

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

**Minutes of the Board of Regents Meetings
and Committee Meetings**

November 12-13, 2009

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UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Audit Committee

November 12, 2009

A meeting of the Audit Committee of the Board of Regents was held on Thursday, November 12, 2009 at 8:45 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Steven Hunter, presiding, Linda Cohen, Richard Beeson, John Frobenius, Maureen Ramirez, and Patricia Simmons.

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

Student Representatives present: Christina Brakken-Thal and Jennifer McCabe.

EXTERNAL AUDITOR REPORT

Associate Vice President Volna introduced Don Loberg and Craig Popenhagen, Principals, LarsonAllen, to present the external auditor's opinion on the accuracy and reliability of the University's FY2009 financial statements, as included in the materials distributed at the meeting and on file in the Board Office. This report is intended to assure the committee that the University has the appropriate policies, procedures, and systems of controls in place to produce accurate and reliable financial information.

Loberg and Popenhagen reported on the FY2009 audit, indicating that the University's financial statements received an unqualified audit opinion. Popenhagen discussed required communications, noting LarsonAllen received the full cooperation of management during the audit process. He discussed challenges encountered while performing the audit related to the conversion this year to the Enterprise Financial System (EFS). Popenhagen noted that EFS reporting functions present ongoing challenges, but this is expected to improve as users become more familiar with the system. He stated that no major issues or adjustments occurred due to the EFS, which is an accomplishment given the complexity of the system. Popenhagen also reported on new auditing and accounting standards, and required communications related to the financial statements.

Loberg discussed the institution's financial position. He indicated that the ratio of assets to expenses has decreased in the past year due to market value declines in investments and reductions in state appropriations. He noted that past increases in revenue helped to offset the losses this year, and cautioned that it is important to monitor the trend in increased expenses.

Loberg also presented a number of financial ratios to show how this institution compares with other Big Ten universities. In response to a comment from Regent Simmons, Sullivan indicated the University uses comparative data from comparable research institutions for strategic positioning purposes, and comparing financial ratios to those institutions would be beneficial. Popenhagen reported that tuition revenue is close to covering direct instructional costs and is lower than that of other Big Ten institutions.

COMPLIANCE OFFICER REPORT

Lynn Zentner, Director, Office of Compliance, presented a summary of the most significant compliance-related risks identified since the last report to the committee in March 2009. A copy of the report is included in the docket materials and on file in the Board Office.

Zentner provided an overview of the Compliance Program and how it operates through a partnership with compliance partners throughout the University representing approximately 30 subject matter areas. She identified the areas of focus for this discussion: Occupational Health and Safety, the University Compliance Program, Disability Services, International Programs, Human Resources, and data security. Zentner presented the most significant current risk areas and summarized actions taken to manage those risks.

Zentner reported that the probationary status imposed in 2007 by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC), which was reported to the committee in March 2009, has been lifted. She indicated the institution is now fully accredited with AAALAC. She also provided an update of UReport, the confidential web-based service intended to be used to report violations of local, state, and federal law and University policy. Zentner presented a summary of overall allegation categories by percentage and a summary of employment report allegations (on file in the Board Office).

In response to questions from Regent Frobenius, Zentner indicated compliance programs in higher education and corporate institutions were created and developed based on federal sentencing guidelines to demonstrate that a particular entity intends to comply with the law. Sullivan added that the role of the Office of Institutional Compliance is one of oversight; support from University compliance partners and senior leadership make it possible for recommendations to be implemented.

CONFLICT OF INTEREST: POLICY & INFRASTRUCTURE CHANGES

Lynn Zentner, Director, Office of Institutional Compliance, presented a summary of the most significant infrastructure changes to the Conflict of Interest (COI) Program, and discussed development of revisions to the administrative individual conflict of interest policy, as detailed in the docket materials.

Zentner noted that the University has had a COI policy for individuals in place since 1994 and a COI policy for institutions since 2005, both with corresponding administrative policies. In 2008, an internal and external review of the COI program was conducted, with results reported to this committee at its February 2009 meeting. The report identified several areas and recommendations including items related to the overall infrastructure, reporting process, policy and procedure development, training, and the development of standards to govern relations with external entities. A senior leadership advisory committee was convened to address the recommendations. Further review by the executive Oversight Compliance Committee resulted in a number of recommendations. Zentner summarized four developments underway to enhance the COI program:

- Centralization of conflict of interest review of all Reports of External Professional Activities (REPA);
- Changing the reporting period for the REPA and financial disclosure for University officials form;
- Revising certain procedures and assumptions associated with the development of COI management plans; and
- The development of a University-wide COI educational program.

Zentner reported that significant effort has been made in the past year to develop a revised policy on individual COIs, and described the process undertaken by members of a task force and committees to consider industry standards and best practices of higher education institutions. The result is a draft that will be reviewed in the coming weeks by University leadership, faculty governance leadership and committees. The policy has university-wide application, sets forth guiding principles, identifies certain prohibited activities, and establishes standards of governance in a number of areas. Zentner stressed that the policy is intended to provide clarity about conduct and provide flexibility for managing identified conflicts of interest.

Regent Simmons stressed the importance of creating a program to evaluate the effectiveness of the institutional systems and practices for identifying and managing COIs, and suggested it would be beneficial for the Board of Regents to hear a report on such a program in the future.

