color and landscaping will result in the facility not being visible from Voyaguers National Park.

The committee voted unanimously to recommend approval of the resolution regarding the need for an environmental impact statement for the NOvA Laboratory Project.

CONSENT REPORT

There were no Consent Report items this month.

INFORMATION ITEMS

Vice President O’Brien referred committee members to the Information Items contained in the docket materials, including:
• Final project review for the Medical Bioscience Building, Utility Infrastructure, and Metropolitan Council Sewer Interceptor Project;
• Emergency approvals for items reviewed at the September 6, 2007 Facilities Committee meeting but not acted on by the Board of Regents due to the early adjournment of the Board meeting on September 7, 2007; and
• Use of the easement consideration of $1,275,000 received from Metropolitan Council for permanent and temporary easements at UMore Park.

The meeting adjourned at 11:51 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, November 8, 2007 at 1:30 p.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellors Charles Casey, Stephen Lehmkuhle, and Jacqueline Johnson; Vice Presidents Steve Cawley, Charles Muscoplat, and Richard Pfutzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Stuart Mason and Michael Volna.

Student Representatives present: Nathan Swanson and Mark Torma.

ISSUES RELATED TO: SOURCE OF PAYMENT OF UNIVERSITY INDEBTEDNESS

Regent Hunter invited Vice President Pfutzenreuter to discuss issues related to the source of payment for University indebtedness. Pfutzenreuter detailed the University’s outstanding debt, identified primary funding sources for debt payments, and noted nine major cost allocation pools. He reviewed debt payments as a percentage of budgeted resources for major academic and support units, and described the University’s favorable debt service and leverage ratios.

In response to questions from the committee regarding loans, Pfutzenreuter stated that with interest rates currently very low, many universities are moving to choosing very long repayment terms for debt. A lengthy discussion ensued regarding alternative strategies to more effectively leverage debt and position the institution to capitalize on market conditions, including what constitutes an appropriate ratio of principal to interest and options for accelerating debt issuance to fund new construction and Higher Education Asset Preservation and Replacement during periods of low interest rates. Pfutzenreuter cautioned that project design costs typically do not remain constant over time, so securing low-interest funding for projects not currently scheduled might not cover the eventual costs of a project. In addition, payments for low interest loans for future projects would be added immediately to the University’s debt service.

Pfutzenreuter noted that coordinate campuses centralize their costs and manage their budget in a manner similar to colleges on the Twin Cities campus. In response to a question from Regent Allen, Pfutzenreuter explained that even though the Duluth campus is the largest coordinate campus, they manage their budget extremely well using this model.

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

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

- Aastra Intecom, Anixter, Border States Electric Supply, Communications Supply Corp., Goldcom, Graybar Inc., MN Computer Supply, and Viking Electric for an estimated $4,000,000 combined to provide telecommunication equipment and supplies for the period December 16, 2007 through December 15, 2008.

- Affymetrix, Inc. for an estimated $400,000 for GeneChip Expression Arrays as needed for the period November 1, 2007 through October 31, 2008 for the Biomedical Genomics Center.

- Berbee Information Networks Corporation for $509,663 to provide a complete turnkey campus phone system, including hardware, software, installation, and maintenance support for 5 years for the University of Minnesota Crookston (UMC).

- Design Workshop for $2,357,330 for predevelopment consulting services at the University of Minnesota Outreach, Research and Education (UMORE Park) Rosemount, Minnesota, for the Statewide Strategic Resource Development Department.

- Edwards Brothers, Sheridan Books, and Thomson-Shore for $600,000 to provide printing and binding of standard-format books as needed for the period November 1, 2007 through October 31, 2008 for the University Press.

- Oracle Corporation for $445,733 to renew Oracle University-wide computer software licenses, updates, and maintenance support for the period November 24, 2007 through November 23, 2008 for the Office of Information Technology (OIT).

- Xerox for $1,200,000 for final renewal of a 5-year blanket contract for copier maintenance offered to all University departments, on all campuses, covering the period January 1, 2008 through December 31, 2008.

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:

- Financial Oversight;
- Key Indicators; and
- Emergency Purchases.

The meeting adjourned at 2:20 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

Finance and Operations Committee
November 8, 2007
A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, November 8, 2007 at 3:15 p.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellor Jacqueline Johnson; Senior Vice President & Provost Thomas Sullivan; Senior Vice President Frank Cerra; Vice Presidents Kathryn Brown and R. Timothy Mulcahy; General Counsel Mark Rotenberg; and Executive Director Ann Cieslak.

