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R. Report of the Audit Committee
   1. No meeting this month

S. Report of the Litigation Review Committee
   1. No meeting this month
A meeting of the Finance and Operations Committee of the Board of Regents was held on Thursday, December 11, 2008 at 9:30 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

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

Student Representatives present: Imee Cambronero and Jennifer McCabe.

ISSUES REALTED TO: STATE OF MINNESOTA ECONOMIC UPDATE

Vice President Pfutzenreuter invited State Economist Tom Stinson to present the State of Minnesota economic update and budget forecast, as included in the docket and associated materials distributed at the meeting and on file in the Board Office.

Stinson noted that the state’s economic outlook continues to deteriorate, with a projected deficit for FY2009 of $426 million. The projected deficit of $4.8 billion for FY2010-11 is due to the anticipated loss of $3.3 billion in revenue and an increase of $580 million in expenditures. The anticipated decline in December 2008 of 1.8 percent in real gross domestic product will cause the overall economy to shrink, and when combined with job losses in Minnesota and the nation it will further affect the state’s economy. Stinson cautioned that the full impact will not be known until May 2009. The recession has been longer, deeper, and more severe than had been expected and will likely be the longest in recent history.

In response to questions from the committee, Stinson reported that infrastructure funds proposed by President-elect Obama would not help with the immediate shortfall, but that it would provide long-term assistance. He recommended that capital bonding requests be cautiously considered and focused on quick, labor intensive projects. It also will be important to protect the cash flow account as a hedge against an additional downturn in May. The next state economic forecast will be available in February 2009.
ISSUES RELATED TO: ANNUAL FINANCIAL REPORT

Vice President Pfunzenreuter, Associate Vice President Volna, and Associate Controller Denise Seck presented the Annual Financial Report for FY2008, as presented in the docket and associated materials distributed at the meeting and on file in the Board Office.

Seck reviewed details from the report and highlighted the following observations:

- The University’s balance sheet continues to be strong;
- There was a decrease in net assets of $2.1 million and a decrease in the fair market value of University investments; and
- Strategies that will strengthen the University’s financial future are identifying new sources of revenue, cost containment, and focusing financial resources on the core mission.

Discussion ensued on the impact that a one- or two-year salary freeze would have on the University's budget. Regent Frobenius cautioned against identifying specific scenarios for budget reductions since a variety of solutions will be needed to address the shortfall.

In response to a question regarding retiree benefits, Seck noted they are amortized over 20 years and are adjusted annually based on actuarial estimates. Volna added that changes to retiree benefits would shift additional cost through higher premiums to the retirees.

ISSUES RELATED TO: PEER FINANCIAL INSTITUTION COMPARISONS

Vice President Pfunzenreuter presented 2007 peer financial institution data, as included in the docket and associated materials distributed at the meeting and on file in the Board Office. Key financial statistics indicate that the University is well positioned relative to peer institutions when comparing financial resources, enrollment, and net tuition and state appropriations per student. The 2004 to 2007 metrics and measurements for key financial indicators and trends will be presented as a follow up at a future meeting of the committee.

ISSUES RELATED TO: FACULTY RETIREMENT PLAN

Vice President Pfunzenreuter and Associate Vice President Mason presented information on the Faculty Retirement Plan (Plan) and investment policy, as presented in the docket and associated materials distributed at the meeting and on file in the Board Office. Pfunzenreuter reminded the committee that the Board has fiduciary responsibility for the Plan and is responsible to ensure it is administered properly. Pfunzenreuter reviewed the Guidelines and Investment Policy, which summarizes the Plan investment objective, time horizon, and risk tolerance.

Mason indicated that a new annual report will be provided each fall to support the Board’s fiduciary oversight. A Retirement Fiduciary Advisory Committee, comprised of representatives from three employee groups, regularly meets to review the Plan, but in the future a financial consultant may be retained to assist.
In response to questions from the committee, Jackie Singer, Director of Retirement Benefits, explained that having an investment policy statement is relatively new in the public sector. She clarified that the University does not have fiduciary responsibility for the Minnesota State Retirement System, which is administered by the state.

**CONSENT REPORT**

Vice President Pfutzenreuter presented the revised Consent Report, as detailed in the docket materials. In response to a question from Regent Johnson, Liz Eull, Associate Department Director, Intercollegiate Athletics, stated that the costs associated with the Insight Bowl game in Tempe, Arizona would be covered by proceeds from post-season games. Consent items including the following:

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

- Blue Cross Blue Shield of Minnesota for the estimated amount of $5,064,000 for purchase of Medicare supplemental insurance offered through the University of Minnesota Office of Human Resources Employee Benefits for the one-year period of January 1, 2009, through December 31, 2009.

- CDW-Government, Inc. for an estimated $900,000 to purchase backup target storage devices, including installation services and three years of maintenance/support for all components for the Department of Operations, Infrastructure, and Architecture, a division of the Office of Information Technology.

- Continental Casualty for an estimated $501,000 for providing Long Term Care Insurance offered through the University of Minnesota Office of Human Resources Employee Benefits for the period of January 1, 2009, through December 31, 2009.

- Edwards Brothers, Sheridan Books, and Thomson-Shore for a total of $1,200,000 (as three blanket contracts for $400,000 each) to provide printing and binding of standard-format books as needed for the University Press for the period of November 1, 2008, through October 31, 2010.


- Fisher Scientific Company LLC for an estimated $538,000 for Falcon Plastic Labware manufactured by BD Biosciences, to be stocked at the University Stores for use in University departments from January 1, 2009, through December 31, 2009.

- Gold Country, Inc., for an estimate of $2,600,000 guarantee payment to the Department of Intercollegiate Athletics for the period of December 2008 (upon final signature of the contract) through June 30, 2016.
• Health Partners for the estimated amount of $2,741,000 for purchase of Medicare supplemental insurance offered through the University of Minnesota Office of Human Resources Employee Benefits for the one-year period of January 1, 2009, through December 31, 2009.

• HealthPartners Administrators, Inc. for the estimated annual amount of $3,545,000 for administering a self-funded UPlan medical plan option offered through the University of Minnesota Office of Human Resources Employee Benefits for the one-year period of January 1, 2009, through December 31, 2009.