In response to a question from Regent Frobenius, Zentner discussed the ongoing process to coordinate and relate similar policies of the University of Minnesota Physicians (UMP) and Fairview Health Systems (FHS) to the University's COI policy. Zentner noted that some COIs that have clinical application may be carried out more effectively through processes at UMP or at FHS. Simmons stressed that it is critical for the same standards to apply to all University employees.

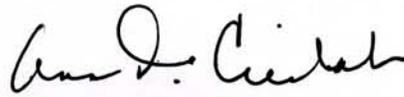
INFORMATION ITEMS

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

- Semi-Annual Controller's Report.

Klatt announced that the first cycle of reporting obligations for use of federal and state stimulus funds has been completed successfully and on time.

The meeting adjourned at 10:14 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance & Operations Committee

November 12, 2009

A meeting of the Finance and Operations Committee of the Board of Regents was held on Thursday, November 12, 2009 at 1:30 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: John Frobenius, presiding; Clyde Allen, Richard Beeson, Venora Hung, Steven Hunter, and Patricia Simmons.

Staff present: Chancellors Charles Casey and Jacqueline Johnson; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Steven Cawley, Richard Pfutzenreuter, and Steven Rosenstone; General Counsel Mark Rotenberg; Executive Director Ann Ciesak; and Associate Vice Presidents Michael Berthelsen, Stuart Mason, Michael Perkins, and Michael Volna.

Student Representatives present: Matt Privratsky and Aditya Srinath.

**DEBT CAPACITY UPDATE RELATED TO PRESIDENT'S
RECOMMENDED SIX-YEAR CAPITAL IMPROVEMENT PLAN**

Vice President Pfutzenreuter presented the Debt Capacity Update related to the President's Recommended Six-Year Capital Improvement Plan, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. He reviewed the report and noted that the figures were compiled from June 30, 2009 data. Pfutzenreuter acknowledged the current extraordinary financial realities the University is facing and described the following strategies to manage debt:

- Advance an overall capital plan that maintains current debt ratings;
- Limit long-term leverage/reliance on endowment assets for increased debt capacity;
- Honor projects that have an identified source of payment for debt costs;
- Limit new capital projects that place increased operating cost burdens on units in financial stress; and
- Leverage state capital funding opportunities in conjunction with University resources to complete critical projects that serve to improve infrastructure and benefit the common good.

Pfutzenreuter reported that the University continues to enjoy an Aa2 rating by Moody's Investors and an AA rating from Standard & Poor's. He outlined financial metrics and debt capacity assumptions for FY2010-2015 and described key assumptions that included increases in operating revenue, operating expense, and non-operating revenues.

Regent Allen stressed that the Debt Management Advisory Committee is carefully watching the University's debt capacity to ensure continued good credit ratings by Moody's and Standard & Poor's. Members of the committee expressed concern regarding the loss of stimulus funds in 2011 and the effect of the recession for future funding of projects that do not have revenue streams.

RESOLUTION RELATED TO: ISSUANCE OF DEBT

Vice President Pfutzenreuter presented for review and action a Resolution Related to the Issuance of Debt, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. He noted that some of the projects authorized as part of the \$164 million request in November 2008 would not be funded, resulting in \$34.7 million in authorized but unissued debt. An additional \$6.3 million previously approved was not issued until fall 2009.

Pfutzenreuter clarified that the Resolution under consideration: 1) cancels \$30.2 million in projects approved in the November 2008 Resolution; 2) includes the \$6.3 million issued this fall; and 3) includes \$30.4 million in new debt, for a total request of \$36.7 million. He added that the Resolution data was incorporated into the debt capacity presentation. A lengthy discussion ensued regarding the specifics of the Resolution, in particular the cancellation of previously approved projects. Regent Simmons expressed concern that the Resolution under consideration both removes projects that were previously approved as well as requests additional debt for new projects.

The committee voted unanimously to recommend approval of the Resolution Related to Issuance of Debt.

RESOLUTION RELATED TO: ISSUANCE OF CLEAN RENEWABLE ENERGY BONDS

Vice President Pfutzenreuter presented for review and action a Resolution Related to the Issuance of Clean Renewable Energy Bonds (CREB), as detailed in the docket materials. The \$5.1 million request funds two wind turbines on the Morris campus.

Pfutzenreuter noted that the issuance of CREBs is contingent upon completion of certain agreements and other matters related to the issuance. The purpose of the Resolution is to put into place the approvals necessary to issue CREBs for the projects should the agreements be completed before December 31, 2009, which is the deadline for issuance under the authorizing legislation. Pfutzenreuter assured the committee that if general obligation funds are used instead of CREBs, another resolution would come before the committee at a later date.

The committee voted unanimously to recommend approval of the Resolution Related to Issuance of Clean Renewable Energy Bonds.

RESOLUTION RELATED TO: ISSUANCE OF DEBT FOR STATE-SUPPORTED BIOMEDICAL FACILITIES

Vice President Pfutzenreuter presented for review and action a Resolution Related to the Issuance of Debt for State-Supported Biomedical Facilities, as detailed in the docket materials. He reported that 75 percent of the debt would be paid by state appropriations, and that the Facilities Committee had previously approved the project.

The committee voted unanimously to recommend approval of the Resolution Related to Issuance of Debt for State-Supported Biomedical Facilities.

BOARD OF REGENTS TRANSACTION APPROVAL THRESHOLDS

Vice President Pfutzenreuter presented Board of Regents approval threshold data as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office.

