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A meeting of the Finance and Operations Committee of the Board of Regents was held on Thursday, December 10, 2009 at 8:15 a.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: Vice Presidents Nancy Barceló, Kathryn Brown, Steve Cawley, Timothy Mulcahy, Charles Muscoplat, Richard Pfutzenreuter, and Steven Rosenstone; Executive Director Ann Cieslak; and Associate Vice Presidents Stuart Mason, Beth Nunnally, and Michael Volna.

Student Representatives present: Matt Privratsky and Aditya Srinath.

BOARD OF REGENTS POLICY: Targeted Business, UCED, and Small Business Programs

Vice President Pfutzenreuter invited Associate Vice President Volna to lead the discussion of proposed amendments to Board of Regents Policy: Targeted Business, UCED, and Small Business Programs. Volna explained that the policy has been edited to conform with Board of Regents policy language regarding delegations of authority and for consistency with the style of Board policies.

The committee, noting some inconsistencies between proposed and current language, requested clarification when the policy returns to a future meeting for action.

ISSUES RELATED TO: Annual Financial Report

Volna and Associate Controller Denise Seck presented the Annual Financial Report for FY2009, as detailed 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:

- The University's balance sheet continues to be strong.
- There was a decrease in net assets of $268.5 million and a net decrease in the fair market value of University investments; and
- The University's future financial strength continues to be dependent on cost containment and the identification of new sources of revenue.
Discussion ensued regarding the impact on the University's financial statements of a number of General Accounting Standards Board reporting requirements; variances between budgeted and actual expenditures; and the desirability of increasing linkages between the budget and financial statements.

In response to a question from Regent Beeson, Regent Frobenius invited Associate Vice President Mason to describe the University's response to events in the equities market over the past year. Mason reported that all of the University's Temporary Investment Pool equity holdings had been terminated by July 2008. Termination of equity holdings in the Consolidated Endowment Fund was a more protracted process, but by the end of November 2008, securities had been redeemed at 100% of market value and there were no securities outstanding.

With respect to the University's overall experience, Mason indicated that by acting aggressively, it was possible to reduce the University's public equity exposure from 38% in November 2008 to 12% by February 2009. Two goals guided this process: preserving capital and increasing liquidity. The University's portfolio has been rebalanced gradually through purchases of equity futures, which have increased equity holdings while allowing fixed income investments to continue to generate earnings.

**UPDATE: UNIVERSITY STUDENT FEES**

Vice President Pfutzenreuter introduced Budget Director Julie Tonneson to lead the discussion of University student fees. Tonneson stated that the fees study is a comprehensive look at all fees charged to students system-wide in 2008-09. She described its purpose and scope and highlighted preliminary findings. Students paid about $31.5 million in non-instructional student services fees, which are allocated by a student committee to support student newspapers, recreational sports facilities, and other recognized student activities/organizations.

In 2008-09, about $60 million in administrative fees and $20 million in academic fees were assessed, plus an estimated $1 million per college in course fees. The focus of the fees study is to determine whether all fees are consistent with current policies; whether the fees process can be simplified; whether consistent methodologies are being used to assess fees; and whether fee information is being communicated effectively to students and parents. Next steps include completion of the analysis, the development of policy questions, consultations regarding individual fees, and the implementation of changes.

The committee stressed the importance of communicating clearly to students/parents what to expect in addition to tuition charges and the credibility to be gained from limiting fees to special projects or user fees that are transparent to students and parents.

Student Representatives Privratsky and Srinath emphasized the importance of transparency; of communicating to prospective students and parents the impact of fees on the cost of attendance; and of including students in the fees study consultation process.
ISSUES RELATED TO: UMORE PARK FINANCING UPDATE

Vice Presidents Pfutzenreuter and Muscoplat led the discussion of UMore Park (Park) financing. Muscoplat summarized the Park’s budget, noting the requirement that Park-related revenues/expenditures be segregated. By the end of FY09, total expenditures are expected to be about $9.3 million. By the end of FY10, a positive balance of $400,000 is expected in the Park’s budget.

Muscoplat highlighted the impact of gravel mining operations, upfront real estate development costs, and research revenues on the Park’s budget, and eventual contributions to the Legacy Fund for long-term support of special academic research, educational, and public engagement opportunities.

In response to a question from Regent Simmons, Muscoplat confirmed that a $9 million federal grant was awarded to University faculty because only the Park met the locational requirements of the Department of Energy.

The committee expressed its support for maintaining the physical integrity of the Park and for directing proceeds from the Park into the Legacy Fund.

CONSENT REPORT

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

Purchase of Goods and Services Over $250,000

- To Fisher Scientific LLC for an estimated $523,000 for Falcon Plastic Labware manufactured by BD Biosciences, to be stocked at the University Stores for use in University departments from January 1, 2010 through December 31, 2010.
- To Harlan Teklad for an estimated $1,000,000 for laboratory research diets as needed for the period of January 1, 2010 through December 31, 2013 for the department of Research Animal Resources.
- To the Science Products Division of Corning Incorporated for an estimated $457,000 for Corning Plastic Labware, to be stocked at the University Stores for use in University departments from January 1, 2010 through December 31, 2010.
- To Wilcox Paper, LLC for an estimated $686,000 for the purchase of 100% post-consumer recycled copy paper, 30% post-consumer recycled copy paper, and virgin copy paper, to be stocked at the University Stores for use in University departments. The contract period is December 15, 2009 through December 31, 2010.

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

Regent Frobenius noted the large number of pre-approved exceptions to competitive purchases as reported in the Quarterly Purchasing Report and indicated that he has asked Pfutzenreuter to return to the committee with recommendations regarding current policy.

Several members of the committee commented on the reporting of purchases of goods and services in the Consent Report. Pending approval of proposed changes to Board of Regents Policy: Reservation and Delegation of Authority, fewer purchases will come to the committee for approval. The committee expressed support for the proposed threshold change, but requested that purchases no longer requiring approval be presented to the committee as an Information Item.

The meeting adjourned at 10:00 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Faculty, Staff & Student Affairs Committee of the Board of Regents was held on Thursday, December 10, 2009 at 8:15 a.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: Chancellors Charles Casey, Jacqueline Johnson, Stephen Lehmkuhle, and Kathryn Martin; Senior Vice President and Provost Thomas Sullivan; Senior Vice President Robert Jones; Vice Presidents Nancy Barceló and Carol Carrier; Executive Director Ann Cieslak; and Associate Vice President Kristin Lockhart.