• Healthways for the estimated amount of $1,280,000 to provide health improvement services offered through the University of Minnesota Office of Human Resources Employee Benefits for the one-year period of January 1, 2009, through December 31, 2009.

• John Hancock for an estimated $2,020,000 for providing Long Term Care Insurance offered through the University of Minnesota Office of Human Resources Employee Benefits for the period of January 1, 2009, through December 31, 2009.

• Keystone Automation for $559,040 for a quantity of 36 field of view laser scanners to be used for obstacle detection and collision avoidance for the Center for Transportation Studies.

• McKinstry Essention for a 15-year contract for the implementation of an energy savings project for the University of Minnesota Morris.

• Medica for the estimated amount of $1,207,000 for purchase of Medicare supplemental insurance offered through the University of Minnesota Office of Human Resources Employee Benefits for the one-year period of January 1, 2009, through December 31, 2009.

• Medica for the estimated amount of $2,775,000 for administering four self-funded UPlan medical plan options offered through the University of Minnesota Office of Human Resources Employee Benefits for the one-year period of January 1, 2009, through December 31, 2009.

• Midwest Assurance Company (HealthPartners, Inc.) for the estimated amount of $1,030,000 to provide Stop Loss Insurance to the University of Minnesota UPlan Employee Medical Program for the period of January 1, 2009, through December 31, 2010.

• Minnesota Office of Enterprise Technology for an estimated $425,000 to provide network transport, management, and video services for the Consortium of Minnesota Educational Telecommunities for the period of July 1, 2008, through June 30, 2009.

• Northwest Airlines for $386,240 for charter air service for the football team and staff, marching band, spirit squad, and official party to the Insight Bowl in Tempe, Arizona to be held on December 31, 2008.

• OptumHealth for the estimated amount of $1,430,000 to provide Stop Loss Insurance to the University of Minnesota UPlan Employee Medical Program for the period of January 1, 2009, through December 31, 2010.
• Personnel Decisions International for $1,102,500 for 42 courses as needed for the Continuing Professional Education department for the period of July 1, 2008, through June 30, 2010.

• Rigaku Americas Corporation for $1,229,450 for a CrystalMation system along with a one-year warranty for the Department of Biochemistry, Molecular Biology and Biophysics.

• RxAmerica for the estimated amount of $465,000 to provide Pharmacy Benefits Management for the self-funded UPlan program offered through the University of Minnesota Office of Human Resources Employee Benefits for the one-year period of January 1, 2009, through December 31, 2009.

• Science Products Division of Corning Incorporated for an estimated $472,000 for Corning Plastic Labware, to be stocked at the University Stores for use in University departments from January 1, 2009, through December 31, 2009.

• The Standard for an estimated amount of $3,740,000 to provide Optional Short Term Disability and Long Term Disability Insurance, offered through the University of Minnesota Office of Human Resources Employee Benefits, for the period of January 1, 2009, through December 31, 2010.

• The Standard for an estimated amount of $4,480,000 to provide Faculty Income Disability Plan insurance for faculty and professional and administrative staff, offered through the University of Minnesota Office of Human Resources Employee Benefits, for the period of January 1, 2009, through December 31, 2010.

• UCare for the estimated amount of $1,062,000 for purchase of Medicare supplemental insurance offered through the University of Minnesota Office of Human Resources Employee Benefits for the one-year period of January 1, 2009, through December 31, 2009.

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:

• Quarterly Asset Management Report;
• Quarterly Debt Management Advisory Committee Update; and
• Quarterly Investment Advisory Committee Update.

The meeting adjourned at 11:35 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

Finance and Operations Committee
December 11, 2008
REAL ESTATE TRANSACTIONS

A. Purchase of 2609-2613 4th Street SE, Minneapolis, Twin Cities Campus

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

On the recommendation of the President and the Vice President for University Services, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transaction:

Purchase of 2609-2613 4th Street SE, Minneapolis, Twin Cities Campus.
Details of transaction: The University will pay $1.25 million in cash for the property, plus reimburse the owner for an early pre-payment penalty on the existing mortgage, up to a maximum of $41,096.
Source of funds: University debt.

Vice President O’Brien noted that the transaction had been reviewed at a previous meeting and reminded the committee that the site will eventually be used for development of a building for the LandCare Division of Facilities Management on the Twin Cities campus.
The committee voted unanimously to recommend approval of the purchase of 2609-2613 4th Street SE, Minneapolis.

B. Agreements for University Facilities & Services for Walden University 2009 Summer Residency Program, July 12-25, 2009, Twin Cities Campus

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

On the recommendation of the President and the Vice President for University Services, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transaction:

Agreement for University Facilities and Services for Walden University 2009 Summer Residency Program, July 12-25, 2009, Twin Cities Campus.
Details of transaction: Walden University will pay an estimated $215,585.25 for lodging, $59,300.88 for food service, and $145,162.25 for the use of University buildings for conference and classroom space. In addition, Walden is expected to pay $80,000 for the costs of services provided to Walden by other University units.
Use of funds received by the University: Housing and Residential Life will receive the lodging payment; University Dining Services will receive the food service payment; and the individual University Facilities will receive the building rental payments. The other University units providing services will receive the attributable payments.

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

The committee voted unanimously to recommend approval of the agreements for University Facilities and Services for Walden University Summer Residency Program, July 12-25, 2009, Twin Cities Campus.

C A P I T A L  B U D G E T  A M E N D M E N T

A. Food Service Servery & Life Safety Renovation, Morris Campus

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

On the recommendation of the President and the Vice President for University Services, the FY2009 Capital Budget is amended to increase the budget for the following project:
Food Service Servery and Life Safety Renovation, Morris campus.
Scope of Project: Remodeling the servery area on the main floor, creation of accessibility to the second floor dining area, accessibility upgrades to restrooms, and the installation of a new fire alarm and sprinkler system.
Cost Estimate: $1,480,000.
Capital Funding: Food Service Vendor (Sodexho), $930,000; Food Service Reserve Account, $300,000; and 2008 HEAPR funding, $250,000.
Estimated completion date: August 2009.

Vice President O’Brien noted that the amendment had been reviewed by the committee at a previous meeting.