Pfutzenreuter detailed the purchase of goods and services that were brought to the committee during FY09. Of the \$242 million in requests, 36 items for \$1 million or more accounted for 82 percent of the total dollars requested. Following a lengthy discussion, Regent Allen suggested that the administration return to a future meeting with a recommendation to increase the transaction approval threshold to \$1 million.

CONSENT REPORT

Vice President Pfutzenreuter presented a revised Consent Report, as detailed in the docket and associated materials distributed at the meeting and on file in the Board Office. Consent Items include the following:

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

- Aastra Intecom, Anixter, Border States Electric Supply, Communications Supply Corp., Goldcom, Graybar Inc., and MN Computer Supply for an estimated \$2,000,000 combined total to provide telecommunication equipment and supplies for the period of December 16, 2009, through December 15, 2010, for Networking and Telecommunications Services, a division of the Office of Information Technology.
- BD Biosciences for \$552,430 for a FACS Aria II Special Order cell sorter to establish a Biosafety Level 2 cell sorting facility in the Department of Microbiology, Medical School.
- Charter Search, Inc. for \$426,497, Erving Aviation for \$137,350 and Private Jet Services for \$183,621 for charter service for the 2009-10 season for the University of Minnesota men's and women's basketball teams. The charters total \$747,468.

- Iceberg Technology, Signature Consultants, Dashe and Thompson, Inc., and others for an estimated \$3,416,000 for contractor and consultant services for the period of November 23, 2009, through September 30, 2010.
- Managed Services, Inc. for \$462,483 to provide facilities management services for the West Bank Office Building for the period of December 1, 2009, to November 30, 2010.
- Oracle Corporation for \$472,877 to renew Oracle University-wide computer software licenses, updates, and maintenance support for the one-year period November 24, 2009, through November 23, 2010, for the Office of Information Technology
- Schindler Elevator Corporation for \$481,536 for the Annual Elevator Maintenance Contract for the period December 1, 2009, through November 30, 2010, for the Health Sciences District.
- Sedgwick Claims Management Systems for \$822,000 for Claims Administration services for the period of July 1, 2009, through June 30, 2011, for the Office of Risk Management
- Virginia (MN) Regional Medical Center (VRMC) for \$329,670 for the purchase and installation of digital radiography equipment as part of a Minnesota State research project funded for July 2008 through July 2013 to study asbestos-related cancer in partnership with the U of MN School of Public Health.
- Increase the contract with Watson Wyatt by \$500,000 to provide for additional annual comprehensive benefits consulting for the UPlan Employee Medical Program and the University's Administrative Working Group (AWG) for Health Care, chaired by Dr. Frank Cerra, Senior Vice President for Health Sciences. The Board has previously approved Wyatt consulting contract amounts totaling \$1,173,000. The additional Wyatt support will increase the total contract to \$1,673,000.

Approval of Underwriter for Debt

To approve the appointment of:

1. Piper Jaffray & Co. as underwriter for the issuance of General Obligation bonds.
2. RBC Capital Markets as underwriter for the issuance of Clean Renewable Energy Bonds.

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

INFORMATION ITEMS

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

- Quarterly Investment Advisory Committee Update;
- Quarterly Debt Management Advisory Committee Update; and
- Swap Restructuring.

The meeting adjourned at 3:10 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff & Student Affairs Committee

November 12, 2009

A meeting of the Faculty, Staff & Student Affairs Committee of the Board of Regents was held on Thursday, November 12, 2009 at 1:30 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Dean Johnson, presiding; Anthony Baraga, Dallas Bohnsack, Linda Cohen, David Larson, and Maureen Ramirez.

Staff present: Senior Vice President and Provost Thomas Sullivan; Senior Vice President Robert Jones; Vice President Carol Carrier; Executive Director Ann Cieslak; and Associate Vice President Kristin Lockhart.

Student Representatives present: Sarah Shook and Lauren Snively.

THE NEW RETIREMENT: MEANINGFUL WORK AND CIVIC ENGAGEMENT

Vice President Carrier introduced Mary Nichols, Dean of the College of Continuing Education (CCE), Andrea Gilats, Director of CCE's LearningLife program, and Bill Spinelli, Allina Health System physician and a Master of Public Administration candidate in the Humphrey Institute, to discuss research and programs related to late-career employees and the transition into retirement. Nichols reported that the baby boomer generation includes 78 million Americans who are nearing or at the end of their careers and are looking for meaningful work and civic opportunities as they enter into retirement. She explained that the immediate conversion to no work is neither common nor preferred by most Americans and that more organizations are assisting employees in this transition.

Gilats provided information on CCE's LearningLife program and explained that it is designed for late career employees or new retirees from many different professions to take a series of courses on how to transition into an encore career. Spinelli discussed his experiences as a late-career physician and the associated challenges in finding meaningful post-practice work. He provided information on efforts he has initiated to provide opportunities to physicians nearing retirement related to community engagement, mentoring, and learning collaboratives.

In response to a question from Regent Ramirez, Nichols explained that while most participants in the LearningLife program come from professional backgrounds, the course work is designed to be accessible and applicable to late-career employees from all backgrounds. Regent Johnson encouraged the University to expand on these efforts with its own employees.

TRANSFER STUDENT EXPERIENCE AND WELCOME WEEK UPDATE

Vice President Carrier introduced Robert McMaster, Vice Provost for Undergraduate Education, and Laura Koch, Assistant Vice Provost for Undergraduate Education, to present information on transfer students and provide an update on the University's welcome week orientation program. Carrier noted that information on transfer students was requested by the committee when finalizing the 2009-2010 committee workplan at a previous meeting.