Student Representatives present: Jennifer McCabe and Sarah Shook.

FACULTY AND STAFF RECRUITMENT: CHALLENGES AND OPPORTUNITIES – COORDINATE CAMPUSES

Vice President Carrier explained that the presentation would provide an opportunity to discuss issues related to the recruitment of faculty and staff to the coordinate campuses and introduced Senior Vice President Jones to present opening remarks. Jones emphasized the importance of employee recruitment to the University’s strategic future and explained that Chancellors Casey, Johnson, Lehmkuhle, and Martin would each discuss the challenges and opportunities on their respective campuses.

Chancellor Johnson identified several recruiting challenges, such as: beginning faculty not being encouraged to work at small, non-research universities; the remote location of the University of Minnesota Morris (UMM); and lower compensation than many institutional peers. She observed that being part of the University system is a tremendous asset in recruiting, as are an attractive campus, affordable living opportunities, and high-achieving student population.

Chancellor Casey emphasized that assets such as the University system, excellent benefits package, opportunity to focus on teaching, and on-site child care have resulted in improved faculty and staff recruitment to the University of Minnesota Crookston (UMC) in recent years. He noted the importance of a number of programs, such as assigning faculty mentors to new hires, the Regents Scholarship reduced tuition program, and collaboration with the University of North Dakota in Grand Forks to the successful retention of new faculty and staff. Casey explained that the greatest
problems in recruiting faculty are the lack of diversity in Crookston, the challenge of developing a research profile with heavy teaching loads, finding opportunities for spousal work, and the weather.

Chancellor Lehmkuhle explained that the faculty and staff recruited to work for the University of Minnesota Rochester (UMR) are excited by the prospect of finding innovative solutions to delivering higher education. He observed that the collaborative environment with the Mayo Clinic, the opportunity to work closely with students, and the attractiveness of the Rochester community have been important recruiting assets.

Chancellor Martin discussed the importance of the University of Minnesota Duluth’s (UMD) sustainability commitment to the new generation of hires. She observed that an improved academic profile among UMD students has been accompanied by a more distinguished faculty. Martin identified the following recruiting assets: Duluth being an attractive community with excellent schools; UMD’s status as the premier regional employer for staff positions; and the excellent institutional development opportunities such as the Regents Scholarship.

In response to a question from Regent Larson, Martin explained that faculty quality is measured through the success of graduates, individual awards received, and evaluations by students and colleagues. Johnson added that the tenure process provides an excellent indicator of the quality of faculty.

In response to questions from Regents regarding cooperation between the campuses, Lehmkuhle observed that UMR has several partnership programs that utilized courses taught throughout the system. He added that UMR uses the University of Minnesota Twin Cities (UMTC) for new employee orientation and other human resource functions.

Jones explained that collaborative work between his office and the chancellors has resulted in reduced redundancy of services and improvements in such areas as information technology and auxiliary units. He made particular mention of the UMM, UMC, and UMR bookstores all being managed by the UMTC bookstore.

**EQUITY AND DIVERSITY: PATHWAYS TO SUCCESS**

Vice President Carrier introduced Vice President Barceló, Rickey Hall, Assistant Vice President for Equity and Diversity, and Patrick Troup, Director of the Multicultural Center for Academic Excellence (MCAE), to present information on academic services and programs for minority students. Barceló observed that the presentation would build on previous discussions with the committee regarding the work of the Office of Equity and Diversity.

Hall provided a detailed analysis of the minority student population at the University. He explained that minority students constitute 18 percent of the overall student population on the Twin Cities campus, which eclipses the 14.1 percent of Minnesota's overall population. Hall reported that the 5-year graduation rate of minority students increased from 43 percent of students entering in 2000 to 58.8 of students entering in 2003.

Troup explained that the MCAE is a department in the Office of Equity and Diversity that provides minority students with tutoring services, information on academic programs and resources, and counseling related to volunteer, work, and
internship opportunities taking place on and off campus. He also provided information on programs directed at specific populations, including Casa Sol and the American Indian Cultural House, living and learning communities for Chicano/Latino students and American Indian students, respectively.

Barceló emphasized that the Office of Equity and Diversity and corresponding programs are not focused on graduating students, but instead working with colleges and academic departments to make certain that minority students are prepared for academic success and progressing through their degree programs.

In response to a question from Regent Larson, Barceló reported that while ACT scores for minority applicants have improved in recent years, the University examines many factors in screening prospective students. She added that the top indicator of academic success is whether a student’s mother attended college. In response to a question from Student Representative McCabe, Troup observed that facilities are important to student participation and that consolidating the services provided by MCAE in a central location has yielded positive results.

CONSENT REPORT

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

- Conferral of tenure to a faculty member who was hired at the University of Minnesota since June 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 10:15 a.m.

ANN D. CIESLIAK
Executive Director and
Corporate Secretary
A meeting of the Facilities Committee of the Board of Regents was held on Thursday, December 10, 2009 at 3:00 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Steven Hunter, presiding; Clyde Allen, Anthony Baraga, Dallas Bohnsack, Venora Hung, and Dean Johnson.

Staff present: Chancellor Jacqueline Johnson; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Kathleen O’Brien and Richard Pfutzenreuter; Executive Director Ann Cieslak; and Associate Vice Presidents Michael Berthelsen and Michael Perkins.

Student Representatives present: Jennifer McCabe and Aditya Srinath.

SCHEMATIC PLANS

A. Akerman Hall Hanger Renovation and Akerman & Mechanical Engineering Life Safety Improvements, Twin Cities Campus

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

The schematic plans for the Akerman Hall Hanger Renovation and Akerman and Mechanical Engineering Life Safety Improvements, Twin Cities campus, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Associate Vice Presidents Perkins and Gary Balas, Professor of Aerospace Engineering and Mechanics, presented information on the project and explained that the renovation will entail significant hanger lab improvements, enhanced efficiency of heating, ventilation, and cooling systems, and major upgrades to life and safety features, as detailed in the docket and materials distributed at the meeting. In response to a question from Regent Baraga, Balas reported that other components of the buildings such as classrooms are in need of renovation and that planning for those projects will commence upon completion of the hanger renovations and life safety improvements.
The committee voted unanimously to recommend approval of schematic plans for the Akerman Hall Hanger Renovation and Akerman and Mechanical Engineering Life Safety Improvements, Twin Cities campus.