The committee voted unanimously to recommend approval of the capital budget amendment for the Food Service Servery and Life Safety Renovation, Morris campus.

CAMPUS MASTER PLAN FOR UNIVERSITY OF MINNESOTA ROCHESTER

Vice President O’Brien explained that the Campus Master Plan for the University of Minnesota Rochester (UMR) was being presented for review, with action to occur at a later meeting. She welcomed Chancellor Lehmkuhle and Willa Kuh of Sasaki Associates to provide information on the UMR Campus Master Plan, as detailed in the docket materials and handouts distributed at the meeting.

Lehmkuhle reported that this master plan will not focus as much on the physical assets of the campus as it will on the programmatic drivers that will determine how UMR grows in the future. He emphasized the importance of the Rochester community in developing the master plan, noting the participation of the Mayo Clinic, IBM, the City of Rochester, and Olmsted County among others. He observed that these partnerships have been critical because of UMR’s unique healthcare and biotechnology focus and its physical presence being integrated into downtown Rochester and the facilities of the Mayo Clinic.

Lehmkuhle identified the following goals as emerging from the campus master planning process:

- Expand the University’s health sciences programs;
- Enhance partnerships in research;
- Establish UMR as an entrepreneurial leader; and
- Contribute to state economic growth.

Lehmkuhle reported that the campus could potentially grow to 5,000 students after ten years, but only by expanding the recruiting base outside of the region.

Kuh provided information on the potential physical campus plan and explained the possibility of developing a five-block campus core in downtown Rochester. She added that instead of building campus residential and recreation facilities, UMR would look to partner with others to provide those services. Lehmkuhle reported that the next steps will be to develop a financing structure and identify the specific land resources for planning the physical campus.
In response to a question from Regent Simmons, Lehmkuhle reported that UMR is currently analyzing whether the current facility can accommodate the projected short-term enrollment of 1,500 students. He added that long-term enrollment projections will require UMR to have more space in downtown Rochester.

In response to a question from Regent Larson, Lehmkuhle explained that the best manner of delivering cost effective education is to make certain that students graduate in four years. He emphasized that UMR's narrow focus and integrated curriculum should strengthen four-year graduation rates.

**TWIN CITIES CAMPUS MASTER PLAN: OVERVIEW & CONTEXT FOR DECISION MAKING**

Vice President O'Brien reported that the Board will soon be asked to review and act on amendments to the Twin Cities Campus Master Plan, which was adopted in 1996. She explained that the presentation would provide a context for how the updates to the master plan have been developed, as detailed in the docket materials and handouts distributed at the meeting.

O'Brien introduced Orlyn Miller, Director of Capital Projects, Leslie Krueger, Associate to the Vice President for University Services, and Monique MacKenzie, Capital Planning and Project Management Coordinator to deliver the presentation. Krueger informed the committee that the Board directed the administration to develop master plans for each campus in 1993. She explained that the charge to the master planning steering committee was to update the master plan by:

- Focusing on growing a campus rather than building buildings;
- Instilling the principles of sustainability;
- Optimizing the distinction of being the largest research university that bridges the Mississippi River; and
- Increasing ownership in the master plan by ensuring consultation with key constituencies.

Miller summarized the consultation process with the University community and neighboring partners. He emphasized that regarding campus design, there is interest in enhancing the design of learning environments and balancing eclectic design elements with the University's historic resources. MacKenzie provided information on the master plan’s guiding principles related to community connections, natural features and systems, movement and circulation, and public spaces and buildings.

In response to a question from Regent Simmons, Miller reported that the Central Corridor Light Rail Transit project will provide opportunities to enhance pedestrian orientation and transit access on campus, in addition to rethinking the approach to the ground level of campus buildings on the Washington Avenue corridor. Simmons commented that the planning process for this project provides a tremendous opportunity to apply the principles of the master plan.

**CONSENT REPORT**

There were no Consent Report items for this meeting.
INFORMATION ITEMS

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

- Gold Country agreement for merchandise sales and services and lease agreement for a retail store in TCF Bank Stadium; and
- An analysis of energy services companies (ESCO) and a recommendation on the implementation of a specific ESCO proposal to the University of Minnesota Morris.

The meeting adjourned at 11:40 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, December 11, 2008 at 3:00 p.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellors Charles Casey, Jacqueline Johnson, and Stephen Lehmkuhle; Senior Vice President & Provost Thomas Sullivan; Senior Vice President Robert Jones; and Executive Director Ann Cieslak.

Student Representatives present: Jennifer McCabe and Dustin Norman.

UPDATE: UNDERGRADUATE ACADEMIC INITIATIVES

Senior Vice President & Provost Sullivan noted that strategic investments over the last few years have enhanced the recruitment, retention, education, and support of undergraduate students, a momentum that is expected to propel the University toward its strategic goal to increase graduation rates. He introduced Robert McMaster, Vice Provost & Dean of Undergraduate Education, who led the discussion.

McMaster profiled Twin Cities campus students entering Fall 2008: 83% were in the top 25% of their high school graduating class, 55% were in the top 10%, and the average ACT score exceeded 26. First-year retention rates also have increased (from 85.8% for students entering Fall 2002 to 88.5% for students entering Fall 2007), as has the number of international student freshmen. Four-year graduation rates have remained stable at 45%, but five- and six-year rates are trending positively toward established goals of 75% and 80%, respectively.

In support of strategic positioning, undergraduate academic initiatives have been launched in the areas of recruiting outstanding students, providing an outstanding education in the context of a comprehensive research university, and encouraging students toward timely completion of degrees. Programmatic improvements include the expanded Welcome Week for entering freshmen, peer-assisted learning, additional Undergraduate Research Opportunities Program awards, and the new liberal education requirements, writing enriched curriculum, and University Honors program. Other initiatives include expanded financial aid; the introduction of Grad Planner to help students stay on track for timely graduation; and the new Access to Success program, which provides admission to freshmen who
demonstrate a strong potential for success, but whose profile may not match that of the typical admitted student.