McMaster provided a detailed analysis of the transfer student population at the University. Highlights of the presentation included:

- The system-wide transfer student enrollment has remained around 2,500 for the past ten years, but this year increased to 3,259.
- Approximately 36 percent of Twin Cities campus transfer students previously matriculated at Minnesota community colleges, with Normandale Community College contributing the most students.
- Over half of Twin Cities transfer students have completed fewer than 60 credits prior to enrolling at the University.

Koch discussed the orientation process for transfer students on the Twin Cities campus, which is delivered both on campus and online. She noted that survey data has demonstrated that over 80 percent of students believe both forms of transfer student orientation to be helpful in preparing them for the University experience. Koch observed that the completion of academic coursework was the greatest concern of transfer students before starting their University careers.

McMaster reported that the four- and five-year graduation rates for transfer students on the Twin Cities campus lag behind the rates of students who enrolled as freshmen. He observed that transfer students typically report lower levels of participation in such activities as on-campus employment, community service, and study abroad. McMaster presented a variety of recommendations to better respond to the needs of transfer students, including providing more time with academic advisers, engaging in earlier orientation activities, and promoting involvement in campus activities.

Koch provided a brief update on the 2009 welcome week orientation program for incoming freshmen. She noted that performance indicators such as sense of school pride and understanding of the physical campus yielded better results among participants than in 2008.

In response to a question from Regent Baraga, McMaster clarified that a student must complete their final 30 credits at the University to receive a degree from the institution. In response to a question from Regent Cohen, McMaster explained that the University and the Minnesota State Colleges and Universities system have negotiated a credit requirement system that universally qualifies students for transfers in Minnesota if they meet the criteria.

In response to a question from Regent Ramirez, McMaster commented that transfer students do not have as much access to merit-based scholarships as freshmen students. He added that resident transfer students are eligible for financially-based scholarships such as the U Promise Free Tuition Scholarship and Middle Income Scholarship.

CONSENT REPORT

Vice President Carrier presented for action the Consent Report, which included the following items:

- Appointment of Jean K. Quam as Dean, College of Education and Human Development, effective November 13, 2009;
- Appointment of Henning Schroeder as Vice Provost and Dean of Graduate Education, effective January 19, 2009; and
- Conferral of tenure to two faculty who were hired at the University of Minnesota since September 2009.

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 3:30 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Work Session

November 12, 2009

A meeting of the Board of Regents of the University of Minnesota was held on Thursday, November 12, 2009, at 10:30 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

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

Regent Allen called to order a meeting of the Board of Regents, inviting Bruininks, Sullivan, and Peter Radcliffe, Director, Office of Planning & Analysis, to lead the discussion. Bruininks, noting that accountability has been a hallmark of the University since its inception, summarized the University's current efforts to be accountable (materials in the docket and in associated materials distributed at the meeting and on file in the Board Office). He presented a list of core principles that had guided the development of the University's metrics framework, asserting that these measures must be aligned with the University's mission, goals, and strategies. These measures also should be used to chart the University's progress, becoming a part of its culture, its continuous improvement initiatives, and its external accountability. He concluded his remarks with illustrative strategies and indicators related to the University's mission in the areas of education, research, and outreach and service.

Radcliffe described the integrated metrics framework through which (1) unit-level goals and strategies are aligned with University-wide goals and strategies and (2) unit-level measures are reflected in University-wide key indicators. While not all unit-level indicators will directly relate to key University-wide indicators, success at the unit level should translate into improvement University-wide so that the framework is meaningful internally as a management tool and externally for accountability purposes.

Sullivan explained that the framework holds academic departments accountable through metrics that are assigned to each college, from the dean down to the level of the individual academic advisor. These indicators, such as curriculum sequencing, quality of instruction, and placement of graduates, will be used to determine how well the college is doing. The results measured for each college will then be combined and disclosed through the University's annual institutional evaluation and reporting.

Bruininks emphasized that the metrics framework continues to be a work in progress because new areas of emphasis have emerged through Board policy decisions, the interests of the Board, and external pressures. In other instances, the framework

has required recalibration to allow assessments of the factors that influence key indicators. In the months ahead, there will be increasing attention given to driving measures down to the local level so that decision making at the University is evidence-based.

A lengthy discussion ensued in which the following issues were raised:

- the importance of timely presentation of metrics and key indicators;
- the importance of distinguishing between indicators critical for Board review and those that best serve the needs of management;
- the potential value of unit-level outcomes in committee discussions;
- the importance of assessing key indicators relative to the resources required to achieve desired outcomes;
- the need for peer comparisons on identified metrics;
- the need to develop metrics that better quantify the cost of delivering a college education; and
- the importance of employee engagement, employee evaluations, and excellent leadership.

Allen observed that today's discussion had established a framework for the Board's use in assessing critical indicators and identified areas in which additional information may be needed. The challenge will be to incorporate additional appropriate indicators while continuing to benefit from proven measures of success.

The work session adjourned at 11:28 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Work Session

November 12, 2009

A work session of the Board of Regents was held on Thursday, November 12, 2009 at 3:45 p.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Robert Bruininks; and Executive Director Ann Cieslak.

Regent Allen welcomed Steven Goldstein, President of the University of Minnesota Foundation (UMF) and Becky Malkerson, President of the Minnesota Medical Foundation (MMF) to discuss the role of private giving in financing the future of the University. Goldstein reported that the University collected the second highest amount of private gifts in FY2009. He added that private gifts accounted for six percent of the University's budget in FY2009 and that \$160 million was disbursed to the University from the two foundations.