**B. Folwell Hall Interior Renovations, Twin Cities Campus**

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

The schematic plans for the Folwell Hall Interior Renovations, Twin Cities campus, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Associate Vice President Perkins and James Parente, Dean of the College of Liberal Arts, presented information on the project and explained that the focus of the renovation will be the modernization of classrooms and instructional technology and the improvement of office and support spaces, as detailed in the docket and materials distributed at the meeting. Parente observed that Folwell Hall contains the largest concentration of classrooms on the Minneapolis East Bank campus. Perkins reported that the entire masonry exterior of the building was restored in 2007, including a new roof and associated infrastructure improvements.

In response to a question from Student Representative Srinath, Perkins explained that the recent acquisition of the building at 1701 University Avenue SE, Minneapolis, will help alleviate any classroom scheduling challenges during the construction phase.

The committee voted unanimously to recommend approval of schematic plans for the Folwell Hall Interior Renovations, Twin Cities campus.

**REAL ESTATE TRANSACTION**

**A. Purchase of 22,000 Square Feet of Land at 2201-7th Street S.E., 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 21,924 gross square feet at 2201-7th Street SE, Minneapolis, Twin Cities Campus.

Details of transaction: The owner of the property is Union Pacific Railroad. The purchase price is $504,252, which amounts to $23.00 per square foot.
Source of funds: One-half from Center for Magnetic Resonance Research (CMRR) Expansion and Renovation project and one-half from the Biomedical Research Facilities Program fund.

Vice President O’Brien reported that the transaction had been reviewed at a previous committee meeting and that the land acquisition will allow for the construction of a necessary service drive for the expanded CMRR.

The committee voted unanimously to recommend approval of the purchase of 22,000 square feet of land at 2201-7th Street SE, Minneapolis.

REAL ESTATE TRANSACTIONS

A. Thirty-Six Month Lease for Warehouse Space for Physics/NOvA Project, 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:

Thirty-six month lease for warehouse space for Physics/NOvA Project at 2090 Elm Street, Minneapolis, Twin Cities Campus.
Details of transaction: The warehouse space will be leased from the CSM Investors, Inc. from January 2010 through December 2012, with the University having four successive six-month options for extending the lease. In January and February 2010, the University will pay lease costs of $107,062. Upon full occupancy in March 2010, the University will pay a yearly amount of $786,513 with a 2 percent increase each year of the lease.
Source of funds: Grant funds from the United States Department of Energy.

Vice President O’Brien reported that the transaction details were not originally included in the docket materials because the Department of Physics had yet to finalize the location site. She explained that the warehouse site will be used to construct the neutrino detectors that will be shipped to and utilized at the NOvA physics laboratory site in Ash River, Minnesota.

The committee voted unanimously to recommend approval of the thirty-six month lease for warehouse space for Physics/NOvA Project at 2090 Elm Street, Minneapolis, Twin Cities campus.
B. Sale of 64.229 Acres at UMore Park to Minnesota State Colleges and Universities/Dakota Technical College

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:

Sale of 64.229 acres at UMore Park to Minnesota State Colleges and Universities (MnSCU)/Dakota Technical College.
Details of transaction: MnSCU will pay $1.9 million for the property with closing expected on or before January 31, 2010.
Use of Sale Proceeds: The net proceeds from the sale of the property will be used to pay expenses related to the UMore Park planning for development and gravel mining activities.

Vice President O’Brien noted that the transaction was brought for review and action in one month in order to accommodate the January closing date. She explained that MnSCU will use the property for the expansion of the Dakota Technical College campus, including a driver training course.

The committee voted unanimously to recommend approval of the sale of 64.229 acres at UMore Park to Minnesota State Colleges and Universities/Dakota Technical College.

C. Purchase of 1000 Humboldt Avenue N., Minneapolis, Twin Cities Campus

Vice President O’Brien announced that the review and action of the purchase of 1000 Humboldt Avenue N., Minneapolis, was being delayed until a future committee meeting.

D. Fifteen-Year Lease to PETNET Solutions, for 4,051 Usable Square Feet at 2021-6th 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:

Fifteen-year lease to PETNET Solutions for 4,051 usable square feet at 2201-6th Street SE, Minneapolis, Twin Cities campus.
Details of transaction: The lease will commence April 1, 2010 and continue for five years, with two successive five-year renewal options thereafter. PETNET will pay $203,502 per year to the University.
Use of Lease Proceeds: The Academic Health Center will receive the payments on this lease.

Vice President O’Brien observed that the transaction was brought for review and action in one month so that PETNET could order equipment requiring significant lead time. She explained that PETNET will staff and operate a laboratory and associated equipment in a portion of the expanded Center for Magnetic Resonance Research.

The committee voted unanimously to recommend approval of the fifteen-year lease to PETNET Solutions for 4,051 usable square feet at 2201-6th Street SE, Minneapolis, Twin Cities campus.

CAPITAL BUDGET AMENDMENT

A. Leasehold Improvement Project, 2090 Elm Street, 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 FY2010 Capital Budget is amended to increase the budget for the following project:

Leasehold improvement project, 2090 Elm Street, Minneapolis.
Scope of Project: Warehouse construction for Physics/NOvA project, including electrical circuit installation, internal wall construction, lighting and fire protection system adjustments, and upgraded heating, ventilation, and cooling systems.
Cost Estimate: $723,882.
Capital Funding: Grant funding from the United States Department of Energy.
Estimated completion date: March 2010.

Vice President O’Brien reported that the capital budget amendment was introduced at the meeting and not originally included in the docket materials because the Department of Physics had yet to finalize the location site and thereby could not predict the need for the leasehold improvement project. She explained that the improvements to the facility will allow for the construction of the neutrino detectors that will be shipped to and utilized at the NOvA physics laboratory site in Ash River, Minnesota.

The committee voted unanimously to recommend approval of the capital budget amendment for the leasehold improvement project at 2090 Elm Street, Minneapolis.