McMaster introduced Alexandria Czoschke, an entering freshman, and Alice Widstrand, a sophomore group leader, who participated in the expanded Fall 2008 Welcome Week. Czoschke was enthusiastic about the program because it provided opportunities to meet new people, build relationships, and become comfortable with the campus environment. Widstrand endorsed the expanded program for the time it gave new freshmen to transition to life on campus and for the opportunities it provided her to develop leadership skills.

McMaster cited as a concern for the University the projected declines in high school graduates in the upper Midwest over the next 6 years. By 2014, the number of high school graduates in Minnesota is expected to fall by nine percent. This demographic change will require the University to redouble its efforts to remain as competitive as in past years, but McMaster believes that the University's location in a vibrant urban area, diversity of programs, good quality/value ratio, and direct enrollment in upper division colleges are competitive advantages that will serve the institution well.

In response to a question from Regent Simmons, McMaster indicated that a task force is currently looking at how the financial aid landscape is changing, how the University may need to change in response, and how financial aid is related to retention, graduation, and the success of students.

Sullivan reported that a financial aid task force has been meeting for several months and will report to a future meeting of this committee on the relationship between admission aid criteria to financial aid, to the probability of actually graduating and when, and the average amount of debt graduates incur.

In response to a question from Regent Larson, McMaster stated that the University periodically surveys students who fail to complete a degree. There are a variety of reasons given for withdrawal, including transfers or changes in family circumstances.

In response to a question from Student Representative McCabe, McMaster explained that a new 90-credit check has been instituted to improve 3rd-4th year retention. Because 90 credits is a fragile point, colleges are being asked to contact students with 90 credits to make sure they are on track to complete their degree program.

Larson encouraged the University to raise the graduation rate goals to 75-80%, which would benefit students, the University, and the state's economy.

CONSENT REPORT

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

- New Academic Programs
  - Morris Campus – Create New Minor in American Indian Studies
- School of Dentistry (Twin Cities Campus) – Create New General Practice Residency program
- College of Food, Agricultural and Natural Resource Sciences (Twin Cities Campus) – Create New B.S. Degree in Horticulture
- College of Liberal Arts (Duluth Campus) – Create New B.A. Degree in Writing Studies

- Carlson School of Management (Twin Cities Campus) – Create new B.S.B. Degree in Finance and Risk Management
- College of Liberal Arts (Twin Cities Campus) – Create and Change Names of tracks in B.A. Degree in Geography to include The Urban World, Environmental Geography, Geographic Information Science, Globalization and Uneven Development, Environment and Society

- **Discontinuation of Academic Programs**
  - Morris Campus (Division of Social Sciences) – Discontinue tracks in B.A. Degree in Political Science
  - Duluth Campus (College of Liberal Arts) – Discontinue tracks in B.A. Degree in Women’s Studies
  - Carlson School of Management (Twin Cities Campus) – Discontinue B.S.B. Degree in Risk Management and Insurance

- **Changed Academic Programs**
  - Morris Campus (Division of Social Sciences) – Change Name of B.A. degree in Women’s Studies to B.A. degree in Gender, Women, and Sexuality Studies
  - Morris Campus (Division of Social Sciences) – Change Name of Minor in Women’s Studies to Minor in Gender, Women, and Sexuality Studies

**INFORMATION ITEMS**

There were no information items this month.

The meeting adjourned at 4:30 p.m.

[Signature]

ANN D. CIESLAK
Executive Director and
Corporate Secretary

123 Educational Planning & Policy Committee
December 11, 2008
ENHANCING STUDENT/COMMUNITY RELATIONS

Vice President Carrier invited Vice Provost Jerry Rinehart and Jan Morlock, Director of Community Relations, to review a report on building community in the campus area neighborhoods, as included in the docket and associated materials distributed at the meeting and on file in the Board Office.

Morlock described the campus and the surrounding communities as an ecosystem, where major actions or policy changes at the University impacts nearby neighborhoods, resulting in reciprocal effects across both areas. She outlined current goals:

- Improve the quality of life in the neighborhoods near campus for students and other residents.
- Grow civic engagement by students and neighbors.
- Preserve and promote home ownership and long-term investment.
- Influence and shape new development to create a premier place to learn, work, do business, and visit.

The University is partnering with city and community groups to support a number of initiatives and has established the University District Alliance (UDA). The UDA steering committee is comprised of key University representatives, high-level city representatives, students, neighborhood leaders, and selected members of Augsburg College.

Rinehart outlined steps taken to ensure success for the UDA, including: 1) hiring a full-time coordinator in the Office of Student Affairs to support student/neighbor civic engagement; 2) establishing a Campus/Community Coalition for Safety, Civility, and
Livability; and 3) providing rental education for students transitioning from residence halls to the community.

Morlock reported the next steps for the UDA to explore how to maintain momentum for the program; complete the University District master plan; report progress to the Legislature in January; evaluate the impact of pilot projects; engage other partners, developers, and investors; and complete the development of a long-term organizational structure for the UDA.

A lengthy discussion ensued on students' use of alcohol and its impact in community relations. Rinehart suggested student involvement in developing strategies to deal with alcohol problems in the community is critical to curtailing alcohol use. He added that excessive drinking and other problems with alcohol involve both above and below the legal drinking age of 21 years. Student Representative Bronston noted that an important challenge is sustaining the participation of student liaisons to the homeowner associations.

PANEL ON NEW STUDENT EXPECTATIONS:
LEARNING, TRENDS & TECHNOLOGIES

Vice President Carrier introduced Vice Provost Billie Wahlstrom and Laura Gurak, Professor of Writing Studies, to present changes in student communication relating to advances in technology, as included in the docket and associated materials distributed at the meeting and on file in the Board Office.

Gurak described a number of changes in communication technology and its importance in today's world. She reviewed data that demonstrates the pervasiveness of technology in student's lives. Issues resulting from new technologies that impact student's performance include:

• A decline in writing skills and literacy due to the brevity, informality, and spelling shortcuts used in emails and instant and text messaging;
• Online communities that allow anonymous communication and limit exposure to a narrow focus or views; and
• Social networks such as Facebook that may take the place of face-to-face socialization.

Wahlstrom reviewed the Web 2.0 portal, a social networking technology at the University that provides an online platform for students to interact. New students have access to the portal as soon as they are admitted and are using it broadly, communicating with other incoming students, faculty, and staff. She also detailed other forms of communication available for University.