Malkerson explained that the two foundations view their role as augmenting University priorities by solidifying and enhancing quality and providing scholarship support to students. She observed that MMF works with leadership from the Academic Health Center to align philanthropic goals to academic and research priorities.

Goldstein explained that while MMF is a centralized organization that handles all fundraising internally, UMF has a more limited central organization and instead works together with development officers from the University's colleges and departments. He observed that 26 separate units of the University will be developing principal gift development plans over the next 18 months. Goldstein explained that the development plans will define program priorities, set long range goals, and orchestrate targeted projects for select priorities.

Goldstein reported that over \$270 million has been raised as part of the Promise of Tomorrow scholarship drive over the past five years. He described the goal for student tuition support as a focus on institutional and unit-based programs to significantly increase the dollars available for scholarships on an annual basis.

Malkerson emphasized the importance of large transformational gifts to accomplishing institutional goals. She observed that the experience of cultivating recent large gifts has taught the foundations to focus on programs of excellence, demand strong institutional support, demonstrate accountability, and work to develop a long-term relationship of stewardship with the donor. Malkerson reported that the goal for the next 18 months will be to complete a strategic plan and launch a targeted campaign for a new transformational initiative.

In response to questions from several Regents, Goldstein commented that philanthropic priorities are derived from conversations with the academic leadership of the University. He added that the foundations attempt to cultivate a wide variety of types of gifts, including buildings and infrastructure, scholarships, and unrestricted donations. In response to a question from Allen, President Bruininks cautioned against viewing private giving as a substitute for state funding because donors are much more interested in contributing to excellence rather than filling funding gaps.

Several Regents commended Goldstein and Malkerson for the past year's performance and the strategic cooperation demonstrated by the foundations. Allen expressed appreciation for the presentation and observed that the role of private giving in the University's financial future is a topic that demands further discussion with the Board.

The work session adjourned at 4:48 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

November 13, 2009

A meeting of the Board of Regents of the University of Minnesota was held on Friday, November 13, 2009 at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Robert Bruininks; Chancellors Charles Casey and Jacqueline Johnson; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; 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, Stuart Mason, Donna Peterson, and Michael Volna.

RECOGNITION

Recognition was given to Graham V. Candler, McKnight Presidential Professor in Aerospace Engineering and Mechanics.

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 8, 2009
Facilities Committee – October 8, 2009
Board of Regents Work Session – October 8, 2009
Board of Regents Meeting – October 9, 2009

REPORT OF THE PRESIDENT

President Bruininks noted a Board of Regents Work Session the previous day discussed principles supporting the University's metrics work and a framework for organizing key performance indicators across the mission and support functions of the University. He stated that the metrics framework is integral to advancing the excellence, productivity, and the impact of the institution. He also reported on the continuation of a steering committee to address the long-term financial future of the University given declining state and federal support.

Bruininks reported on a number of achievements and awards received at the University. He announced that four members of the Medical School were elected to the Institute of Medicine, one of the highest honors in health and medicine. In addition, in the annual report of the Sustainable Endowments Institute, the University received the highest overall grade given nationally, and the highest in the Big Ten.

Bruininks announced an \$8 million grant from the Department of Energy to fund wind research at UMore Park. The University of Minnesota Morris will play a significant role, as will a number of other institutions and corporations. He also announced the opening of a new University of Minnesota Beijing Office.

REPORT OF THE CHAIR

Chair Allen reported that October is usually the month the Board of Regents holds its monthly meetings at a coordinate campus. In an effort to reduce expenses this year, two or three Regents are visiting each campus, with UMR, UMD, and UMC scheduled this month. The next Board meeting will be December 10 and 11, 2009 on the Twin Cities campus.

Allen announced that on the previous evening the Board enjoyed dinner with the Faculty Consultative Committee. He commented on the positive working relationship among the administration, the faculty, and the Board and how beneficial such a relationship is to the mission of the University.

Allen referred Board members to the Annual Eastcliff Report in the docket materials. He recognized Dr. Susan Hagstrum, spouse of President Bruininks, for her contributions, service, and ongoing commitment to the University and to Eastcliff.

Chair Allen reported that Metropolitan Council Chair Peter Bell had requested time to address the Board of Regents during this meeting regarding issues related to the Central Corridor Light Rail Transit (CCLRT). Allen noted that the CCLRT was not scheduled for Board deliberation yet and that all mechanisms are in place to address technical and other issues between the University and the Metropolitan Council. Therefore, a presentation to the Board would not be beneficial at this time. He pointed out that the administration has not been raising new issues as has been reported. Issues that are critical to the University, including the protection of the research facilities, mitigation of problems during construction of the CCLRT, an ongoing monitoring plan to ensure solutions continue to work for many years, have not changed. Allen also noted the University agreed in 2008 to expend all effort to make the above-grade route feasible, with countless staff and consultant hours and considerable funds invested into seeking solutions. He reiterated that the University recognizes the importance of the CCLRT, but at the same time cannot put at risk critical University research and its facilities.

RECEIVE AND FILE REPORTS

Chair Allen noted the receipt and filing of the Annual Eastcliff Report. He commended Regent Bohnsack for his ongoing service as chair of the Friends of Eastcliff.

CONSENT REPORT

Chair Allen presented the revised Consent Report as described in the docket materials, including:

- Report of the All-University Honors Committee; and
- Summary of Gifts through September 30, 2009.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the Consent Report.