CAPITAL BUDGET AMENDMENT

A. Akerman Hall Hanger Renovation and Akerman & Mechanical Engineering Life Safety Improvements, Twin Cities Campus

The committee reviewed a proposal to amend the FY2010 Capital Budget by $1,165,000 to incorporate funding for the Akerman Hall Hanger Renovation and
Akerman and Mechanical Engineering Life Safety Improvements, Twin Cities campus, as detailed in the docket and handouts distributed at the meeting.

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

**MORRIS CAMPUS MASTER PLAN AMENDMENTS**

Vice President O'Brien explained that the Campus Master Plan for the University of Minnesota Morris (UMM) was being presented for review, with action to occur at a later meeting. She welcomed Chancellor Johnson and Lowell Rasmussen, UMM Vice Chancellor for Operations, to provide information on the UMM Campus Master Plan, as detailed in the docket materials and handouts distributed at the meeting.

Johnson reported that the most recent master plan for UMM was completed in 1995 and that the planning process for the amendments began in 2007. She identified attaining a carbon-neutral, energy-independent campus by 2010 and establishing greater connections to the region around Morris as two primary goals that developed during the master planning process.

Rasmussen highlighted specific components of the master plan, including the establishment of campus gateways, improved orientation and navigation signage on campus, and the development of streets and pathways to encourage multimodal transportation on campus and within the surrounding neighborhood.

Regent Allen applauded the effort to make the campus more accessible and inviting. Johnson observed that opening up the campus to the community is an important component of the master plan.

**CONSENT REPORT**

The committee unanimously recommended approval of the Consent Report, which included:

- Sale of 3,300 square feet of land at 1510-4th Street SE, Minneapolis, Twin Cities campus; and
- Agreements for the use of University facilities and services for Walden Summer Residency Program, July 10-24, 2010, Twin Cities campus.

**INFORMATION ITEMS**

Vice President O'Brien referred committee members to the Information Items contained in the docket materials, including:
• Extension of the lease for use of the arena at the Duluth Entertainment and Convention Center (DECC) for UMD Bulldog Men's and Women's Hockey and graduation ceremonies through December 29, 2010, at which time the new DECC arena is expected to be complete.

The meeting adjourned at 4:30 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning & Policy Committee

December 10, 2009

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, October 8, 2009 at 3:00 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Richard Beeson, Linda Cohen, John Frobenius, David Larson, and Maureen Ramirez.

Staff present: Chancellors Charles Casey and Stephen Lehmkuhle; Senior Vice President & Provost Thomas Sullivan; Senior Vice President Robert Jones; Vice Presidents Nancy Barcelo, Kathryn Brown, Stephen Cawley, and Timothy Mulcahy; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt and Kristin Lockhart.

Student Representatives present: Megan Hines and Lauren Snively.

BOARD OF REGENTS POLICY:
OPENNESS IN RESEARCH

Senior Vice President & Provost Sullivan introduced Vice President Mulcahy, who led the discussion of proposed amendments to Board of Regents Policy: Openness in Research. Mulcahy indicated that the proposed changes do not alter the substance of the current policy, but better align policy language with recent changes to Board of Regents Policy: Mission Statement.

In response to a number of questions from the committee, Mulcahy described the administrative process that provides for (1) an administrative review of any compelling reasons that might justify an exception to the provisions of this policy and (2) a binding appeals process involving a faculty committee. He also commented that it would not be advisable to combine this policy with Board of Regents Policy: Conflict of Interest because they address very different issues and the University is better served by maintaining separate policies.

In response to a question from Regent Simmons, Mulcahy stated that the University could use several approaches in dealing with state legislation that might place restrictions on research beyond what federal law would impose. First, the University's long history of autonomy should establish a solid legal position. Second, the University could be proactive, working with the legislature to explain why additional restrictions on research would be undesirable. Finally, if necessary, the University could
look for ways to proceed while respecting any restrictions imposed. Simmons expressed her support for the policy because peer review provisions protect academic freedom while allowing questions to be discussed.

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

FOCUS ON UNDERGRADUATE EDUCATION

Senior Vice President & Provost Sullivan invited Robert McMaster, vice provost and dean, undergraduate education, to lead the discussion. McMaster identified a number of strategies for determining short- and long-term enrollment levels, admissions metrics, and national/international recruitment; addressing impediments to four-year graduation; enhancing student support in such areas as advising, service learning, and research opportunities; and creating a culture that supports graduation in four years.

In the areas of recruitment and enrollment, a new national recruitment strategy has been implemented to offset anticipated declines in the number of high school graduates in Minnesota as well as to enhance the University's brand recognition and to attract workforce talent to the state.

McMaster reviewed retention and graduation rates by campus. While trends at most campuses have remained about the same in recent years, there are two notable exceptions: a dramatic increase in four-year graduation rates at the University of Minnesota Crookston in 2005 and a 10 percent increase in the Twin Cities campus first-year retention rates since 1992, exceeding 2008's goal of 90 percent.

Since the cost of attendance for a resident undergraduate living on the Twin Cities campus is about $22,000 for 2009-10, there is a substantial penalty for taking more than four years to graduate. In support of timely graduations, current retention and graduation strategies have been expanded to include increased accountability and measures for each academic unit; a new Center for Academic Planning & Exploration to help students in transition get on the path to graduation; assessments of curricula and programs to eliminate bottlenecks; and a shift in culture and expectations that supports graduation in four years.

In response to a number of comments regarding the quality of advising and timely interventions with struggling students, McMaster explained that the advising infrastructure varies across colleges, but there are multiple points at which a student with difficulties can be identified. Sullivan added that a new academic advising network has been implemented to convey to advisers across campus the importance of being proactive and the importance of advising in retention and graduation.

In response to a number of questions regarding retention, McMaster noted that the administration has been assessing the extent to which institutional barriers, such as the new liberal education requirements or majors with high credit requirements, may be affecting graduation and retention. He also acknowledged that recent successes with first-year retention rates will permit greater attention to the next vulnerable point, the third- to fourth-year transition.
Regarding the need to revisit current graduation rate goals, Sullivan indicated that he is confident the current goals will be met, but that he is in full agreement about the need to continually increase expectations and aspirations by proposing at a later date that the Board reconsider and raise its goals.

In response to a question from Regent Simmons, Sullivan stressed that strategic planning is now in its third phase, advancing excellence. Critical to advancing excellence will be the identification of resources to continue the initiatives and programming that have brought about past successes. Important policy questions include:

- How can excellence be maintained and advanced?
- What goals and aspirations are appropriate?
- How should budgets be aligned with established priorities?
- What investments will best align with Minnesota’s future, enhancing the quality of the state as well as the University?

**CONSENT REPORT**

Chair Simmons removed the item Academic Unit Name Change from the Consent Report for separate consideration. A motion was made and seconded, and the committee unanimously recommended approval of the following academic program changes, as described in the Consent Report:

- **New Academic Programs**
  - Swenson College of Science and Engineering (Duluth Campus) – Create Master of Engineering degree
  - Medical School – Create fellowship in Pediatric Radiology
  - Medical School – Create fellowship in Nuclear Radiology
  - School of Nursing (Twin Cities Campus) – Create postdoctoral certificates in Adult Health/Gerontological Clinical Nurse Specialist; Adult Health/ Gerontological Nurse Practitioner; Adult Health/Women’s Health Care Nurse Practitioner; Family Nurse Practitioner; Informatics; Integrative Health and Healing; Nurse Anesthesia; Nurse Midwifery; Healthcare Innovation and Leadership; Pediatric Clinical Nurse Specialist; Pediatric Nurse Practitioner; Psychiatric Mental Health Clinical Nurse Specialist; Public Health Nursing; and Public Health Nursing - Adolescent Nursing

- **Changed Academic Programs**
  - College of Food, Agricultural and Natural Resource Sciences (Twin Cities Campus) – Change name of Nutrition and Dietetics track to Didactic Program in Dietetics track within the B.S. degree in Nutrition
- College of Food, Agricultural and Natural Resource Sciences and College of Continuing Education (Twin Cities Campus) – Change name of B.S. degree in Bio-Based Products to Bioproducts Marketing and Management and change name of track from Bio-Based Products Marketing and Management to Marketing and Management

- Crookston Campus – Change name of B.S. degree in Computer Software Technology to Software Engineering

- School of Nursing (Twin Cities Campus) – Create the following tracks in the D.N.P. degree: Adult Health/Gerontological Clinical Nurse Specialist; Adult Health/Gerontological Nurse Practitioner; Adult Health/Women’s Health Care Nurse Practitioner; Family Nurse Practitioner; Informatics; Integrative Health and Healing; Nurse Anesthesia; Nurse Midwifery; Healthcare Innovation and Leadership; Pediatric Clinical Nurse Specialist; Pediatric Nurse Practitioner; Psychiatric Mental Health Clinical Nurse Specialist; Public Health Nursing; and Public Health Nursing - Adolescent Nursing

- Graduate School – Clarification of discontinued M.A. degree in Italian Studies

A motion was made and seconded, and the committee unanimously recommended approval of the following Academic Unit Name Change, as described in the Consent Report:

- Institute of Technology – Change unit name to the College of Science and Engineering

In response to several questions from the committee, Simmons invited Steven Crouch, Dean, Institute of Technology, to explain the reason for the requested name change. Crouch advised that “IT”, the customary abbreviation for the Institute of Technology, had become the universal reference for information technology. On the basis of extensive conversations with students, faculty, staff, and alumni, there is broad support for this change. There also has been extensive consultation with the College of Biological Sciences and the College of Food, Agricultural and Natural Resources, both of which have endorsed the new name.

Student Representative Hines mentioned that the Minnesota Student Association, recognizing the importance of this distinction for recruiting new students and for students entering the workforce, also passed a resolution in support of the name change.
INFORMATION ITEMS

There were no information items this month.

The meeting adjourned at 4:40 p.m.

[Signature]

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Litigation Review Committee of the Board of Regents was held on Wednesday, May 6, 2009 at 3:02 p.m. in the William R. Peterson Conference Room, 600 McNamara Alumni Center.

Regents present: Clyde Allen. Anthony Baraga, presiding, and Venora Hung participated by phone.

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

Others present: William Donohue and Tracy Smith.

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

A motion was made and seconded that the following resolution be approved:

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

NOW, THEREFORE, BE IT RESOLVED, that in accordance with Minn. Stat. § 13D.01, Subd. 3 and 13D.05 Subd. 3(b), a non-public meeting of the Board of Regents Litigation Review Committee be held on Wednesday, December 9, 2009 at 3:00 p.m. in the William R. Peterson Conference Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters including the following:

I. Mayo Foundation and Regents of the University of Minnesota v. United States of America

II. Regents of the University of Minnesota v. Metropolitan Council

III. Regents of the University of Minnesota v. AGA Medical Corporation
IV. James R. Williams v. Regents of the University of Minnesota, et al.

V. Delin Qu v. Regents of the University of Minnesota

VI. Erik Davis v. Mark Gelbmann and Regents of the University of Minnesota

The committee voted unanimously to approve the resolution. The public portion of the meeting adjourned at 3:05 p.m.

The non-public portion of the meeting adjourned at 4:02 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A work session of the Board of Regents was held on Thursday, December 10, 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; and Executive Director Ann Cieslak.

Regent Allen introduced Tom Stinson, Minnesota State Economist, and Tom Gillaspy, Minnesota State Demographer, to present information on the economic, demographic, and financial outlook for the State of Minnesota, as detailed in the docket and materials distributed at the meeting. Allen commented on the importance of the discussion because of the long-term implications of the State's financial situation on the University.

Stinson observed that the current economic climate has resulted in the longest and deepest recession in the United States since World War II. He reported that the current biennial State budget is forecasted to have a deficit of $1.2 billion and that the long-term projection for FY2012-13 forecasts a deficit of $5.4 billion. Stinson explained that the problems are not distinct to Minnesota as the overall decline in total wages in the United States has been dramatic, thereby resulting in budget shortfalls all across the country.

Gillaspy discussed the demographic challenges associated with the State's financial future. He reported that the population of Minnesota is getting older, with citizens aged 65 and older forecasted to eclipse the number of school age residents by 2020. Gillaspy observed that higher education has become particularly disadvantaged by the budget challenges and the growth in spending in other areas. He reported that in 1970, State funding for higher education exceeded health and human services (HHS) funding, but that now HHS funding outpaces higher education by approximately 3 to 1.

Gillaspy observed that not only is the over 65 age group expected to grow, the expansion of the labor force is projected to slow sharply, resulting in record low levels by 2020. He commented that future economic growth will depend increasingly on enhanced productivity, rather than the size of the labor force.

Stinson explained that the problem is structural and that short-term answers and budget gimmicks will not provide solutions. He noted that economic success in the 21st century will depend on retaining Minnesota's workers, retraining people to do new jobs, and recruiting more individuals to the State. In addition, Stinson stressed the importance of higher education in cultivating research and infrastructure and meeting the massive needs related to health care in the immediate future.
President Bruininks commented on the challenge of long-term financial planning because of the volatility of the state budget. Stinson observed that states utilizing tax structures focused more on sales revenue provide greater predictability, but also disproportionately affect individuals along the income scale.

Regent Johnson commented that consolidation of public services throughout all of the State's governmental sectors should be a priority. Gillaspy observed that a discussion of the core functions provided by government will be a critical step in addressing the financial and demographic challenges.

The work session adjourned at 11:46 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary
A meeting of the Board of Regents was held on Thursday, December 10, 2009, at 1:30 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; Chancellors Charles Casey, Jacqueline Johnson, and Stephen Lehmkuhle; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Steve Cawley, Karen Himle, Timothy Mulcahy, and Kathleen O'Brien; Executive Director Ann Cieslak; and Associate Vice Presidents Terry Bock and Donna Peterson.

ANNUAL REPORT ON THE STATUS OF UNIVERSITY RESEARCH

Vice President Mulcahy presented a revised Annual Report on the Status of University Research, 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 FY2009; trend analysis of research expenditures reported by the National Science Foundation (NSF); a comparative analysis with other public research universities; and a report on the impact of the American Recovery & Reinvestment Act (ARRA) grant funding.

Key highlights from the 2009 report include:

• The University maintained its rank as the nation’s ninth leading public research university based on the NSF Research & Development expenditure data;
• Gross revenues from patent and licensing activity increased to $95 million in FY2009, representing a 10 percent increase over the previous year;
• Sponsored research awards totaled $607 million, a decrease of nearly 10 percent from FY2008; and
• University researchers received 233 ARRA awards totaling $123.5 million.

Mulcahy noted that when ARRA awards are excluded from the FY2009 total number of awards, sponsored research decreased 16 percent, which will likely result in a decline in the University's NSF ranking. Mulcahy observed that the declining economy negatively impacted the number of funded grants in 2009, however he noted that the
first quarter of FY2010 is trending towards a significant recovery in the number of awards.

In response to questions from Boardmembers, Mulcahy reported that in recognition of the institution’s budget challenges, the University has instituted a new policy to more carefully review grants that request a waiver of indirect costs in order to enhance a competitive position or to foster a partnership with an organization or an agency. He stated that there is an increase in faculty who are being acknowledged for their research excellence, which advances the University's strategic plan to promote faculty and develop awareness of their research. Mulcahy indicated that the University's strategic plan funding trends are aligned with resource allocation and strategic development, and that the University's success in competing for federal funds is appropriate for its rank.

### EAST GATEWAY DISTRICT PLAN/BIOSCIENCE DISCOVERY DISTRICT/ MEDICAL BIOSCIENCES FACILITY UPDATE

Senior Vice President Cerra, Orlyn Miller, Director, Planning and Programming, and Richard Johnson, Program Director, Biomedical Discovery District (District), presented the revised East Gateway District Plan and update on the Biomedical Discovery District and the Minnesota Biomedical Science Research Program, as outlined in the docket and associated materials distributed at the meeting and on file in the Board Office.

President Bruininks reminded the Board that the District is a visionary investment by the state and, when completed, will be the largest single expansion of research space and research and development investment since the University’s West Bank was developed in the 1960’s. The program is a timely investment that expands and renews the capacity of the University and the state as a world-class leader in biomedical science, and advances a long-term research agenda.

Cerra reported that the District is designed to bring scientists and clinicians together to create synergy across campus and advance new investment opportunities to attract resources in support of the development of bioscience parks for start-up companies. He described the breadth of research that the Center for Magnetic Resonance and Research (CMRR) will support. Researchers throughout the District will use CMRR expertise and equipment to advance other types of biomedical research, and the facility will provide a key gathering place for collaboration across all disciplines. Opening this month, the Medical Biosciences Building (MBB) will house 210 researchers, 25 principal investigators, and the nation’s most up-to-date facilities in support of innovation in infectious disease research. Additional buildings are planned.

Miller described the larger East Gateway District vision as a cohesive complex of research, support, and athletic facilities that will have its own identity, yet be integrated with the existing campus. Capital planning principles ensure research productivity by: providing space conducive to the conduct of contemporary research; creating flexible spaces that can adapt to new science and research trends; and providing research facilities that will allow competitive responses to research opportunities.
In response to a question from Regent Simmons, Cerra clarified that the MBB facilities were designed for medical school faculty rather than interdisciplinary purposes.

The meeting adjourned at 2:48 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 11, 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 Stephen Lehmkuhle; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Kathryn Brown, Steve Cawley, Karen Himle, Timothy Mulcahy, Charles Muscoplat, Kathleen O’Brien, Richard Pfutzenreuter, and Steven Rosenstone; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; and Associate Vice Presidents Gail Klatt, Sharon Reich Paulsen, Donna Peterson, and Michael Volna.

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 12, 2009
Finance & Operations Committee – November 12, 2009
Faculty, Staff & Student Affairs Committee – November 12, 2009
Board of Regents Work Session – November 12, 2009
Board of Regents Work Session – November 12, 2009
Board of Regents – November 13, 2009

REPORT OF THE PRESIDENT

President Bruininks recalled the Board of Regents Work Session discussion the previous day on the future of Minnesota’s population and economy and the critical issues facing the University of Minnesota. Bruininks summarized reductions in state support to the University, and noted that the November 2009 budget forecast could create further reductions for the institution in 2010 and 2011. He stressed the ongoing importance of continuing efforts to balance rising costs and declining resources, while trying to protect the quality and competitiveness of the institution. He also reported that in the next fiscal year, tuition revenue will become significantly greater as a source of revenue than will state support, by as much as $100 million.
President Bruininks described several significant cost drivers at the University and spoke broadly about how management is approaching the financial realities facing the institution. He described a number of budget principles to consider while addressing reductions and changing priorities.

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

REPORT OF THE CHAIR

Chair Allen reported that the next Board of Regents meeting will be held February 11-12, 2010 on the Twin Cities campus. On behalf of the Board, he wished the entire University community a joyous holiday season.

RECEIVE AND FILE REPORTS


CONSENT REPORT

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

• Appointment: Fairview Health Services Board of Trustees:
  ➢ Dr. Bobbi Daniels, M.D., term expiring December 31, 2010.

• UMore Park Board of Governors:
  ➢ Kathryn Brown, Vice President and Chief of Staff, University of Minnesota;
  ➢ Thomas Fisher, Professor and Dean, College of Design, University of Minnesota;
  ➢ Sarah B. Harris, Chief Operating Officer, Minneapolis Downtown Improvement District;
  ➢ Peggy Lucas, Partner, Brighton Development Corporation;
  ➢ R. Timothy Mulcahy, Vice President for Research, University of Minnesota;
  ➢ Michael O’Keefe, Former President, Minneapolis College of Art and Design;
  ➢ Richard Pfutzenreuter, Vice President and Chief Financial Officer, University of Minnesota;
  ➢ David Sellergren, Attorney, Fredrikson & Bryon; and
  ➢ Roger Sit, Chief Executive Officer and Global Chief Investment Officer, Sit Mutual Funds.

• Summary of Gifts through October 31, 2009; and

• Quarterly Summary of Expenditures.
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 Marti Gonzales, Chair of the Faculty Consultative Committee (FCC), reported on the activities of the committee since its last report to the Board of Regents. Issues the FCC has been working on include: technological innovation and education and training, or E-education; an FCC faculty delegation visit to the Morris campus to highlight the need for ongoing scholarly collaboration with Twin Cities campus faculty; and the annual meeting of the Committee on Institutional Cooperation hosted by the University in November 2009.

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**

Jennifer McCabe, 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. McCabe addressed two key issues: student fees and campus safety.

Chair Allen 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.

**BOARD OF REGENTS POLICY: RESERVATION AND DELEGATION OF AUTHORITY**

**BOARD OF REGENTS POLICY: FOUNDING DATE, CORPORATE NAME AND SEAL, AND UNIVERSITY MARKS**

**BOARD OF REGENTS POLICY: LEGAL REVIEW OF CONTRACTS AND TRANSACTIONS**

Chair Allen invited Vice President Himle and General Counsel Rotenberg to lead the discussion of amendments to three Board of Regents policies: *Reservation and Delegation of Authority; Founding Date, Corporate Name and Seal, and University Marks;* and *Legal Review of Contracts and Transactions*. Rotenberg reported that the discussion would be integrated, as many of the provisions of the policies interrelate and have the same rationale for adoption. A copy of the presentation and the proposed amendments as detailed in the docket materials are on file in the Board Office.

Rotenberg noted that the proposed amendments to Board of Regents Policy: *Reservation and Delegation of Authority*, and Board of Regents Policy: *Founding Date, Corporate Name and Seal, and University Marks* relate to the Board’s authority regarding
the use of the corporate name by any University entity or by any non-University person
or entity; reserves the Board’s authority to remove permission to use its corporate name;
reserves authority with respect to names on University buildings and other substantial
assets; and includes amendments that relate to specified commercial transactions or
matters not covered in earlier versions. The proposed amendments also include a new
provision to reserve authority to approve any commercial transaction or matters not
otherwise subject to Board approval if the transaction or matter raises unusual
questions of public interest or public policy; has a significant impact on the University
mission; or has a value greater than $2 million.

Proposed amendments to Board of Regents Policy: Legal Review of Contracts and
Transactions require the General Counsel to maintain a framework of control to ensure
presentation to the Board of all contracts and transactions that require Board
notification or specific Board approval. The change is intended to ensure that most
important and significant contracts and transactions are presented to the Board.

A lengthy discussion ensued. Boardmembers raised a number of questions and
concerns regarding:

- The rationale for an increase in the purchasing threshold for approval
  of goods and services;
- The cost implications and potential timing delays due to
  implementation of a change in the purchasing threshold;
- Whether there should there be different thresholds for different types
  of purchases;
- The percentage of purchases over $250,000 and how the University
  compares to peer institutions in its purchasing threshold;
- The possible implications to entities currently using University of
  Minnesota name and marks; and
- How the University would respond if an associated organization or
  entity using the University name and brand changed its constitution.

Himle discussed the value of the University of Minnesota brand and the
importance of a unified visual identify for the institution. She reported that most
campuses, colleges, and major units have made significant progress toward
implementing the new identify guidelines in websites, publications, and
communications. Himle discussed the benefits of a consistent image and message in the
marketplace.

Board of Regents Policy: Reservation and Delegation of Authority; Board of Regents
Policy: Founding Date, Corporate Name and Seal, and University Marks; and Board of
Regents Policy: Legal Review Of Contracts and Transactions will return for action at the
March 2010 Board meeting.

**SIX-YEAR CAPITAL IMPROVEMENT PLAN: 2010-2015**

President Bruininks introduced the Six-Year Capital Improvement Plan: 2010-2015
(Plan) as detailed in the docket materials. 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. Bruininks noted the Board reviewed the Plan at its November 2009 meeting.

A motion was made and seconded, and the Board of Regents voted unanimously to approve the Resolution Related to the Six-Year Capital Improvement Plan, as follows:

WHEREAS, preserving the University campuses through stewardship of public investments that have been made over 150 years is a commitment the Board has made to the State; and

WHEREAS, advancing key academic priorities is critical for the University to achieve and maintain excellence; and

WHEREAS, continuing investment in research infrastructure is essential for the future competitiveness of the University and the State of Minnesota; and

WHEREAS, enhancing the student experience for both undergraduate education and graduate and professional education is required as the core of its mission in order to generate and disseminate knowledge; and

WHEREAS, improving outreach and engagement is necessary in order to transform State communities, fuel the State economy, address State social issues, and improve the State's health; 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 responsible;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents approves the University's Six-Year Capital Improvement Plan in order to create and maintain facilities that serve as tools in accomplishing the University's education, research and outreach objectives.

UMORE PARK: UPDATE

President Bruininks invited Vice President Muscoplat to provide an update on activities related to planning for the UMore Park property. Bruininks reported that the University continues to use the property for research purposes, focusing on agricultural and natural resource environmental issues. He noted future research on the site would also address significant issues related to green energy, the environment, and urban design. He summarized recent Board of Regents actions, which include creation of a Limited Liability Corporation and a Legacy Fund for revenues and supporting University needs not currently supported by state funds or tuition.

Muscoplat noted the presentation would cover six topics:

- Concept master plan;
- Sand and gravel resources;
• Environmental stewardship;
• Academic mission;
• Structure and management; and
• The Vermillion Highlands.

Muscoplat reviewed the Board’s guiding principles for the development of the property, the vision for future development, and potential benefits to the University, community, and the state. He highlighted several features of the master plan which calls for a community that is sustainable, provide employment and business opportunities, and would be a national and international model. He reported on progress made in assessing sand and gravel availability and next steps required to pursue mining of those resources.

Muscoplat discussed how the UMore Park project enhances the academic mission of the institution by creating opportunities to support strategic positioning goals both academically and financially and how the project can leverage gifts, grants, and contracts. He reviewed a number of key developments and discussed the structure and management of the recently appointed Board of Governors.

In response to a question from Regent Johnson, Muscoplat reported that efforts are underway to determine necessary mitigation of potential noise and traffic disruption that would be created during the mining of sand and gravel.

Regent Hunter commented that the success of this project is market-driven and that it will take time for the construction and real estate markets to recover and the maximum value of the property can be realized. He stressed the need to keep in mind that this is a long-term resource. Muscoplat agreed that the construction and real estate markets have slowed down significantly, and timing is a critical consideration for any mining or development to take place on the property.

**STRATEGIC POSITIONING UPDATE**

President Bruininks, Senior Vice President and Provost Sullivan, and Senior Vice President Jones presented the University’s progress toward its strategic goals and objectives. Bruininks discussed the metrics framework and reported that it will be used in future Board committee and Board meeting presentations to track and assess progress toward strategic goals. He reported that the institution continues to strive for quality, excellence, and productivity. He highlighted a number of accomplishments to date, and stressed the need for continued state investment as well as support from the private sector and federal government.

Sullivan highlighted a number of initiatives within the four strategic areas of exceptional students, exceptional faculty and staff, exceptional organization, and exceptional innovation. He discussed a number of recent initiatives and outcomes and provided a number of key indicators to demonstrate progress and success in the strategic areas.

Jones reported that public engagement, the urban vision, internationalization, and pre-K-12 leadership are integral to the institution’s strategic vision and goals. He noted international enrollment has risen, and the number of students studying abroad has also increased. He described a number of new international partnerships involving faculty exchange, ongoing work with collegiate units and campuses across the
University system, and how the institution continues to work to strengthen the academic profile of the international efforts. He also described several new initiatives to improve the University's Extension Service, strengthen urban outreach, and efforts related to college readiness. Jones also discussed progress made by each of the coordinate campuses in meeting their strategic goals set in 2004. He presented data on recruitment, retention, graduation rates, and fundraising support.

Bruininks reported on a number of ways in which the institution is working to improve cost-effectiveness, productivity, and efficiency in a systemic way to leverage long-term change.

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

**ANNUAL FINANCIAL REPORT**

Associate Vice President Volna and Associate Controller Denise Seck presented an overview of the 2009 Annual Financial Report (year ending June 30, 2009), as detailed in the materials distributed at the meeting and on file in the Board Office.

Seck reported that the University's balance sheet continues to be strong despite a decrease in net assets of $268.5 million in FY2009 due to unrealized loss in investment. She noted that the University's future financial strength remains dependent on new sources of revenue, cost containment, and focusing 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 revenue and revenue sources, and provided a summary of cash flows.

Seck discussed new accounting standards that will impact the content of next year's report.

**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 Consent Report for the Faculty, Staff & Student Affairs Committee as presented to the committee and described in the December 10, 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 challenges and opportunities associated with faculty and staff recruitment on the coordinate campuses; received a report on equity and diversity; and reviewed a number of information items outlined 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 December 10, 2009 committee minutes.

Frobenius reported that the committee also reviewed proposed amendments to Board of Regents Policy: Targeted Business, UCED, and Small Business Programs; discussed issues related to the Annual Financial Report; received an update on University student fees; discussed issues related to UMore Park financing; 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 did not meet this month.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

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

a) Approval of the Consent Report for the Educational Planning & Policy Committee as presented to the committee and described in the December 10, 2009 committee minutes.

b) Approval of a name change for the Institute of Technology to the College of Science and Engineering.

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

Simmons reported that the committee also reviewed proposed amendments to Board of Regents Policy: Openness in Research; and discussed undergraduate education initiatives.

REPORT OF THE FACILITIES COMMITTEE

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

a) Approval of the Consent Report for the Facilities Committee as presented to the committee and described in the December 10, 2009 committee minutes.

b) Approval of schematic plans for the following projects:
1) Ackerman Hall Hanger Renovation and Ackerman and Mechanical Engineering Life Safety Improvements, Twin Cities campus.

2) Folwell Hall Interior Renovation, Twin Cities campus.

c) Approval of the following real estate transactions as presented to the committee and described in the December 10, 2009 committee minutes.

1) Purchase of 22,000 square feet of land at 2201 – 7th Street, SE Minneapolis, Twin Cities campus.

2) Sale of approximately 64 acres at UMore Park to Minnesota State Colleges and Universities/Dakota County Technical College.

3) A fifteen-year lease to PETNET Solutions for 4,051 usable square feet at 2021 – 6th Street, SE, Minneapolis.

4) A thirty-six month lease for warehouse space for the Physics/NOvA Project.

d) Approval of an amendment to the FY2010 Capital Budget by:

1) $723,882 to implement a leasehold project for warehouse space for the Physics/NOvA Project.

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

Hunter reported that the committee also reviewed an amendment to the FY2010 Capital Budget for the Ackerman Hall Hanger Renovation and Ackerman and Mechanical Engineering Life Safety Improvements project, Twin Cities campus; reviewed amendments to the Morris campus master plan; and discussed a number of information items contained in the docket materials. Hunter also reported that a real estate transaction related to the purchase of 1000 Humboldt Avenue North, Minneapolis, was delayed due to time constraints.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent Baraga, Chair of the committee, reported that the committee met in closed session on December 10, 2009 to discuss attorney-client privileged matters and no actions were taken.

The meeting adjourned at 11:56 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary

Board of Regents
December 11, 2009