Student Representatives present: Meghan Keil and Nathan Olson.

AREA HEALTH EDUCATION CENTER: RESOLUTION

Senior Vice President Cerra led the discussion of the Resolution Related to the Area Health Education Center (AHEC) as described in docket materials. This is the third such resolution the Board has been asked to approve, and it will enable the creation of an independent, not-for-profit corporation in Fergus Falls to support and promote rural health professional education in Central Minnesota.

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

BOARD OF REGENTS POLICY: INTELLECTUAL PROPERTY

Senior Vice President & Provost Sullivan introduced General Counsel Rotenberg and Mulcahy, Vice President for Research, who led the discussion. Rotenberg identified the four types of intellectual property rights recognized in the United States—patent, copyright, trademarks, and trade secrets—and indicated that federal law predominates in the areas of patent, copyright, and trademarks, while state laws predominate in the area of trade secrets (materials on file in the Board Office). Under U.S. patent law, ownership is vested with the inventor and the employer must negotiate with the employee to obtain ownership. Under U.S. copyright law, ownership vests with the employer if the employee was acting within the scope of their job duties.

In contrast to the provisions of federal law, the policies of most U.S. research universities vest ownership of patents with the institution, giving inventors a share of
the net income derived from licensing patent rights. Conversely, copyright ownership of academic works in U.S. universities has traditionally vested with the faculty.

Mulcahy summarized key changes to Board of Regents Policy: *Intellectual Property* (materials in the docket). One important change is the new title, which now includes explicit recognition that the policy addresses the *licensing* of intellectual property rights. Other changes include new definitions; a new principle acknowledging the academic value of commercialization as currently expressed in Board of Regents Policy: *Faculty Tenure*; new language to allow the University's use of intellectual property for humanitarian purposes; and the extension of the policy scope to include students, who are now more systematically involved in research relationships with faculty.

Mulcahy noted that one important aspect of the policy that remains the same is the distribution of income. One-third of the income will continue to be distributed to the faculty inventor, one-third to the college/department, and one-third to the Office of the Vice President for Research (OVPR).

In response to a question from Regent Hunter, Rotenberg stated that one goal of the Board’s recently completed policy review process has been to eliminate delegations to individuals other than the President. Mulcahy informed the committee that the President has delegated this responsibility to him and that decisions regarding changes in the distribution of income would remain with the OVPR, in consultation with the parties involved, including the President.

In response to a number of questions from the committee, Mulcahy reported that there had been extensive consultation with faculty regarding the proposed changes, that some significant changes were based on comments from the faculty, and that faculty are pleased with the proposed policy.

Regarding the distribution of income, Mulcahy indicated that he did an exhaustive review of similar policies at peer institutions across the country and found that at least half employ a fixed distribution of income and that equal shares also is not unusual. Modeling of alternative distribution scenarios revealed that strategies involving caps or tiered/sliding scale distributions increased administrative costs, did little to increase the University’s income, and could be a disincentive to faculty.

In the case of start-up investments in lieu of royalty income, Mulcahy explained that with an expected increase in start-up investments, University policy protects a larger share of equity in start-ups in exchange for licensing the start-up. In this case, the University would negotiate as large a share of equity as possible in lieu of a cash license, but once the inventor gets the financial support necessary, the University’s share of equity would decline while the faculty share would remain proportional.

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

**BOARD OF REGENTS POLICY: COPYRIGHT**

Senior Vice President & Provost Sullivan identified problems with current Board of Regents policy in the area of copyrights; described the consultative process used to develop the proposals to be presented; listed the objectives of the policy proposal:
highlighted important policy terms and definitions; and discussed questions and issues raised by faculty that informed the proposed policy.

Sullivan introduced Wendy Lougee, University Librarian, and Ruth Okediji, professor, School of Law, who were available to answer questions. In response to a question from Regent Larson, Okediji explained that U.S. universities vest rights to academic works in the faculty who created them. In the new proposed policy, the University owns directed works if three conditions are satisfied: (1) there was a specific request by the University to produce the work; (2) the work was supported by substantial University resources; and (3) the work was agreed upon by the University and the creator. Works for hire are the non-directed or non-academic works of an employee that the University owns if the work created was within the scope of their employment.

In response to questions from Regent Simmons, Okediji stated that the 20 institutions selected for comparison were selected because they are (1) public institutions with a public mission similar to the University's; (2) privates who are more innovative and moving to transform existing paradigms; or (3) public and private institutions that are on the cutting edge.

In response to additional questions from the committee, Okediji agreed that the proposed copyright policy will establish as policy what is already being practiced at the University and generally practiced at most other major research institutions. The new policy will not necessarily prevent copyrights from leaving the University with departing faculty, but it does strike a balance between the University's interests and incentives for faculty to create and disseminate their work.

Okediji also explained that faculty-like employees are non-tenure track employees who teach or write scholarly works. Librarians, for example, are evaluated for what they contribute to the intellectual environment and to the University, and they would be classified as faculty-like.

Lougee stated that encouraging faculty and students to provide the greatest possible access to copyrighted works is a very critical guiding principle. New models are emerging from such organizations as the National Institutes of Health that recommend that federally funded research be publicly accessible in an open form of publication. Also, this language will remind creators that there are responsibilities that come with copyrights and we would encourage doing things to promote the broadest possible access.

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

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 Program:
- College of Education and Human Development (Twin Cities campus) – Create Post-Baccalaureate Certificate in Parent Education
Academic Program Change:
- Labovitz School of Business and Economics (Duluth campus) – Discontinue Minors in Business Administration, Finance, Management, Management Information Systems, and Marketing for non-business students.

Endorsement of Change in Accreditation Stipulation:
- The Twin Cities campus seeks Board endorsement of its request to the Higher Learning Commission (Commission), the University's regional accrediting agency, to remove the standard stipulation that prior Commission approval is required before distance education programs can be offered.

INFORMATION ITEMS

There were no information items this month.

The meeting adjourned at 4:30 p.m.

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

Regents present: Patricia Simmons, presiding; Clyde Allen, Dallas Bothsack, Maureen Cisneros, Linda Cohen, Venora Hung, Stephen Hunter, Dean Johnson, and David Larson.

Staff Present: President Robert Bruininks; Chancellors Charles Casey, Stephen Lehmkuhle, and Jacqueline Johnson; Senior Vice President and Provost Thomas Sullivan; Senior Vice President Frank Cerra; Vice Presidents Kathryn Brown, Carol Carrier, Karen Himle, Timothy Mulcahy, Kathleen O’Brien, Richard Pfutzenreuter, and Steven Rosenstone; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt, Robert Kvavik, Stuart Mason, Meredith McQuaid, and Michael Volna.

RECOGNITIONS

Special recognition was given to Professor Leonid Hurwicz, recipient of a Nobel Prize in Economic Sciences. Professor Hurwicz briefly addressed the Board.

Recognition was also given to Associate Vice President Robert Kvavik, appointed First Class of the Royal Norwegian Order of Merit.

INTRODUCTIONS

President Bruininks introduced Steven J. Rosenstone, newly-appointed Vice President for Scholarly and Cultural Affairs. Rosenstone assumed his duties on September 10, 2007. Bruininks also introduced Meredith McQuaid, newly-appointed Associate Vice President and Dean of International Programs. McQuaid assumed her duties on September 7, 2007.

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 – October 11, 2007
- Faculty, Staff & Student Affairs Committee – October 11, 2007
- Finance & Operations Committee – October 11, 2007
- Board of Regents Work Session – October 11, 2007
- Board of Regents – October 12, 2007
REPORT OF THE PRESIDENT

President Bruininks highlighted a number of special events that took place at the University during October, including the awarding of a Nobel Prize in Economic Sciences to Professor Leonid Hurwicz; the opening of the Leatherdale Equine Center in St. Paul; and the opening of the new University of Minnesota Rochester downtown campus. Bruininks announced several significant gifts and grants to the University and the groundbreaking research and activities that those dollars will fund.

Bruininks also noted that this is his fifth anniversary as president of the University. He expressed his gratitude for the continued trust of the Board of Regents and acknowledged the support of his leadership team and the academic community.

REPORT OF THE CHAIR

Chair Simmons acknowledged the completion of President Bruininks's fifth year in office. On behalf of the Board of Regents, she thanked the President for his outstanding leadership and contributions to the University and the State of Minnesota. She also noted the contributions of the President’s spouse, Dr. Susan Hagstrum, to the University.

Chair Simmons expressed gratitude to Professor Gary Balas, Faculty Consultative Committee Chair, for hosting dinner with the Board of Regents the previous evening.

RECEIVE AND FILE REPORTS

Chair Simmons noted the receipt and filing of the Annual Eastcliff Report.

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 October 26, 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.

COLLECTIVE BARGAINING AGREEMENT WITH AFSCME LOCALS 3800 & 3801 (CLERICAL UNIT 6)

Regent Hunter recused himself for the discussion and vote on the four collective bargaining agreements due to a possible conflict of interest. He left the meeting.

Chair Simmons introduced Vice President Carrier and Patti Dion, Director of Employee Relations, to present the proposed labor agreements. The contracts provide the terms and conditions of employment for employees between the date of signing and June 30, 2009.

Carrier noted the agreements would be discussed collectively given the similarity of many of the provisions, but that each contract would require a separate vote.
Carrier explained a number of principles and policies guiding labor negotiations that emphasize competitive compensation with appropriate institutional peers and labor markets, and seek internal equity and fairness across employee groups in the plans. The principles also recognize the importance of a strong health care plan and other benefits.

Dion provided details on the proposed labor agreements and the employee groups represented by them. She described the negotiating process and highlighted several key elements of the wage and benefits portions of the proposed agreements, including several non-economic items.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the following resolution related to the proposed labor agreement with AFSCME Locals 3800 and 3801 employees:

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

WHEREAS, AFSCME Locals 3800 and 3801 have ratified acceptance of this agreement; and

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

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for November 9, 2007.

COLLECTIVE BARGAINING AGREEMENT WITH AFSCME LOCAL 3260 (HEALTH CARE UNIT 4)

A motion was made and seconded, and the Board of Regents voted unanimously to approve the following resolution related to the proposed labor agreement with AFSCME Local 3260 employees:

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

WHEREAS, AFSCME Local 3260 have ratified acceptance of this agreement; and

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

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for November 9, 2007.
COLLECTIVE BARGAINING AGREEMENT WITH AFSCME LOCALS 3937 & 3801 (TECHNICAL UNIT 7)

A motion was made and seconded, and the Board of Regents voted unanimously to approve the following resolution related to the proposed labor agreement with AFSCME Locals 3937 and 3801 employees:

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

WHEREAS, AFSCME Locals 3937 and 3801 have ratified acceptance of this agreement; and

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

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for November 9, 2007.

COLLECTIVE BARGAINING AGREEMENT WITH IBEW LOCAL 292 (RADIO & BROADCAST TECHNICIANS, UNIT 2)

A motion was made and seconded, and the Board of Regents voted unanimously to approve the following resolution related to the proposed labor agreement with the International Brotherhood of Electrical Workers Local 292/PELRA Unit 2, as follows:

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

WHEREAS, the IBEW Local Union 292 has ratified acceptance of this agreement; and

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

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for November 9, 2007.

Regent Hunter returned to the meeting.
APPOINTMENTS: UNIVERSITY FOUNDATION TRUSTEES

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

Nancy Lindahl – appointed for a three-year term, November 2007-2010
Honorable Patricia Simmons – appointed for a three-year term, November 2007-2010

GIFTS

Foundation President Gerald Fischer presented the list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation, and the Minnesota Medical Foundation through September 30, 2007.

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

ANNUAL UNIVERSITY OF MINNESOTA FOUNDATION REPORT

Gerald Fischer, President of the University of Minnesota Foundation (UMF), Judy Kirk, UMF Assistant Vice President, and Elliot Kaplan, Trustee and Board Vice Chair, presented an annual review of fundraising highlights as provided in the materials on file in the Board Office.

Kaplan reported that gift production totaled $251 million in FY2007, compared to $181.5 million the previous year. Kaplan recognized the 87,167 donors who pledged current and future funds, making this year the most successful year in UMF history.

Fischer spoke to the role of private giving to the University. He provided an analysis of donors, size of gifts, and designated uses of the gifts. Fischer provided an historical perspective of twenty-five years of gift giving, and major components of gift production. He also reported that that University of Minnesota ranks 4th in public universities in voluntary support of education.