In response to a question from Regent Allen, Gurak stated she does not know of any research that explores activities students give up to spend time on social networks.

CONSENT REPORT

There was no Consent Report this month.
INFORMATION ITEMS

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

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

The meeting adjourned at 4:40 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Board of Regents of the University of Minnesota was held on Thursday, December 11, 2008, at 1:15 p.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Robert Bruininks; Senior Vice Presidents Frank Cerra and Robert Jones; Vice President Timothy Mulcahy; Executive Director Ann Cieslak; and Director Channing Riggs.

Regent Simmons called the meeting to order, noting that this session provides an excellent opportunity to increase the Board's knowledge regarding how national policy and current federal and national economic circumstances will affect the University. She invited President Bruininks to make introductory remarks and to introduce the discussion presenters.

Bruininks stated that the federal higher education policy has been of vital importance to the University. Through a sustained partnership over the last 60 years, the involvement of the federal government has made U.S. higher education the envy of the world. Federal policy with respect to higher education also has played a critical role in helping the University to achieve its mission in research, education, and outreach. He identified three framing questions (as included in the docket and associated materials on file in the Board Office) and introduced Senior Vice Presidents Cerra and Jones, Vice President Mulcahy, and Director Riggs, who led the discussion.

Riggs reviewed the components of federal discretionary spending and described the status of potential economic stimulus packages, FY2009 and 2010 budgets, and the challenges and priorities of the new administration.

Mulcahy described the challenges of current federal research funding, including recent declines in total funding and grant success rates. Science and technology are expected to be a high priority with the new administration, but the ability of research institutions to maintain a competitive advantage will depend on the timely passage of federal budget bills. The University also is paying close attention to congressional debates regarding the Bayh-Dole Act, proposed patent reforms, invention reporting requirements, federal preemption of university-developed intellectual property, and the management of potential conflicts of interest.

Cerra reported that the Academic Health Center is monitoring debates regarding the recovery of indirect costs, funding for health professional education, possible legislation to govern relationships with health care providers, and health care reform.
Through its unique interdisciplinary programs and structures, its statewide outreach programs, and its development of new learning platforms and degrees, the University also has a role to play in informing the federal dialogue.

Jones recalled recent initiatives to internationalize the University and identified a number of issues and challenges, including national initiatives to encourage undergraduate study abroad; immigration/visa bottlenecks; and increased competition for international students. He highlighted the University’s recent efforts to build partnerships in Sub-Saharan Africa, to reinvigorate agricultural outreach in developing nations, and to enhance urban engagement through the Urban Research and Outreach/Engagement Center.

Bruininks expressed some optimism regarding bipartisan support for federal research funding, but stressed that the University’s work at the federal level goes beyond the flow of dollars to acknowledge the University’s obligation to shape the public debate.

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

- the status of relationships between the University and Minnesota’s congressional delegation;
- the importance of communicating University successes to Minnesota’s congressional delegation;
- the importance of relationships with other higher education institutions and interest groups;
- the nature of competency-based degrees in higher education;
- the response of higher education to discussions of accountability at the federal level;
- federal prerogatives regarding University licenses and patents; and
- the potential fiscal stimulus from expanding Higher Education Asset Preservation and Replacement funds.

Simmons commented that federal higher education policy is critical for the University, the state of Minnesota, and the nation. Today’s discussion represents the beginning of an important dialogue that should be followed by subsequent discussions focusing on discrete strategies or objectives, especially in the areas of national health care policy and congressional efforts to establish rules regarding the appropriate level of endowment reserves.

The work session adjourned at 2:51 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, December 12, 2008, at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff Present: President Robert Bruininks; Chancellor Stephen Lehmkuhle; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Kathryn Brown, Karen Himle, Timothy Mulcahy, Charles Muscoplat, Kathleen O’Brien, and Richard Pfutzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice Presidents Donna Peterson and Michael Volna.

INTRODUCTION

President Bruininks and Senior Vice President and Provost Sullivan introduced James Parente, newly-appointed Dean of the College of Liberal Arts. Dean Parente assumed his duties November 14, 2008. Parente briefly addressed the Board.

APPROVAL OF MINUTES

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

Audit Committee – November 13, 2008
Finance & Operations Committee – November 13, 2008
Facilities Committee – November 13, 2008
Board of Regents Work Session – November 13, 2008
Board of Regents Meeting – November 14, 2008

REPORT OF THE PRESIDENT

President Bruininks discussed the projected $5.2 billion revenue shortfall, the largest ever, for the state’s next biennium, and the historic challenges it presents for the University of Minnesota. He reported that steps have been taken to address the budget implications and described a number of strategies that will be implemented to work on the short- and long-term financial issues facing the institution.

President Bruininks reported that steps have been taken to better manage energy usage and reduce costs at the University through equipment upgrades and
energy purchasing practices. The President also noted the announcement of an historic $40 million gift from the Schulze Family Foundation to find a cure for Type 1 diabetes. It is the second largest in the history of the University.

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

REPORT OF THE CHAIR

Chair Simmons offered congratulations to the University of Minnesota Duluth men’s football team for winning the NCAA Division II championship. She announced that a number of Regents will attend the Insight Bowl in Tempe, Arizona and noted that the University bears no expense for this activity for Boardmembers, as it is funded by bowl proceeds.

Chair Simmons stated that the Board of Regents supports the President’s leadership as the institution faces financial challenges and commented that the recent $40 million transformative gift for diabetes research demonstrates the confidence the citizens of Minnesota have in the University of Minnesota.

The Board of Regents will meet next on February 12-13, 2009 on the Twin Cities campus.

On behalf of the Board of Regents, Chair Simmons extended best wishes for the holiday season to the University community.

RECEIVE AND FILE REPORTS


CONSENT REPORT

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

- Summary of gifts through October 31, 2008,
- Quarterly Summary of Expenditures, and
- Approval of a Management Plan, Institutional Conflict of Interest.