ANNUAL REPORT OF PRIVATE GIVING

Chair Allen introduced L. Steven Goldstein, President, University of Minnesota Foundation (UMF), and Becky Malkerson, President and CEO, Minnesota Medical Foundation (MMF), to present an annual review of fundraising highlights as provided in the materials distributed at the meeting and on file in the Board Office.

Malkerson noted that FY2009 was an unusual year with the drop in the financial markets and continued economic uncertainty. She reported that despite difficult financial circumstances, giving to the University remained strong, with two of the largest gifts ever to the University made in FY2009. Malkerson reported that gift production totaled \$267 million in FY2009 compared to \$289 million the previous year. She recognized over 83,000 donors who have pledged current and future gifts, noting that over half are University alumni.

Goldstein reported that 98% of gifts made to the University were designated specifically for students, faculty, research, facilities, and academic programs and outreach. He reported that student scholarships and fellowships continue to be a top priority for fundraising.

Goldstein and Malkerson spoke about the role of private giving to the University, highlighting a number of areas that benefit from private giving and describing how contributions leverage the state's investment to create and enhance an environment for excellence. They provided examples of faculty research made possible by private giving.

Board members commended UMF and MMF staff for a successful year and an excellent report.

SIX-YEAR CAPITAL IMPROVEMENT PLAN: 2010-2015

President Bruininks introduced the Six-Year Capital Improvement Plan: 2010-2015 (Plan). The Plan includes major capital improvements planned for calendar year 2010, and principles and measures to guide the selection of projects in 2011-2015. The Plan includes projects to be funded with state capital support as well as projects to be funded by the University through a combination of University debt obligations, local unit resources and fundraising, and public/private partnerships. He introduced Senior Vice President Jones and Vice Presidents O'Brien and Pfutzenreuter to present the Plan, as included in the docket and associated materials on file in the Board Office.

O'Brien summarized the Plan's components and the process by which capital projects are proposed, reviewed, recommended, and approved. She noted the administration is proposing an alternative framework for reviewing projects in recognition of the uncertain economic climate. The Plan does not include specific projects for future years but rather provides framework to evaluate projects for inclusion in future capital plans. She described the projects included in the 2010 capital request, a number of biomedical facilities projects, and proposed University-funded capital projects. O'Brien discussed the request to the state for Higher Education Asset Preservation and Replacement funds, which must be used for health and safety, building systems, utility infrastructure, and energy improvements.

Jones reported that the planning framework for 2011-2015 is consistent with University's goals and academic mission. Jones illustrated several examples of how the academic component of the long-range capital planning framework aligns with the strategic goals of the University. He also described metrics that will be used to evaluate potential projects and create facilities that will ensure student success, research productivity and impact, fulfill the statewide mission, and recognize current financial realities.

Pfutzenreuter discussed the financial framework of the Plan. He described a number of financial principles that helped to guide development of the Plan while recognizing current financial realities. The principles include projects that have an identified source of payment for debt costs, leverage state capital funding opportunities in conjunction with existing University resources, and limit long-term reliance on endowment assets for increased debt capacity. The financial framework also limits new capital projects that place increased operating cost burdens on units under financial stress.

A lengthy discussion ensued. Board members raised a number of issues, including:

- The need to integrate the six-year plan with a debt capacity update and the annual operating budget;
- Ensuring that the capital planning framework is flexible and that the institution can respond to increased enrollment;
- The need to continue to focus on planning principles and evaluate projects carefully as they are developed;
- The importance of analyzing the utilization of space and how to serve more students;
- Evaluating potential savings in capital costs due to offering courses online, evenings, and on weekends; and
- Continuing to leverage private support and seek other revenue sources.

The Six-Year Capital Improvement Plan for 2010-2015 will return for action at the December 2009 Board of Regents meeting.

REPORT OF THE FACILITIES COMMITTEE

Regent Hunter, Chair of the committee, reported that the committee did not meet this month.

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

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

- a) Approval of the revised Consent Report for the Faculty, Staff & Student Affairs Committee as presented to the committee and described in the November 12, 2009 committee minutes.

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

Johnson reported that the committee also discussed the current retirement trends; received a report on transfer student experiences and a welcome week update; and reviewed a number of information items contained in the docket materials.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

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

- a) Approval of the revised Consent Report for the Finance & Operations Committee as presented to the committee and described in the November 11, 2009 committee minutes.
- b) Approval of a Resolution Related to: Issuance of Debt, as follows:

WHEREAS, it has been proposed that the University proceed with a plan of financing which involves, among other things, the issuance and sale of general obligation indebtedness (such general obligation indebtedness, whether issued in the form of bonds, notes or such other form of indebtedness as may be designated by the University, the "Bonds"), the proceeds of which are to be used to finance University purchases of land and buildings, construction and remodeling projects, the acquisition and installation of equipment and costs of issuance of the Bonds; and

WHEREAS, in November 2008 the Board of Regents authorized the issuance of up to \$164,000,000 in indebtedness for certain contemplated projects, but only approximately \$129,300,000 in indebtedness has been or will be issued for those projects and no further indebtedness will be issued pursuant to the November 2008 authorization for the remaining projects; and

WHEREAS, the Bonds will be issued pursuant to an Indenture of Trust between the University and a bank or trust company acting as trustee or pursuant to an Order of the University; and

WHEREAS, the Indenture of Trust or Order pursuant to which Bonds will be issued will contain the terms of such Bonds and agreements and covenants of the University with respect to the

payment of the principal of, premium, if any, and interest on such bonds; and

WHEREAS, the principal amount of the Bonds authorized will be the amount of the Bonds outstanding at any time, and not an aggregate principal amount.

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of the University of Minnesota (Board) as follows:

1. To provide funds to finance University purchases of land and buildings, construction and remodeling projects, the acquisition and installation of equipment by the University and the costs of issuance thereof, the Board hereby authorizes the sale and issuance of Bonds in one or more series in the principal amount of up to \$30,400,000. The Bonds shall be issued in one or more series and shall mature not later than the date that is 20 years after the date of issuance of each series. The Bonds shall be general obligations of the University if the Treasurer determines that the Bonds shall be issued as general obligations of the University. Interest on the Bonds may or may not be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended.

2. The purchases of land and buildings, construction and remodeling projects, and equipment to be financed by the proceeds of the Bonds shall be those the source of funding of which is so designated by the Board of Regents or by the Treasurer as part of the University's capital planning process.

3. The Treasurer is authorized to negotiate with one or more banks, investment banking firms or financial institutions to be engaged by the University as the underwriter for the Bonds, the terms and conditions upon which the Bonds shall be sold and issued, and to approve the terms of such sale and issuance, including whether the Bonds shall be issued as general obligations of the University. The Treasurer is further authorized to negotiate with one or more commercial banks the terms and condition of any credit support or liquidity facility for any series of Bonds and approve the terms of such credit support of liquidity facility, and to negotiate the terms and condition of any interest rate swap agreement or other similar agreements with the counterparty to such agreement as hedging techniques with respect to the interest rate on any series of Bonds. Such agreements shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel.

4. In connection with the issuance of any series of Bonds, the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order or any supplement or amendment thereto under which the Bonds are to be issued in the form and containing such covenants, agreements, representations and warranties as may be approved by the Treasurer

and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the Bonds in accordance with such Indenture of Trust or Order or any supplement or amendment thereto. The signatures of the Secretary and/or Treasurer on the Bonds may be by facsimile.

5. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and General Counsel.

6. The Treasurer is authorized to approve the Preliminary Official Statement and the final Official Statement or any supplements or amendments thereto to be prepared and distributed to any purchaser or potential purchaser of a series of Bonds, and the President is authorized to execute and deliver the final Official Statement or any supplements or amendments thereto.

7. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate in connection with the issuance and sale of the Bonds.

8. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the Bonds certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the University as to the truth of all statements contained therein.

9. The execution of any document by the appropriate University officers herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, final Official Statement, purchase agreement or any other document to be executed by the President or Treasurer in connection with the Bonds may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer.

- c) Approval of a Resolution Related to: Issuance of Clean Renewable Energy Bonds, as follows:

WHEREAS, to provide governmental bodies and other qualified borrowers access to interest-free capital for certain qualifying renewable energy facilities, the Energy Policy Act of 2005 (together with subsequent related legislation and applicable regulations, the Authorizing Legislation) authorized the issuance of tax credit bonds known as Clean Renewable Energy Bonds (CREBs) by issuers who

receive allocations of issuing authority from the U.S. Treasury Secretary; and

WHEREAS, the University received certain allocations of issuing authority and wishes to proceed with a plan of financing which involves, among other things, the issuance and sale of CREBs the proceeds of which will be used to finance certain University renewable energy projects that have received allocations of CREB issuing authority (CREB Projects); and

WHEREAS, the CREBs will be issued pursuant to an Indenture of Trust between the University and a bank or trust company acting as trustee or pursuant to an Order of the University; and

WHEREAS, the Indenture of Trust or Order pursuant to which CREBs will be issued will contain the terms of the CREBs and agreements and covenants of the University with respect to the payment of the principal of and premium, if any, on the CREBs; and

WHEREAS, to provide the Mille Lacs Band of Ojibwe (the Band) an opportunity to develop its expertise in wind turbine projects, it is planned that with respect to one CREB Project, a wind turbine to be located on or near the Morris campus (the Shared Project), the University will collaborate with the Band, which has received an allocation of CREB issuing authority in an amount equal to that of the University for the Shared Project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of the University of Minnesota (Board) as follows:

1. To provide funds to finance all or a portion of University CREB Projects, the University hereby authorizes the sale and issuance of CREBs in one or more series in the principal amount of up to \$5,100,000. The CREBs shall be indebtedness of the University and shall have a maturity not longer than that permitted by the Authorizing Legislation. The CREBs shall contain such terms as are required by the Authorizing Legislation, including that they shall be general obligations of the University if the Treasurer determines that the CREBs shall be issued as general obligations of the University.

2. The CREB Projects to be financed by the proceeds of the CREBs shall be those the source of funding of which is so designated by the Board of Regents or by the Treasurer as part of the University's capital planning process.

3. With respect to the Shared Project, the Chancellor of the Morris campus or delegate is authorized to negotiate and enter into an Agreement with the Band stating the terms and conditions of their collaboration. Such agreement shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as may be approved by the General Counsel.

4. The Treasurer is authorized to negotiate with one or more banks, investment banking firms or financial institutions to be engaged by the University as the underwriter for the CREBs, the terms and conditions upon which the CREBs shall be sold and issued, and to approve the terms of such sale and issuance, including whether the CREBs shall be issued as general obligations of the University. The Treasurer is further authorized to negotiate with one or more commercial banks the terms and condition of any credit support or liquidity facility for any series of CREBs and approve the terms of such credit support of liquidity facility. Such agreements shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel.

5. In connection with the issuance of any series of CREBs, the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order or any supplement or amendment thereto under which the CREBs are to be issued in the form and containing such covenants, agreements, representations and warranties as may be approved by the Treasurer and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the CREBs in accordance with such Indenture of Trust or Order or any supplement or amendment thereto. The signatures of the Secretary and/or Treasurer on the CREBs may be by facsimile.

6. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of CREBs in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and General Counsel.

7. The Treasurer is authorized to approve the Preliminary Official Statement and the final Official Statement or any supplements or amendments thereto to be prepared and distributed to any purchaser or potential purchaser of a series of CREBs, and the President is authorized to execute and deliver the final Official Statement or any supplements or amendments thereto.

8. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate in connection with the issuance and sale of the CREBs.

9. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the CREBs certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the CREBs as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute

representations of the University as to the truth of all statements contained therein.

10. The execution of any document by the appropriate University officers herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, final Official Statement, purchase agreement or any other document to be executed by the President or Treasurer in connection with the CREBs may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer.

- d) Approval of a Resolution Related to: Issuance of Debt for State-Supported Biomedical Facilities, as follows:

WHEREAS, on March 10, 2006, the Board of Regents of the University of Minnesota (Board) approved a resolution which requested that the Minnesota Legislature provide funding to assist in the construction or renovation of capital facilities and related equipment supporting biomedical sciences research (Facilities); and

WHEREAS, the 2008 Minnesota State Legislature enacted Sections 137.61 to 137.65 of the Minnesota Statutes (Biomedical Science Research Funding Legislation), which provides that, on the condition that certain required certifications are made by the Board of Regents and the Commissioner of Finance, the State will transfer to the University up to 75 percent of the project costs for each of four projects approved by the Board of Regents, provided that the principal amount of bonds issued by the University of Minnesota to pay the state's share of the costs must not exceed \$219,000,000 (State Funding); and

WHEREAS, in November, 2008, pursuant to the Biomedical Science Research Funding Legislation, the Board authorized the issuance of Bonds in one or more series in the total principal amount of up to \$292,000,000 (November 2008 Authorization); and

WHEREAS, the November 2008 Authorization contemplated that initially, Bonds would be issued in a principal amount of up to \$16,000,000, with additional series subject to the further approval of the Board; and

WHEREAS, no indebtedness has been issued to date pursuant to the November 2008 Authorization; and

WHEREAS, it is now proposed that the University proceed, pursuant to the November 2008 Authorization, with an initial issuance and sale of Bonds up to an aggregate principal amount of \$53,200,000.

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of the University of Minnesota as follows:

1. As the initial Bonds to be issued pursuant to the November 2008 Authorization, the Treasurer is authorized to approve the terms of one or more series of bonds up to an aggregate principal amount of \$53,200,000, including but not limited to the principal amount thereof, the maturity date or dates thereof, the interest rate or rates thereon, and the provisions, if any, with respect to the redemption of such Bonds prior to the stated maturity thereof, provided that if the interest rate on any series of Bonds shall be a fixed rate as provided in the Indenture of Trust or Order pursuant to which it is issued, the interest rate on any Bonds of such series may not exceed 8.00% per annum, and in no event shall any Bond mature later than 25 years following its date of issuance.

2. The Treasurer is authorized to negotiate with one or more banks, investment banking firms or financial institutions to be engaged by the University as the underwriter for the Bonds, the terms and conditions upon which the Bonds shall be sold and issued, and to approve the terms of such sale and issuance, including if the Bonds shall be issued as general obligations of the University.

3. In connection with the issuance of any series of Bonds, the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order of the University or any supplement or amendment thereto under which the Bonds are to be issued in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the Bonds in accordance with such Indenture of Trust or Order of the University or any supplement or amendment thereto. The signatures of the Secretary and/or Treasurer on the Bonds may be by facsimile.

4. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and General Counsel.

5. In addition, the Treasurer is further authorized to negotiate with one or more commercial banks, insurers or other credit support providers the terms and conditions of any credit support for any series of Bonds, and the President and Treasurer are authorized to execute and deliver any agreements of the University with the provider of any such credit support facility. Such agreements shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel.

6. The Treasurer is authorized to approve the Preliminary Official Statement and the final Official Statement or any supplements or amendments thereto to be prepared and distributed by the University to any purchaser or potential purchaser of a series

of Bonds, and the President is authorized to execute and deliver the final Official Statement or any supplements or amendments thereto.

7. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate in connection with the issuance and sale of the Bonds.

8. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the Bonds certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the University as to the truth of all statements contained therein.

9. The execution of any document by the appropriate officers of the University herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, final Official Statement, purchase agreement with the initial purchaser or purchasers of any series of Bonds or any other document to be executed by the President or Treasurer in connection with the Bonds may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer.

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

Frobenius reported that the committee also received a debt capacity update related to the President's Recommended Six-Year Capital Improvement Plan; discussed Board of Regents transaction approval thresholds; and discussed a number of information items contained in the docket materials.

REPORT OF THE AUDIT COMMITTEE

Regent Hunter, Chair of the committee, reported that the committee received an external audit report; a report from the University compliance officer; discussed conflict of interest policy and infrastructure changes; and reviewed a number of information items included in the docket materials.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

REPORT OF THE LITIGATION REVIEW COMMITTEE

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

The meeting adjourned at 11:05 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary