



UNIVERSITY OF MINNESOTA
BOARD OF REGENTS POLICY

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Board Operations

**BOARD OPERATIONS AND AGENDA
GUIDELINES**

Adopted: March 8, 2002

Amended: July 9, 2004; December 10, 2004;
October 13, 2006; February 10, 2012;
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Supersedes: (see end of policy)

BOARD OPERATIONS AND AGENDA GUIDELINES

SECTION I. PRINCIPLES OF BOARD OPERATIONS.

The Board of Regents (Board), created under the Minnesota Territorial Laws of 1851 by the passage of the University charter and perpetuated by the Constitution of the State of Minnesota, is the governing body of the University. The Board, guided by the laws and constitution of the state:

- holds itself accountable to the public for accomplishing the mission of the University;
- meets openly, in the spirit of the Minnesota Open Meeting Law;
- fosters communication with the citizens of Minnesota, its elected representatives, and the University community; and
- works with the president to create a relationship characterized by trust and openness.

This policy provides an overview of the Board's operations, committee structure, and agenda guidelines.

SECTION II. BOARD OPERATIONS.

Subd. 1. Governing Documents. The Board exercises its authority consistent with the University Charter, the Constitution of the State of Minnesota, the Board of Regents Bylaws, and relevant Board policies. These documents provide the basic framework for the conduct of the business of the Board.

Subd. 2. Board Business. The Board conducts business through meetings of the Board and its committees. Items placed on the Board agenda have the most fundamental importance and broad policy implications for the University. The following items are required to come to the Board:

(a) Fundamental planning documents, including:

- University Plan, Performance, and Accountability Report — The University Plan, Performance, and Accountability Report (Plan) articulates the mission and vision of the University; identifies critical issues and challenges confronting the University; and sets forth major goals, objectives, and timelines for the ongoing pursuit of the teaching, research, and outreach functions of the University. The Plan publicly demonstrates the University's accountability for progress in reaching its stated goals and objectives; links planning, performance evaluation, and resource allocation at the system and campus/college level; illustrates and analyzes longitudinal trends in key areas; provides a means for comparisons with peer institutions; and identifies areas for continued work. The Plan sets the framework for the University budget.
- University Budget: Operating and Capital — The University budget sets forth the operating and capital requirements and authorizations for financing the activities of the University. The budget includes all funds (revenues and expenditures), all campuses, and all programs of the University. It incorporates historical background and projections.



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The capital budget has two parts. Part I is the six-year capital plan, which is updated annually and identifies capital projects approved to proceed with preliminary project planning but not authorized to proceed with design and construction. Part II is the annual capital improvement budget, which authorizes the completion of design and construction of projects with approved financing and schematic design, consistent with Board policies.

The president recommends to the Board both the operating and capital budgets in successive meetings.

- (b) Legislative funding requests, including the biennial budget request and the capital request.
- (c) Reports on federal and legislative relations and issues.
- (d) Annual report of asset management.
- (e) Annual report of capital financing and debt management.
- (f) Annual financial report.
- (g) Summary of expenditures for the Office of the President, Eastcliff, and the Board of Regents Office.
- (h) Gifts.
- (i) Other reports, including, but not limited to, reports of the Faculty Consultative Committee, the University of Minnesota Foundation and Minnesota Medical Foundation, the University of Minnesota Alumni Association, and the Student Representatives to the Board.
- (j) Additional items as decided by the chair of the Board in consultation with the president and vice chair.

At the chair's discretion, any of these items may be referred for discussion in committee.

Subd. 3. Committees. Committees provide recommendations for action by the Board. Typically, standing committees have the following responsibilities:

- recommend action on matters where the Board has reserved authority to itself as outlined in Board of Regents Policy: *Reservation and Delegation of Authority* and other Board policies;
 - provide governance oversight on topics within the committee's purview;
 - review and make recommendations on relevant new and existing Board policies;
 - receive reports on policy-related issues affecting University departments and units;
 - receive information items (e.g., status reports on current issues of concern and administrative searches); and
 - review other items placed on the agenda by the Board chair in consultation with the president and the Board vice chair.
- (a) **Responsibilities of Committee Chairs.** Committee chairs preside over the meetings of their respective committees, ensuring the orderly, open, and timely conduct of committee business. Committee chairs should annually review the committee responsibilities outlined in this policy as the committee work plans outlined in Subd. 7 are finalized. The president or delegate consults with committee chairs prior to committee meetings regarding background issues for committee agendas.
 - (b) **Committee Descriptions.** Standing, nominating, and special committees meet on a varying schedule set through the agenda development process. These committees, specific committee



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responsibilities, and required agenda items are listed below. The Board chair has the authority to name and identify the responsibilities of all committees. Any changes in committee structure are to be noted in this policy.

- (1) **Audit Committee.** The Audit Committee oversees the University's system of risk assessment and internal controls, audits, financial reporting practices, and the institutional compliance program. This committee also provides a direct channel of communication to the Board for the independent auditor and internal auditors.

Specifically, this committee:

- recommends the engagement and related fees of the independent auditor to perform the annual financial audit of the University and required federal compliance audits;
- approves all engagements of external audit firms;
- annually reviews the results of the independent auditor's work;
- recommends appointment or removal of the chief auditor;
- reviews the chief auditor's annual audit plan and approves subsequent material revisions to the plan or the department's budget; and
- recommends changes in the Office of Internal Audit Charter.

This committee also reviews:

- the annual financial statements, prior to issuance;
- periodic Office of Internal Audit reports, including a report on the implementation of audit recommendations;
- semi-annual controller reports;
- the independent auditor's annual audit and management letter; and
- responses to questions regarding audit issues, reports on enterprise systems, administrative program reviews, and other items relevant to the audit function.

Detailed information on Audit Committee authority and responsibilities is outlined in Board of Regents Policy: *Audit Committee Charter*.

- (2) **Academic and Student Affairs Committee.** The Academic and Student Affairs Committee advises on academic priorities and the teaching, research, and outreach missions of the University. This committee assesses academic programs for relevance to students and consistency with the University's mission and strategies and reviews internal and external evaluations of academic programs.

Specifically, this committee recommends:

- academic program additions, revisions, or discontinuations;
- tuition and fees policy;
- reciprocity agreements; and
- support for commercialization of technology to non-University entities.

This committee provides governance oversight to:

- academic program reviews and strategic plans of academic units;



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- enrollment and demographic trends;
- student affairs;
- academic medicine;
- issues related to the University's academic profile such as accreditation, reputation, and academic ranking;
- e-Learning;
- public engagement;
- international partnerships and education; and
- intercollegiate athletics.

(3) **Facilities and Operations Committee.** The Facilities and Operations Committee oversees the University's physical assets (e.g., land, buildings, infrastructure, and equipment) and operations. This committee considers the general adequacy, condition, and use of existing facilities and infrastructure; oversees policy related to technology, operations and physical planning; reviews renewal, replacement, and new construction decisions; and recommends capital projects.

Specifically, this committee recommends:

- project components of the University capital budget;
- district and campus master plans;
- real estate transactions;
- capital budget amendments; and
- schematic plans prior to the inclusion of a project in the annual capital budget.

This committee provides governance oversight to:

- long range physical asset planning strategies;
- public safety and emergency preparedness;
- technology infrastructure and long range planning; and
- operational services such as housing, parking, transportation, and dining.

This committee also reviews:

- semi-annual capital planning and project management reports;
- miscellaneous facilities management reports and significant issues;
- design guidelines when a project design represents an exception to adopted campus master plans; and
- approved capital budget projects prior to the award of construction contracts, consistent with Board policies.

(4) **Faculty and Staff Affairs Committee.** The Faculty and Staff Affairs Committee advises the administration on faculty and staff and compensation, benefits, recruitment, development, retention, and other issues related to employee engagement. This committee also reviews employment-related issues and policies.

Specifically, this committee recommends:

- the granting of faculty promotion and tenure and continuous appointments;
- appointments to specific boards and advisory committees;



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- appointments of senior leaders;
- approval of negotiated labor agreements, retirement plans, and other employment matters, consistent with Board policy; and
- changes in the University Senate Constitution and civil service rules.

This committee also provides governance oversight to:

- senior leader compensation, benchmarking, and terms of employment;
- faculty and staff compensation and benefits policy as well as other policies related to employment; and
- employee engagement.

(5) **Finance Committee.** The Finance Committee oversees the fiscal stability and long-term economic health of the University. This committee monitors the University's financial operations, debt level, and investment performance; requires the maintenance of accurate and complete financial records; and maintains open lines of communication with the Board about the institution's financial condition.

Specifically, this committee recommends:

- the University operating budget;
- financial components of the University capital budget;
- approval of purchases of goods and services over \$1,000,000;
- the issuance of debt;
- changes to the approved central reserves budget; and
- asset allocation guidelines and other policies related to the University's asset management function.

This committee also provides governance oversight to:

- long range financial planning strategies;
- total indebtedness of the University;
- the investment portfolio; and
- the financial relationship between the University and its partners, including affiliated foundations, clinical operations, and external entities.

This committee also reviews:

- selected financial metrics that measure the University's fiscal condition;
- quarterly purchasing reports and violations of Board of Regents Policy: *Purchasing*;
- semi-annual capital financing and debt management reports;
- the annual report on central reserves;
- quarterly asset management reports;
- semi-annual management reports; and
- other financial reports as requested by the committee.

(6) **Litigation Review Committee.** The Litigation Review Committee reviews litigation matters and obtains legal advice regarding specific University actions and their legal consequences. This committee typically meets in non-public session and consults with the



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general counsel on cases and claims, consistent with Board policy. The committee determines which matters shall be referred to the Board for review or approval.

- (7) **Nominating Committee.** The Nominating Committee is charged with nominating candidates to serve as Board chair, vice chair, secretary, and treasurer.
- (8) **Presidential Performance Review Committee.** The Presidential Performance Review Committee evaluates the president's performance. This committee meets in non-public session, reporting its findings to the Board.
- (9) **Special Committees.** The chair of the Board identifies the responsibilities, appoints the members, and designates the chair of special committees.

Subd. 4. Board Meetings. The Annual Meeting of the Board is held on the second Friday in June, unless otherwise determined by Board bylaws. At the Annual Meeting a schedule is approved for regular meetings, which are usually held on the second Friday and preceding Thursday of each month in February, March, May, June, July, September, October and December.

Other meetings are scheduled as needed and may include work sessions, open forums, and public hearings. Retreats, typically held annually in the summer, are opportunities for the Board to plan, assess its performance, develop priorities for the year, and/or to consider a particular topic.

The documents, minutes, and recordings related to the public deliberations of the Board are available in the Board Office.

Subd. 5. Committee Meetings. Committees usually meet as follows:

- Audit: Meets four to five times a year.
- Academic and Student Affairs: Most months when Board meets.
- Facilities and Operations: Most months when Board meets.
- Faculty and Staff Affairs: Most months when Board meets.
- Finance: Most months when Board meets.
- Litigation Review: Meets four to five times a year and as called by the committee chair.
- Nominating: May of odd-numbered years prior to Board's Annual Meeting and election of officers in June.
- Presidential Review: As called by the chair.

Subd. 6. Meeting Procedures. The Board chair presides over meetings of the Board. The vice chair presides in the absence of the chair. Board and committee meetings are conducted consistent with Board bylaws and Robert's Rules of Order. The general counsel rules on all disputed questions of procedure.

Items are presented in one of the following ways:

- *Review* - All significant items typically are reviewed one month with action in a subsequent month.
- *Action* - Previously reviewed items requiring Board approval.
- *Review/Action* - Items for review and action in the same meeting, as allowed by Board policy or under special circumstances with permission of the Board chair. The Consent Report includes



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routine action items that normally do not require discussion. Any Board member may request discussion or separate action on any Consent Report item.

- *Discussion* - Items for discussion that require no action when presented.
- *Other*
 - *Information Items* - Items of interest to a committee or the Board requiring no action or discussion, such as status reports on current issues of concern and administrative searches.
 - *Receive and File Reports* — Submitted reports that are not intended for discussion and do not require action, but are listed on the agenda and officially noted by the chair in the form of a statement to “receive and file.”

Subd. 7. Work Plans. Each year the Board outlines its priorities and its committees develop work plans with the advice of the president or delegate. Committee work plans outline major agenda items and discussion topics for the year.

Subd. 8. Staff Responsibilities.

(a) **Administrative Staff.** The president identifies a senior leader for each committee to facilitate committee meetings, assist in agenda development, prepare docket materials, coordinate presentations, and fulfill other duties. Assignments to standing committees are typically as follows:

- Audit - Chief Auditor
- Academic and Student Affairs - Executive Vice President & Provost
- Facilities and Operations - Vice President for University Services
- Faculty and Staff Affairs - Vice President for Human Resources
- Finance — Senior Vice President for Finance & Operations
- Litigation Review — General Counsel

(b) **Board Staff.** The Board appoints an executive director/corporate secretary whose duties and responsibilities include:

- providing advice and support to each Board member, as well as to Board leadership, to advance good governance practices;
- acting as a liaison between the Board and senior leaders of the University;
- managing the Board's policy library and ongoing policy review process;
- managing the Board agenda and docket process;
- maintaining official records of meetings of the Board and its committees;
- advising the president regarding the standards and protocols of Board meetings;
- maintaining and providing to the Board an annual planning calendar that outlines Board and committee meetings along with reports and other actions required by Board policy; and
- ensuring that logistical support is provided so that Board proceedings are conducted in an open, timely, and accountable manner.

The executive director assigns staff to each committee. Staff responsibilities include:

- reviewing docket cover sheets, resolutions, and revisions to Board policies;



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- scheduling and attending docket previews;
- facilitating communication on agenda items;
- assisting in work plan and agenda development; and
- supporting the committee chair as needed.

Subd. 9. Docket. The docket is the set of recommendations, reports, and all supporting documents prepared for each item on an agenda of the Board and its committees. A docket cover for each agenda item includes a statement related to the policy and financial impact of the item. Materials are submitted to the Board by the president or delegate with the assistance of Board staff. The Board Office distributes the docket to Regents one week prior to meeting dates, after which it is publicly available.

Subd. 10. Emergency Approvals. Upon the recommendation of the president, the Board chair, vice chair, and the respective committee chair may act on behalf of the Board when delay for Board approval poses a significant health, safety, or financial risk to the University. Any such emergency approvals will be brought to the next meeting of the Board, consistent with Board policy.

SECTION III. BOARD MEETING AGENDAS.

Subd. 1. Agenda Development. The agenda is set in the following manner:

Approximately two months prior to each Board meeting, the executive director develops a draft agenda for discussion at Agenda I, a meeting with the president and senior leaders. Agenda items are identified from Board priorities, committee work plans, and other reports and items as specified in Board policy. Following this meeting, the draft agenda is shared with the Board chair and committee chairs for review and comment. The Board chair approves the agenda at a subsequent meeting (Agenda II), also attended by the vice chair and participants in the Agenda I meeting. Subsequent changes to an approved Board or committee agenda require the approval of the Board chair and, in the case of a committee agenda, shall be done in consultation with the appropriate committee chair directly or through staff.

Subd. 2. Requests to Appear Before the Board. Anyone requesting to appear before the Board must submit a written request to the executive director, who reviews the request with the Board chair.

SECTION IV. PRESIDENTIAL PERFORMANCE REVIEW, EVALUATION, AND COMPENSATION.

Subd. 1. Presidential Performance Review. The Presidential Performance Review Committee evaluates the president's performance annually in order to: assess outcomes; support the president's efforts to strengthen performance; enable the president and the Board to establish mutually-agreeable goals; and inform decisions regarding annual compensation and other terms of employment.

This committee meets in non-public session as permitted by law, reporting its findings to the Board at a public meeting.

The following principles shall guide the performance review process:



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- (a) All Board members shall be involved.
- (b) Comments on the president's performance shall be requested from multiple sources.
- (c) Collegiality shall be a hallmark of all discussions.
- (d) Confidentiality of personnel matters shall be maintained.

Performance review process procedures shall be on file in the Board Office.

Subd. 2. Presidential Compensation. The compensation of the president shall be set by the Board at a public meeting. The Board shall exercise reasonable care and set compensation in a transparent, prudent, and responsible manner.

The following principles shall guide compensation setting:

- (a) The compensation plan shall support the organization's mission,
- (b) Compensation shall enable the recruitment and retention of an individual who can achieve excellence for the University and contribute to the vitality of the state of Minnesota.
- (c) Compensation is meant to appropriately reward and motivate the president, be commensurate with the president's responsibilities and performance, and be responsive to the president's requests.
- (d) Compensation shall be informed by appropriate data that helps determine comparability or fair market value.

The Board shall consider data from a comparable peer group of public research universities and private universities that are substantially similar to the University and designate a list for comparison purposes. It shall be the responsibility of the chair, in consultation with the vice chair, to recommend presidential compensation and other contract terms for Board action. The chair also shall be responsible for reviewing the president's total compensation and approving all reimbursements for presidential business travel and entertainment expenses.

Compensation-setting procedures shall be on file in the Board Office.