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

REPORT OF THE FACULTY CONSULTATIVE COMMITTEE

Professor Emily Hoover, Chair, Faculty Consultative Committee (FCC) reported on the activities of the committee since its last report to the Board of Regents. During the coming year, the FCC will continue its involvement with a number of institutional issues, such as reviewing administrative policies, implementation of the Enterprise Financial System, communicating with internal audiences within the University, and
administrators' review. Board members expressed appreciation for the work of the FCC and the continued collaboration with the Board of Regents and the administration.

A copy of the report of the Faculty Consultative Committee is on file in the Board Office.

REPORT OF THE STUDENT REPRESENTATIVES TO THE BOARD OF REGENTS

Dustin Norman, Chair of the Student Representatives to the Board of Regents, presented their semi-annual report. The report reflected the student perspective on issues and concerns facing University students and included items from each student assembly detailing goals, accomplishments, and obstacles. Norman addressed a number of issues, including student financial literacy and indebtedness, advising, and health care.

Chair Simmons commended the Student Representatives for their insightful report.

A copy of the report and presentation of the Student Representatives to the Board of Regents are on file in the Board Office.

SUPPLEMENTAL 2009 STATE CAPITAL REQUEST

President Bruininks invited Vice Presidents Pfutzenreuter and O'Brien to present the Supplemental 2009 State Capital Request (Request), as included in the docket and associated materials distributed at the meeting and on file in the Board Office.

Vice President O'Brien reported that the Request contains: $35 million for Higher Education Preservation and Replacement (HEAPR) funds and $39.5 million for the Bell Museum of Natural History. O'Brien stated that HEAPR funds are used system-wide to maintain existing facilities, support energy and utility projects that improve reliability, support sustainability goals, and reduce operating costs. The Bell Museum project on the St. Paul campus would replace the current facility on the Minneapolis campus. She noted that the museum is the state’s official natural history center and would also be a living research museum for University faculty.

President Bruininks noted that the projects in the Request could be implemented immediately following action by the Legislature and Governor.

A motion was made and seconded to approve the Resolution Related to the Supplemental 2009 State Capital Request:

WHEREAS, the Board of Regents has directed the administration to annually submit a capital improvement budget and a 6-year capital improvement plan in support of the University’s strategic priorities; and

WHEREAS, the Board of Regents has directed the administration to annually submit a capital improvement budget and a 6-year capital improvement plan in support of the University’s strategic priorities; and
WHEREAS, the Board of Regents recognizes the importance of sustaining and improving the University's facilities in support of teaching, research, and outreach; and

WHEREAS, the administration has developed a capital planning framework designed to focus its capital planning efforts toward projects that support the University's institutional priorities within a financial strategy that is realistic;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents approves the University’s 2009 Supplemental State Capital Request to the Minnesota Legislature in the amount of $74,500,000 consisting of $61,300,000 from the State of Minnesota and $13,200,000 from the University of Minnesota

In response to a question from Regent Larson, O'Brien explained that the Bell Museum project would provide an important tool for educating young people and introducing them to science and technology; reuse of the existing Bell Museum would help advance the institution’s academic program in the College of Design; and, substantial donor contributions have been pledged for the project. President Bruininks added that the project, and environmental research and education have attracted nearly $10 million in private support over several years.

The Board of Regents voted unanimously to approve the Resolution.

RESOLUTION ON UMORE PARK: CONCEPT MASTER PLAN, GOVERNANCE STRUCTURE & LEGACY FUND

A motion was made and seconded to approve the Resolution: UMore Park: Concept Master Plan, Governance Structure, and Legacy Fund, as follows:

WHEREAS, the Board of Regents agreed to a goal statement and guiding principles dated February 6, 2006 for the UMore Park project; and

WHEREAS, by resolution dated December 8, 2006, the Board of Regents directed the administration to:

• Maintain the 5,000-acre UMore Park property as an intact whole parcel in a manner that supports the University's academic mission;
• Prepare a concept master plan for the entire parcel; and
• Pursue activities to make the land ready for development; and

WHEREAS, in conjunction with its planning consultants, the administration developed a number of potential concept master plan scenarios that featured a range of potential opportunities; and

WHEREAS, the administration brought forward for public comment in June 2008 four scenarios as an interim step toward preparing a final concept master plan; and
WHEREAS, the administration has recommended a concept master plan dated October 2008, available in the Board of Regents Office (“Concept Master Plan”), that incorporates the following elements:

- Integration of the University’s academic mission of research, education and public engagement into planning and development over the long term;
- Commitment to the public good consistent with the traditions of the University as a land grant institution;
- Flexibility to accommodate new opportunities and future changes over the 25- to 30-year process of creating a master planned community;
- Engagement with neighboring jurisdictions to plan in a manner that is consistent with local and regional planning and development processes and that benefits the University, local jurisdictions, and the broader region;
- Commitment by the University, as a conscientious steward of its physical resources, to assess environmental concerns and remediate the property, focusing on the site of the former Gopher Ordnance Works, in coordination with local, state and federal agencies;
- Detailed information on the quantity, quality and location of sand and gravel deposits on the property;
- Public comments and the perspectives of neighboring jurisdictions, public and private sector organizations, citizens, and the University community; and

WHEREAS, the administration and the General Counsel have undertaken a thorough study of various governance and structural models to address the long-term needs of the UMore Park project consistent with the Board of Regents’ guiding principles set forth in its resolution of February 6, 2006, and have recommended creation of a single owner limited liability corporation (“LLC”) to provide the necessary day-to-day direction, management and supervision of the UMore Park project; and

WHEREAS, building upon the principles dated February 6, 2006, the Board of Regents deems it essential to establish clear principles for the use of the proceeds, revenues and income derived from UMore Park assets;

NOW, THEREFORE, BE IT RESOLVED, that

I. The Board of Regents finds that the Concept Master Plan is consistent with the principles the Board establishes for UMore Park’s future, affirms the Concept Master Plan, and directs the administration to complete the requirements that precede development of the property.

II. The Board of Regents finds that the creation of a single owner LLC to exercise day-to-day direction, management and supervision of the UMore Park project is consistent with the principles the Board has established, and directs the administration and the General Counsel to bring to the Board for its further consideration the necessary legal documentation for this recommended structure.
III. The Board of Regents directs the administration and the General Counsel to bring to the Board a legal framework to create a legacy fund from the proceeds, revenues and income derived from UMore Park assets, and that such fund shall be designated for long-term support of special academic research, education and public engagement opportunities not otherwise adequately funded by state, federal or tuition resources, and that in no event shall such legacy fund supplant otherwise available government or private funds received by the University.

President Bruininks stated that this is a continuing discussion about the repurposing of UMore Park, a parcel of land (approximately 8,000 acres) in Rosemount, Minnesota. As discussed at the Board meeting in November, the administration is requesting Board of Regents approval of a resolution that addresses three areas: a Concept Master Plan, a governance structure, and a Legacy Fund concept, as described in the docket materials on file in the Board Office. the resolution would allow the administration to move forward with the next steps preceding development.

Vice President Muscoplat commented the project is driven by the University’s academic mission, its commitment to environmental stewardship, and the need for flexibility to accommodate changes and new opportunities.

The Board of Regents voted unanimously to approve the Resolution: UMore Park: Concept Master Plan, Governance Structure, and Legacy Fund.

RESOLUTION TO ALLOW ALCOHOLIC BEVERAGE SALES AT LIMITED LOCATIONS ON CAMPUS

Vice President Kathryn Brown and Associate General Counsel William Donohue presented the Resolution to Allow Alcoholic Beverage Sales at Limited Locations on Campus, as included in the docket materials.

A motion was made and seconded to approve the Resolution to Allow Alcoholic Beverage Sales at Limited Locations on Campus, as follows:

WHEREAS, the University of Minnesota has a significant policy interest in controlling the consumption, use, and sale of alcoholic beverages on its campuses; and

WHEREAS, the University currently allows for limited and controlled sale of alcoholic beverages at events at Northrop Auditorium; and

WHEREAS, the University has been authorized by the Legislature of the state of Minnesota to seek licenses for sale of alcoholic beverages at Northrop Auditorium, the intercollegiate football stadium, and other locations within the boundaries of the University provided that the Board of Regents has approved an application for a license for the specified location; and
WHEREAS, the University of Minnesota is interested in authorizing the sale of alcoholic beverages at other locations on its campuses where it is culturally and programmatically appropriate; and

WHEREAS, the University of Minnesota has determined that it is appropriate to allow the sale of alcoholic beverages at the following locations:

1. TCF Bank Stadium in premium seating areas (e.g. suites, club rooms, loge boxes) and special event rooms;
2. The Williams Arena Clubroom and suites;
3. The Mariucci Arena Clubroom and suites;
4. The University of Minnesota Arboretum.

WHEREAS, the Board of Regents has also determined that it is appropriate to allow sale on campus by licensed caterers for special events as specifically approved by the President or delegate; and

WHEREAS, the sale of alcoholic beverages in each of these locations and by caterers will be done in accordance with all applicable law, served only by those persons who are appropriately trained, and appropriate enforcement and monitoring mechanisms are provided.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents of the University of Minnesota according to its policy, Alcoholic Beverages on Campus, approves alcoholic beverage sales at the following locations in conjunction with events at those locations:

1. TCF Bank Stadium in premium seating areas (e.g. suites, club rooms, loge rooms) and special event rooms;
2. The Williams Arena Clubroom suites;
3. The Mariucci Arena Clubroom suites;
4. The University of Minnesota Arboretum.

BE IT FURTHER RESOLVED, that the Board of Regents authorizes the submission of applications in accordance with law for each of the above-referenced locations.

BE IT FURTHER RESOLVED, that the Board of Regents authorizes the President or delegate, by written permit, to allow sales of alcoholic beverages on campus by licensed caterers for special events.

BE IT FURTHER RESOLVED, that the Board of Regents directs the preparation of an analysis and report on alcohol sales on campus to the Board of Regents by June 30, 2010.

Brown reported that consistent with existing Board of Regents Policy: Alcoholic Beverages on Campus and administrative policy, alcohol is presently served in a
number of facilities on campus. This resolution, if approved, will permit the sale of alcoholic beverages at four locations and permit the President or designate to allow sale of alcoholic beverages by licensed caterers in conjunction with events on campus. The specific locations are:

- TCF Bank Stadium in premium seating areas;
- Williams Arena Clubroom and suites;
- Mariucci Arena Clubroom and suites; and
- Minnesota Landscape Arboretum.

The proposed venues were chosen because they are locations dedicated primarily to events and social entertaining that are not typically frequented by students.

Brown reported that the resolution also authorizes the President or designee by written permit to allow sales of alcoholic beverages on campus by licensed caterers for special events. This part of the proposal addresses the needs of several venues and groups on campus without extending the number of University licenses. It is not expected to increase the amount of alcohol consumed on campus.

A lengthy discussion ensued.

Regent Baraga commented that while he realizes the advantages of selling alcoholic beverages in TCF Stadium, there are disadvantages of having alcohol on campus. The University has an opportunity to have an alcohol-free stadium and set a benchmark for the NCAA. He stated he is unable to support the resolution.

Regent Allen commented that this resolution sets broad policy and contemplates issuing licenses and permits in various aspects; therefore, there will need to be considerable discussion at several levels to set guidelines on how the licenses might be issued.

Regent Frobenius expressed concern that since the citizens of Minnesota are the principal source of stadium funding for the stadium, the proposed resolution discriminates based on ticket price and raises an issue of fairness; therefore he is unable to support the resolution. President Bruininks clarified stadium funding sources, noting that almost 60 percent of the costs are being raised through private contributions, student fees, and game day revenues. He added that the stadium fundraising effort has leveraged about $45 million in academic gifts that would not otherwise have been given to the University.

Regent Hunter commented that this resolution includes venues in addition to TCF Bank Stadium and gives the administration more control than currently in place with safeguards to ensure alcohol is kept away from students. Regent Cohen stated she will support the resolution, as the sale of alcoholic beverages will occur in nonstudent-focused areas, which sends a message to minimize and control alcohol sales. She added that the Department of Athletics is competing with other Minnesota pro sports teams and this resolution could help to promote the sale of suites.

Regent Bohnsack stated he will support the resolution as it does offer an opportunity to be more restrictive about how alcohol is provided on campus.

In response to questions, Brown stated that the proposed resolution is consistent with other Big 10 institutions. In addition, the administration is working on
policies to address tailgating and other game day activities and events that will take place on University property.

Regent Metzen noted that previously, the Board directed the Department of Intercollegiate Athletics to study ways in which the Department could cut expenses, generate more revenue, and become more self-sustaining. That was a factor in a set of principles adopted by the Board of Regents (copy distributed at the meeting and on file in the Board Office). The guiding principles state that a stadium would not damage the finances of the University, but would provide cash flow and generate income in an extremely competitive sports market. He believes a vote against this resolution would be contrary to the principles established by the Board. It would hamper the ability to sell premium seats and violate the public trust by not ensuring cash flow.

The Board of Regents voted by a majority of 10-2 to approve the Resolution to Allow Alcoholic Beverage Sales at Limited Locations on Campus, with Regents Baraga and Frobenius voting against the resolution.

ANNUAL REPORT ON THE STATUS OF RESEARCH

Vice President Mulcahy presented the Annual Report on the Status of University Research Programs as provided in the docket and associated materials distributed at the meeting and on file in the Board Office. Included in the report were research statistics for FY2008; trend analysis of research expenditures reported by the National Science Foundation (NSF); a comparative analysis of public and private research universities; and strategies for increasing the University’s research competitiveness.

Key highlights of the FY2008 report include:

• Sponsored research expenditures of $584 million, a 6.1 percent increase over FY2007 – especially noteworthy were the award total increases in the School of Public Health and the Academic Health Shared Units.
• Sponsored awards of $675 million, an 8.3 percent increase over the previous year. Schools with increases of 25 percent or more include the Institute of Technology, Veterinary Medicine, and Pharmacy.
• University research and development expenditures of $624 million in FY2007, a five percent increase over FY2007.
• A 19 percent increase in research and development expenditures between 2004 and 2007, the second largest growth rate for the University.

For the period 1999 to 2007, the University ranked 9th among public universities and 14th among all universities, public and private, in research and development expenditures reported to NSF. Mulcahy indicated that the University’s rankings are significant, given declining federal funding and increased competition.

Federal agencies were the source of 71 percent of the University’s total sponsored expenditures in FY2008, but research universities will need to develop other sources of funding if they are to maintain healthy research portfolios. The University’s research enterprise is healthy, but he stressed its vulnerability. Previous state budget reductions have correlated with downturns in the University’s research productivity, a concern given the current state of Minnesota’s economy. The University must continue
to leverage mutually beneficial partnerships, be more strategic in resource allocations, and continue to look for new sources of funding.

In response to questions from Boardmembers, Mulcahy indicated that in the area of technological commercialization, considerable progress has been made through internal improvements in the process and increased recognition of the potential benefits to the University.

ANNUAL FINANCIAL REPORT

Vice President Pfutzenreuter and Associate Controller Denise Seck presented an overview of the 2008 Annual Financial Report (year ending June 30, 2008), as detailed in the docket materials and associated materials distributed at the meeting.

Seck reported that the University’s balance sheet continues to be strong. Seck reported that University assets increased by $58.5 million, or 1.3 percent. Liabilities increased by $60.6 million, or 4.4 percent. Long-term debt increased $28.6 million as a result of the issuance of commercial paper offset by payments on debt. She noted the future financial strength remains dependent on new sources of revenue, cost containment, and focusing the University’s financial resources on its core mission.

Seck reviewed details of the balance sheet, the statement of revenue and expenses, and changes in net assets. She provided information related to total revenues and revenue sources, and provided a summary of cash flows.

Seck discussed future reporting requirements that will impact financial statement reporting beginning in FY2009.

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

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

a) Recommend approval of the Consent Report for the Faculty, Staff & Student Affairs Committee as presented to the committee and described in the December 11, 2008 committee minutes.

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

Frobenius reported that the committee received reports on enhancing student/community relations and reviewed information from a panel on new student expectations: learning, trends and technology. The committee also discussed a number of information items contained in the docket materials.

REPORT OF THE FINANCE & OPERATIONS COMMITTEE

Regent Hunter, Chair of the committee, reported that the committee voted unanimously to:
a) Recommend approval of the revised Consent Report for the Finance & Operations Committee as presented to the committee and described in the December 11, 2008 committee minutes.

b) Recommend approval of two additional purchases.

1. $4.4 million for a 15-year contract with McKinstry Essention for implementation of an energy savings project on the Morris campus;

2. $386,000 for charter air service to the Insight Bowl on December 31, 2008.

Hunter noted that all trip-related expenses for Regents will be covered by income received from the Insight Bowl proceeds with no cost to the University.

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

Hunter reported that the committee discussed issues related to: the State of Minnesota economic update; the Annual Financial Report; peer financial institution comparisons; and the faculty retirement plan. The committee also reviewed a number of information items contained in the docket materials.

**REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE**

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

a) Recommend approval of the Consent Report for the Educational Planning & Policy Committee as presented to the committee and described in the December 11, 2008 committee minutes.

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

Larson reported that the committee also received an update on undergraduate academic initiatives.

**REPORT OF THE FACILITIES COMMITTEE**

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

a) Recommend approval of the following real estate transactions as presented to the committee and described in the December 11, 2008 meeting minutes.

1. Purchase of 2609-2613 – 4th Street SE, Minneapolis, Twin Cities campus.
2. Agreements for University facilities and services for Walden University Summer Residency Program, July 12-25, 2009, Twin Cities campus.

b) Recommend approval of an amendment to the FY2009 Capital Budget by $1,480,000 to include funding for the design and construction of the Food Service Servery and Life Safety Renovation project, Morris campus.

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

Metzen reported that the committee also reviewed the Campus Master Plan for the University of Minnesota Rochester; discussed the Twin Cities Campus Master Plan: Overview & Context for Decision Making; and reviewed a number of information items described in the docket materials.

REPORT OF THE AUDIT COMMITTEE

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

REPORT OF THE LITIGATION REVIEW COMMITTEE

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

The meeting adjourned at 11:38 a.m.

Ann D. Cieslak
Executive Director and Corporate Secretary

Board of Regents
December 12, 2008