Fisher reported that the Promise of Tomorrow Scholarship Drive totals over $191 million in four years for support of scholarships and fellowships. Last year, the number of students who received privately funded support went up by 46% from the beginning of the campaign in 2003. Additionally, the size of awards increased 54%. Regarding fundraising for TCF Bank Stadium, gifts to date total $73.5 million, which is 85 percent of the goal. Fischer emphasized that stadium fundraising has resulted in over $40 million in additional gifts for academic purposes. He recognized the efforts of John and Nancy Lindahl, volunteer stadium fundraising co-chairs.

In response to a question from Regent Allen, Fischer clarified that there is increased emphasis on pledges over current or deferred gifts or asset transfers. Kirk noted that individuals often chose a combination of a current gift and a legacy gift through their estate planning.

In response to a question from President Bruininks, Fischer indicated that State support is critical to success in fundraising. He noted that gifts are supplemental to the
core funding from the State in order to create and sustain excellence, and donors want confidence in knowing that their funds are not a substitute for State support.

**REPORT OF THE FACULTY CONSULTATIVE COMMITTEE**

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

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

**UNIVERSITY PLAN, PERFORMANCE & ACCOUNTABILITY REPORT**

Senior Vice President and Provost Sullivan presented the 2007 *University Plan, Performance & Accountability Report* (Report), as included in the docket and associated materials distributed at the meeting.

Sullivan noted the *Report* summarizes the major strategic initiatives underway, the measure of progress within each of the University's four strategic "pillars," and rank relative to the competitor institutions of the Twin Cities Campus. The *Report* also identifies input and output measures; compares the University's performance against peer institutions, identifies gaps in progress; and identifies strategies to close the gaps and align priorities and resources accordingly.

Sullivan reported the University is making significant progress under strategic planning. He cautioned, however, that more work is needed in order to reach the University's strategic positioning goals. Sullivan provided measurements on student enrollment, graduation rates, student satisfaction, and advanced degrees conferred. He described several initiatives developed to improve performance in a number of areas. He also provided a brief overview of the coordinate campuses and the performance of each campus relating to the key measures.

Sullivan provided data on efforts to recruit and retain top faculty; new initiatives to foster exceptional innovation and programs; investments in University libraries; and new interdisciplinary initiatives launched to enhance the institution's national and international visibility.

Sullivan reported that while the University is favorably ranked in its endowment and with regard to annual giving, the universities with which this institution competes are ranked substantially higher.

Sullivan indicated that future goals are to focus and be disciplined on how to identify new resources to align with the goals of the strategic planning objectives; identify where the University can use its comparative advantage to create new successes; and identify breakthrough successes and ensure resources are aligned to maintain progress.

Student Representative Adam Engelman spoke in support of the Report on behalf of the Student Representatives to the Board of Regents. He indicated that two issues of concern are evaluating professors in their teaching roles, and ensuring continued access and affordability for students.
In response to questions from Regents, Sullivan indicated that the Report design is aligned with the strategic planning process to show input qualities and output measures.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the following resolution related to the University Plan, Performance & Accountability Report, as follows:

WHEREAS, the president of the University and the Board of Regents (Board) are entrusted with the responsibility in their oversight of the University to be good stewards of the public interest, resources, and facilities; and

WHEREAS, it is the responsibility of the Board, in cooperation with the president, to articulate the directions and priorities of the institution; identify and analyze the critical issues and challenges confronting the University; assess its operations; and evaluate the performance and success of its colleges and campuses; and

WHEREAS, it was resolved that the University Plan, Performance, and Accountability Report (Report) shall include the priorities of the institution; statistical profiles of the University at the campus level; selected statistics related to system trends; University-wide strategies to achieve goals; summaries of accomplishments and investments; progress in institutional performance measures; and summaries of special institutional studies and reports; and

WHEREAS, on the recommendation of the senior vice president for academic affairs and provost, the president of the University requests the Board accept the 2007 Report; and

NOW, THEREFORE, BE IT RESOLVED that the Board accepts the 2007 Report as submitted by the administration.

STRATEGIC POSITIONING UPDATE

President Bruininks and Associate Vice President Kvavik provided an update on the University's efforts to develop a metrics and measurement framework in support of its strategic positioning goals to be one of the top three public research university systems. Applying tangible evidence through the use of quantitative measures for assessing the University's movement toward this goal is vital for how academic and administrative leaders mark advancements in strategic activities.

Bruininks noted that this process is an effort to continually improve the measurements in a thoughtful way to support continuous improvement and reform. He stressed the need to align metrics and measurement strategies, with similar high aspirations for the coordinate campuses and statement centers, according to the aspirations, historic strengths, and opportunities of each.
The President presented four questions to frame the discussion:

- What does the University currently measure?
- What should be measured?
- What frameworks and tools are available?
- What’s next?

Kvavik explained that the purpose of measurement is to establish accountability and a culture of credibility in a changing environment. The use of data is critical to demonstrate the institution’s performance across multiple dimensions of quality of programs, serving public needs, efficiency, effectiveness, and productivity. He defined metrics as a set of measurements that quantify performance and results, and described a number of ways in which metrics are used to assess progress on strategic goals, inform decision-making, benchmark with peers, determine return on investment, measure achievement, and provide accountability and credibility.

Kvavik presented a number of metric objectives and outcomes within the four strategic areas of exceptional students, exceptional faculty and staff, exceptional organization, and exceptional innovation (included in materials distributed at the meeting and on file in the Board Office). Kvavik also outlined a number of criteria for decision-making and related measures, including centrality to mission; quality, productivity, and impact; efficiency; and development and leveraging of resources. He discussed examples of measurement and accountability tools to assess progress and the ways in which the outcomes inform decision-making.

As examples, Kvavik provided a number of facility performances by condition, utilization, and functionality. He explained how various measurements focus on the relationship capital projects has to achieving the University’s desired strategic positioning outcomes, and noted a number of challenges with regard to campus space utilization.

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

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

**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 November 8, 2007 minutes.

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

Hunter reported that the committee also discussed issues related to sources of payment for University indebtedness.
REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

a) Approval of the Consent Report as presented to the committee and described in the November 8, 2007 committee minutes.

b) Approval of a resolution related to Central Minnesota (Fergus Falls) Area Health Education Center, as follows:

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

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

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

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

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

Larson reported that the committee also reviewed amendments to Board of Regents Policy: Intellectual Property; and reviewed Board of Regents Policy: Copyright.

REPORT OF THE FACILITIES COMMITTEE

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

a) The following real estate transaction:

1. Purchase of 2001 Plymouth Avenue North, Minneapolis for Northside Partnership Program.

b) A resolution regarding the need for an environmental impact statement for the NOvA Laboratory Projects, as follows:
WHEREAS, the Board of Regents’ resolution of July 11, 2007, established that the Board of Regents of the University of Minnesota shall perform the responsibilities of a Responsible Governmental Unit as described in the Minnesota Environmental Policy Act, Minn. Stat. Ch. 116D, and accompanying Minnesota Rules, in connection with the NOvA Far Detector Laboratory Project (NOvA Laboratory Project); and

WHEREAS, the Board of Regents’ resolution of July 11, 2007, directed that a discretionary Environmental Assessment Worksheet for the NOvA Laboratory Project be prepared and reviewed as described in the Minnesota Environmental Policy Act and accompanying Minnesota Rules; and

WHEREAS, the Board of Regents has reviewed the discretionary Environmental Assessment Worksheet prepared for the NOvA Laboratory Project and found that said document complies with the requirements set forth in the Minnesota Environmental Policy Act and accompanying Minnesota Rules; and

WHEREAS, the Board of Regents concludes that the NOvA Laboratory Project does not have the potential for significant environmental effects.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents issues a Negative Declaration with respect to the NOvA Laboratory Project, declaring that an Environmental Impact Statement need not be prepared for said Project, and that the Board of Regents hereby adopts the foregoing Findings of Fact and Conclusions of Law, and directs the President or his delegates to provide copies this Resolution, Findings of Fact and Conclusions of Law, and the University’s responses to comments on the Environmental Assessment Worksheet for the NOvA Laboratory Project, to all persons designated by Minn. R. 4410.1700, subp. 5, within the period set forth in said rule.

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

Metzen reported that the committee also reviewed a number of information items presented in the docket materials.

REPORT OF THE AUDIT COMMITTEE

Regent Cohen, Chair of the committee, reported that the committee received a report from the external auditor; received a compliance officer report on results of a University-wide research compliance study; and reviewed the information items detailed in the docket materials.
REPORT OF THE LITIGATION REVIEW COMMITTEE

Chair Simmons reported that the committee did not meet this month.

The meeting adjourned at 11:59 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary