

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

MINUTES

BOARD OF REGENTS MEETINGS

AND

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Minutes of the Board of Regents Meetings
and Committee Meetings

June 10-12, 2015
June 24, 2015

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UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Presidential Performance Review Committee
June 10, 2015

A meeting of the Presidential Performance Review Committee of the Board of Regents was held on Wednesday, June 10, 2015 at 6:00 p.m. in the Hearth Room of the Minneapolis Club, 729 2nd Avenue South, Minneapolis, Minnesota.

Regents present: Richard Beeson, presiding; Dean Johnson; and Peggy Lucas.

Staff present: President Eric W. Kaler and Executive Director Brian Steeves.

RESOLUTION TO CONDUCT NON-PUBLIC MEETING
OF THE PRESIDENTIAL PERFORMANCE REVIEW COMMITTEE

A motion was made and seconded that

Year 2014-15

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Facilities & Operations Committee
June 11, 2015

A meeting of the Facilities & Operations Committee of the Board of Regents was held on Thursday, June 11, 2015 at 7:45 a.m. in the West Committee Room, 600 McNamara June o

The committee voted unanimously to recommend approval of the schematic plans for the Bee Discovery and Pollinator Center – Landscape Arboretum.

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- x Basis for Request: The purchase of this property is an opportunity purchase. The current owner of the subject property contacted the University to advise that the property is no longer needed for its business operations and was for sale.
- x

Wheelock explained the differences between a master plan, which guides direction, and a district plan, which begins to get into specific uses of an area. She emphasized that the presentation is not a specific proposal but rather an illustration of how plans have been used in the past.

Bock stressed the importance of long-range planning by sharing a 1967 decision by the Board of Regents to retain the academic health facilities on campus but in high-density buildings. This led to the design and construction of the Phillips-Wangensteen Building (PWB), Moos Tower and the hospital, which are all still in use today, 58 years later.

Wederstrom outlined several AHC facilities plans beginning in the 1990's to today. The plans have informed several building projects over the last 20 years, including the Biomedical Discovery District (BDD), the children's hospital

INFORMATION ITEMS

Vice President Wheelock referred committee members to the following information items:

- x Capital Planning and Project Management Semi-Annual Report
- x Final Project Review: Aquatic Invasive Species Lab (Twin Cities Campus)
- x Preliminary 2016 State Capital Request

The meeting adjourned at 9:48 a.m.

BRIAN R. STEEVES

Year 2014-15

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Faculty & Staff Affairs Committee
June 11, 2015

A meeting of the Faculty & Staff Affairs Committee of the Board of Regents was held on Thursday, June 11, 2015 at 7:45 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Richard Beeson, Laura Brod , Michael Hsu, Darrin Rosha, and Patricia Simmons.

Kehoe discussed the need to encourage faculty to create new initiatives and for the administration to support them when they do so. He encouraged faculty not to be afraid to try something new, but to embrace it, cycle out failures, and create new ideas based on those findings. He advocated for sunset dates for centers and initiatives to ensure that the University continues to be dynamic.

Levine described how the University performs against peer institutions on a variety of satisfaction indicators, including whether they would choose the University again; their influence over the focus of their work; satisfaction with their department; and department collegiality. He also compared how faculty members feel about facilities and work resources.

Hanson explained how the University is working to attract and keep diverse faculty, including through dual career hires, and how to ensure that field-shapers are rewarded and recognized.

Regent Brod commented that the sunset date described by Kehoe was significant. At the end date, there should be proof of worth in order to continue. She stated that this was how the University would ensure excellence.

In response to a question from Regent Brod, Hanson explained that the data do show that faculty satisfaction with the institution is currently greater than with the department. This is important since Hanson commented that faculty members would not want to stay at the University if their department were not functioning well. Kehoe concurred, advocating for departments to look at best practices from other departments. Vice President Brown noted that excellence attracts and helps replicate excellence, and proposed that if the University works on ensuring strong departments, retention of field-shapers would follow.

Regent Beeson commented that it is critical to improve at the departmental level. While knowing how specific departments are doing is not the work of the Board, Beeson encouraged collaboration among the Office of Human Resources, the provost, and the president to ensure that work is being done to improve and support departments.

In response to a question from Regent Hsu, Hanson stated that tracking awards and measures within a specific field is one way to evaluate how well field-shapers are doing. She added that paying for field-shapers is often done by reallocation and not through a pot of money specifically for that purpose. Her overall goal is to have field-shapers in every department, and strong oversight of the hiring, tenure, and post-tenure review processes can help do that. Levine added that attracting and retaining field-shapers also depends on the field and sometimes requires funding to purchase the necessary equipment or to upgrade facilities.

COLLECTIVE BARGAINING AGREEMENT WITH GRAPHIC COMMUNICATIONS INTERNATIONAL UNION LOCAL 1-B

Regent McMillan invited Vice President Brown to present for review and action a collective bargaining agreement between the Regents of the University of Minnesota and the Graphic Communications International Union Local 1-B, as detailed in the docket.

Brown outlined the terms and conditions of employment between the date of signing and November 1, 2017.

In response to a question from Regent Roshia, Brown clarified that the bargaining unit had agreed to take the compensation rate defined by the University in coming fiscal years.

A motion was made and seconded and the committee voted unanimously to recommend approval of the collective bargaining agreement.

CONSENT REPORT

Vice President Brown presented for review and action the Consent Report, which included the following items:

- x Conferral of tenure for five outside hires.
- x Conferral of tenure for one internal candidate.

A motion was made and seconded and the committee voted unanimously to recommend approval of the Consent Report.

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Audit Committee
June 11, 2015

would inform the committee of that need. She added that with the HRPP work, other areas that might have been included in this year's plan were not.

Klatt reviewed the results from FY 2015, noting the high marks given to Internal Audit by the quality assurance review conducted this past winter. She noted the excellent level of productivity by her staff. She observed that while it is a strength to have a large number of employees with 30-plus years of experience, the office is facing significant turnover in the near future. Klatt stated that Internal Audit is planning for succession.

INTERNAL AUDIT UPDATE

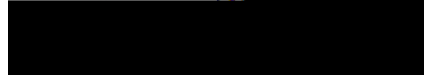
President Kaler extended his thanks to Tremaine, Herman, Jackson and the rest of the implementation team for their work. He expressed his support for the work plan and committed to ensuring that University research would be conducted at the highest scientific and ethical standards possible.

Tremaine presented the work plan to the committee. He outlined and explained each section of the report, highlighting the specific recommendations made by the implementation team. He informed the committee of the overall cost for implementation, both in terms of the one-time and recurring costs to support the recommended reforms. Herman and Jackson added their support for the recommendations.

Brod presented the resolution to the committee, noting that it had been revised from the

A motion was made and seconded and the committee voted unanimously to recommend approval of the resolution related to implementation of the work plan to improve the Human Research Protection Program.

The meeting adjourned at 12:00 p.m.



BRIAN R. STEEVES
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Litigation Review Committee
June 11, 2015

A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, June 11, 2015 at 12:00 p.m. in the William R. Peterson Conference Room, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Richard Beeson, Dean Johnson, and Darrin Rosha.

Staff present: President Eric Kaler; General Counsel William Donohue; and Executive Director Brian Steeves.

Others present: Amy Phenix, Tracy Smith, and Brian Slovut.

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

The meeting convened in public session at 12:10 p.m. At 12:13 p.m. 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 Litigation Review Committee be held on Thursday, June 11, 2015 at 12:00 p.m. in the W.R. Peterson Conference Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters including the following:

- I. Minnesota Police and Peace Officers Association and Police Officers Federation of Minneapolis (MPPOA) v. National Football League, Minnesota Vikings Football, LLC, and Regents of the University of Minnesota
- II. Regents of the University of Minnesota v. AT&T Mobility, et al.
- III. Threatened employment claims at University of Minnesota Duluth
- IV. Environmental contamination claims
- V. Preeti Kaur Rajpal v. Regents of the University of Minnesota, Aaron L.

The meeting adjourned at 1:00 p.m.

A handwritten signature in black ink, appearing to read "Brian R. Steeves", is written over a horizontal line that is colored with a gradient from red to yellow.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Academic & Student Affairs Committee
June 11, 2015

A meeting of the Academic & Student Affairs Committee of the Board of Regents was held on Thursday, June 11, 2015 at 1:00 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Linda Cohen, Thomas Devine, Peggy Lucas, Abdul Omari, and Darrin Rosha.

Staff present: Chancellor Jacqueline Johnson; Senior Vice President and Provost Karen
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CAMPUS CULTURE AND CLIMATE

Provost Hanson and Danita Brown Young, Vice Provost for Student Affairs and Dean of Students, provided an update on the work of the President's Campus Climate Workgroup, as detailed in the docket.

Hanson reported that while the Campus Climate report is complete, the Campus Climate Workgroup continues to meet monthly. Four World Café discussions were held with students, staff, and faculty, and more than 100 recommendations emerged from the process. Hanson cited four themes that surfaced from the discussions: engagement, recruitment and retention of staff, bullying behaviors, and work/life balance.

Brown Young described a culturally inclusive campus environment and shared seven student development outcomes that the University works to develop in all undergraduate students:

- x Responsibility and Accountability
- x Independence and Interdependence
- x Goal Orientation
- x Self Awareness
- x Resilience
- x Appreciation of Differences
- x Tolerance of Ambiguity

Hanson also discussed the University's focus on student development outcomes.

the Social Sciences; and Robert Dunbar, Associate Professor at the Rochester campus, and chair of the Center for Learning Innovation Directorship Committee.

Hanson outlined the pivotal role faculty play in shaping the academic direction and excellence of the University. She noted the University's strong shared governance system, and the active role of the Faculty Senate and its executive committee, the Faculty Consultative Committee. She also outlined the many leadership roles faculty assume, such as chairing a department, directing a research center, or participating as a member of task forces or work groups.

Hanson invited Ropers-Huilman, Schrunk Ericksen, and Dunbar to share a day in their faculty lives. Their reports conveyed the many responsibilities they juggle each day, including conducting department meetings, teaching classes, mentoring students or other faculty, conducting research, and balancing family life.

In response to a question from Regent Simmons, Ropers-Huilman suggested that faculty governance is a process for norming – gaining shared expectations of how to achieve the mission. Schrunk Ericksen and Dunbar both cited enhancing communication as a central role of faculty governance.

In response to a question from Regent Omari, the professors agreed that it is most difficult to fit in dedicated research time amid their commitments to teach, mentor students, participate in shared governance, and serve in department leadership roles. Hanson added that department support and administrative protections are needed for faculty that take on these roles, and that they should be considered longitudinally, in the context of a career that often spans 40 years.

In response to a question from Regent Cohen, Ropers-Huilman explained that her department suggests faculty allocate 40 percent of their time to research, 40 percent to teaching, and 20 percent to service. She would like to see more flexibility for tenured faculty, perhaps by balancing that allocation across an entire department. Hanson added that the allocation downplays the value of service but that it is also important to protect research time for junior

- f* College of Liberal Arts (Twin Cities campus)—Create undergraduate minor in Creative Writing
- f* Crookston campus—Create B.S. degree in Exercise Science and Wellness
- f* Crookston campus—Create B.S. degree in Medical Laboratory Science
- x Request for Changes to Academic Programs
 - f* College of Education and Human Development (Twin Cities campus)—Create sub-plan in Emotional and Behavioral Disabilities with in the M.Ed. degree in Special Education
 - f* College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)—Change the name of the B.S. degree in Agricultural Industries and Marketing to Agricultural Communication and Marketing and add sub-plan in Food, Agricultural and Natural Resource Sciences
 - f* College of Liberal Arts (Twin Cities campus)—Change the name of the undergraduate minor in New Media Studies to Digital Media Studies
 - f* School of Nursing (Twin Cities campus)—Create dual M.P.H./D.N.P. degree in Public Health Practice
- x Request for Approval of Discontinued Academic Programs
 - f*

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BOARD OF REGENTS

Finance Committee
June 11, 2015

A meeting of the Finance Committee of the Board of Regents was held on Thursday, June 11, 2015 at 1:00 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Thomas Anderson, Richard Beeson, Laura Brod,

Incorporating the FY 2016 appropriations, Tonneson detailed the incremental changes in the Operating Budget framework, as follows:

University of Minnesota
FY 2016 Budget Framework – Incremental Changes

Incremental Resources:	
Increased State Appropriations	\$26,600,000
Tuition Revenue Increase	\$15,100,000
Unit Resources	<u>\$36,800,000</u>
Total Incremental Resources	\$78,500,000
Incremental Expenditures:	
Compensation	\$23,000,000
Student Financial Aid	\$750,000
Academic Initiatives	\$48,550,000
Mission Support & Operations	<u>\$6,100,000</u>
Total Incremental Expenditures	\$78,400,000
Balance	\$100,000

Tonneson also reported on program-specific state appropriations, operations and maintenance fund, unit and institutional resources, current

FINANCIAL COMPONENTS OF PRESIDENT'S RECOMMENDED
FY 2016 ANNUAL CAPITAL IMPROVEMENT BUDGET

Regent McMillan invited Vice President Pfitzenreuter to present for discussion the President's recommended FY 2016 annual capital improvement budget (Capital Budget), as detailed in the docket.

Pfitzenreuter explained that the Capital Budget authorizes projects totaling \$92,916,000 to begin design or construction during the next fi

RESOLUTION RELATED TO REFUNDING OF DEBT
RESOLUTION RELATED TO ISSUANCE OF DEBT

Regent McMillan invited Vice President Pfitzenreiter and Carole Fleck, Director of Debt

INFORMATION ITEMS

Vice President Pfitzenreuter referred the committee to the Information Items contained in the docket:

- x Quarterly Investment Advisory Committee Update
- x Quarterly Asset Management Report

The meeting adjourned at 3:24 p.m.

A handwritten signature in black ink, appearing to read "Brian R. Steeves", is positioned above a horizontal line. The signature is written in a cursive style.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Board of Regents
June 12, 2015

A meeting of the Board of Regents of the University of Minnesota was held on Friday, June 12, 2015 at 9:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Thomas Anderson, Laura Brod, Linda Cohen, Thomas Devine, Michael Hsu, Dean Johnson, Peggy Lucas, David McMillian, Abdul Omari, Darrin Rosha, and Patricia Simmons.

Staff present: President Eric Kaler; Chancellors Lendley Black, Jacqueline Johnson, Stephen Lehmkuhle, and Fred Wood; Senior Vice President and Provost Karen Hanson; Vice Presidents Kathy Brown, Brian Herman, Brooks Jackson, Richard Pfitzenreuter, Scott Studham, and

Chair Beeson asked if there were any additional nominations. There were none and the nominations were closed. A motion was made and seconded to approve the slate presented by the Nominating Committee.

contributions made by the University to battle the avian flu outbreak, and the academic achievements of Gopher student-athletes. He gave a brief update on the upcoming legislative special session and what that might mean for the University.

Kaler discussed the need for the University to work more closely with the legislature. He detailed the opportunities for change with the human research participation program and the Grand Challenges initiative. He outlined goals of stronger partnerships with faculty, staff and students, as well as with system campuses. Kaler thanked Regent Beeson for his leadership of the Board during the past two years.

REPORT OF THE CHAIR

Chair Beeson reported that Regents have been involved with many outreach activities, including visits to campus centers, the presentation of several prestigious awards, and the conferral of degrees at 28 commencement ceremonies. He commented on the work plan to improve the human research protection program and pledged continued oversight by the Board. Beeson stated that the Board has listened to feedback from the community and he is confident that the proposed work plan will bring the University to the forefront of clinical research.

Beeson reported on the activities of the Presidential Performance Review Committee. He praised President Kaler's performance as outstanding and applauded his commitment to the University.

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 Rebecca Ropers-Huilman, Chair of the Faculty Consultative Committee (FCC), reported on the committee's recent activities. Topics included an increased focus on equity and diversity, the strategic plan, the budget reallocation process, and human subjects research oversight. Ropers-Huilman announced FCC leadership for the 2015-16 academic year: Collin Campbell, Associate Professor of Pharmacology, as Chair, and Jigna Desai, Associate Professor, Department of Gender, Women, and Sexuality Studies and Asian American Studies, as Vice Chair.

RECOGNITION OF FACULTY CONSULTATIVE COMMITTEE OUTGOING CHAIR

Professor Ropers-Huilman was recognized for her service as 2014-15 FCC chair.

BOARD OF REGENTS POLICY: CODE OF ETHICS FOR MEMBERS OF THE BOARD OF REGENTS - ANNUAL REVIEW

Deputy General Counsel Tracy Smith reviewed Board of Regents Policy: Code of Ethics for Members of the Board of Regents. The Board, with the assistance of the general counsel, annually reviews the requirements and procedures set forth in the policy.

Smith highlighted the guiding principles that Board members are obligated to follow: 1) Board members are responsible for the governance of the University and must be accountable in the areas of financial disclosure, gifts, expenses, and conflicts of interest; and 2) Board members are expected to put aside parochial interests, keeping the welfare of the entire University, not just a particular constituency, at all times paramount. She described when conflicts of interest exist, how to manage them, and what should be done if a Board member has a conflict of interest.

PRESIDENT'S RECOMMENDED FY 2016 ANNUAL OPERATING BUDGET

Regent Beeson asked President Kaler to present for review his Recommended FY 2016 Annual Operating Budget (Operating Budget) as detailed in the docket materials. Kaler invited Vice President Richard Pfutzenreuter and Associate Vice President Julie Tonneson to join the discussion.

Kaler pointed out that the Operating Budget is a reflection of the institution's values and priorities. He emphasized that his recommendations continue to promote a University that is accessible, affordable, and committed to academic excellence; promote a culture of operational excellence and accountability; and show appreciation for the University's faculty and staff.

Kaler detailed sources of revenue and reported that the total FY 2016 budget will be \$3.7 billion. He explained that the largest incremental change in the budget is due to reallocation of resources, mostly from the elimination of positions, retirement and attrition. Kaler noted some reduction of general operating costs – an estimated reduction of over 70 full-time equivalent positions.

Kaler described his proposal for tuition and fees, stating that the aim was to limit the impact of

with a focus on long-range planning. McMillan argued that the discussions be system-wide,

the budget reflects the goals of the institution to provide proper facilities for the faculty, staff, and students to learn, work, and live.

Regent Devine commented that he feels housing needs to be a priority, in addition to improvements being considered for academic health. He emphasized that the geographic areas being considered for development are high-impact areas, and that it is important to be deliberative about decisions in those areas.

In response to comments and questions from Regent Hsu, Wheelock emphasized the importance of striking a balance between affordability and the student experience. She agreed that some residence halls are dated, but pointed out that they are being well maintained and are in reasonable condition. She explained that many projects compete for resources.

In response to a question from Regent Rosha, Wheelock explained that room and board costs have been kept low not because residence facilities are antiquated, but because most do not have any outstanding debt.

In response to a question from Regent Beeson, Wheelock detailed the location of Sanford Hall and explained that one-third of the facility is one of the oldest buildings on campus. She emphasized that there have been renovations and improvements made to the structure. She explained that the large allocation in the budget for Sanford is due to significant improvements needed to the bathrooms and plumbing.

REPORT OF THE FACILITIES & OPERATIONS COMMITTEE

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

1. Approval of the following schematic designs, as presented to the committee and described in the June 11, 2015 minutes:
 - A. Bee Discovery and Pollinator Center (Landscape Arboretum)
 - B. Mechanical Engineering Lab Renovations (Twin Cities Campus)
2. Approval of the following real estate transactions as presented to the committee and described in the June 11, 2015 minutes:
 - A. Purchase of 4.79 Acres in Minneapolis (Twin Cities Campus)

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

Devine reported that the committee also received information on the President's Recommended FY 2016 Annual Capital Improvement Budget; discussed implementation of the campus master plan; received an update on information technology capital planning; and reviewed information items as outlined in the docket materials.

REPORT OF THE FACULTY & STAFF AFFAIRS COMMITTEE

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

1. Approval of the Consent Report for the Faculty & Staff Affairs Committee as presented to the committee and described in the June 11, 2015 minutes.
2. Approval of a Resolution Related to the Proposed Labor Agreement with Graphic Communications International Union Local 1-B, as follows:

WHEREAS, the parties have negotiated and have reached agreement regarding terms and conditions of employment regarding the employees of this bargaining unit (a complete copy of which is available in the Board of Regents Office); and

WHEREAS, the Graphic Communications International Union Local 1-B has ratified acceptance of the agreement; and

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

NOW, THEREFORE, BE IT RESOLVED that on the recommendation of the President, the Board of Regents approves this labor agreement as outlined in the docket for June 11, 2015.

The Board of Regents voted unanimously to approve the recommendations of the Faculty & Staff Affairs Committee.

McMillan also reported that the committee discussed human resources needs in the Office of Information Technology; received an annual update on UPlan health insurance; received information about recruiting field-shaping faculty; and reviewed information items as outlined in the docket materials.

REPORT OF THE ACADEMIC & STUDENT AFFAIRS COMMITTEE

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

1. Adoption of proposed revisions to Board of Regents Policy: Commercialization of Intellectual Property as follows:

SECTION I. SCOPE.

This policy governs patents and the ownership, commercialization, and dissemination of intellectual property rights in technology created at the University of Minnesota (University).

SECTION II. EXCLUSIONS.

Subd. 1. Copyright. With the exception of the commercialization of intellectual property rights in software owned by the University, this policy shall not apply to the ownership or use of copyrighted works that are governed by other Board of Regents (Board) or administrative policies.

Subd. 2. Trademarks. With the exception of intellectual property rights in University trademarks that identify University-owned plant varieties or that are commercialized in conjunction with other technology covered by this policy, this policy shall not apply to the use of University-owned or licensed names, trademarks, or service marks.

Subd. 3. Equity Interests. This policy shall not apply (a) to the University's acquisition of

and maintaining intellectual property protection for technology shall not be considered monetary payments under this policy.

SECTION IV. GUIDING PRINCIPLES.

The following principles shall guide the University in commercializing technology:

- (a) The primary mission of University research is the generation and dissemination of knowledge, and academic freedom requires that faculty, staff, and students be free to pursue areas of research and study without regard to the potential for the creation of inventions.
- (b) The development and dissemination of new knowledge, technology, or scientific procedures resulting in innovative products, practices, and ideas is a valued supplement to scholarly publications.
- (c) University commercialization activities shall not inhibit the ability of University researchers to pursue research of their choosing, to publish results of their work in a timely manner, and otherwise to exercise their rights of academic freedom.

- (b) be reasonably insured against liability arising from service on the governing bodies of such companies.

The member:

- (a) shall not accept compensation for service as a member of the governing body of the company, but may accept reasonable reimbursement for service-related expenses;
- (b) shall comply with applicable University policies and procedures;
- (c) shall discharge fiduciary and contractual responsibilities to the company, subject to the performance of University duties as provided in Board and other University policy and procedures if the individual is an employee of the University; and
- (d) shall resign as a voting member of the governing body of the company prior to the company's becoming publicly held, unless the president or delegate approves an extension of the appointment.

Subd. 4. Use of Technology Commercialization Income to Assist Commercialization by Non-University Entities. The president or delegate may authorize non-University entities to use income the University earns from technology commercialization to directly encourage, promote, or assist with the commercialization and development of University intellectual property. The commitment of financial support for particular projects shall not exceed \$250,000, consistent with Board of Regents Policy: Reservation and Delegation of Authority

REPORT OF THE AUDIT COMMITTEE

Regent Brod, Chair of the committee, reported that the committee voted unanimously to recommend approval of a Resolution Related to Implementation of Work Plan to Improve Human Research Protection Program.

Several Regents expressed their gratitude to Dr. William Tremaine, Regent Simmons, and the Implementation Team for their efforts in developing the work plan and resolution, and expressed that this only the beginning.

Regent Brod stated that Tremaine's use of the word "colleague" was particularly significant, explaining that this appropriately conveyed the tone the University will use moving forward.

Regent Devine expressed his hope that the process remains transparent and accessible. He

reports through its Audit Committee at each of the committee's meetings until the work

WHEREAS, the Foundation has asked UMFREA, and UMFREA has agreed, to

1. To provide funds to refund the Series 2006 bonds and to pay costs of issuance thereof, the Board hereby authorizes the sale and issuance of Debt in one or more series in a principal amount not to exceed the lesser of (i) \$104,385,000 and (ii) the amount necessary to defease the bonds outstanding immediately prior to refunding. The Debt may be issued in one or more series and shall mature not later than August 1, 2031. The Treasurer is authorized to determine whether or not the Debt shall be issued as special purpose revenue bonds of the University and whether or not the Debt shall be tax-exempt under Section 103 of the Internal Revenue Code of 1986, as amended.

2. The Debt may be sold in either a negotiated sale or a competitive process, as determined by the Treasurer. The Treasurer is authorized to negotiate and approve the terms and conditions of the appropriate agreement or agreements with financial advisors, banks, investment banking firms, or

and warranties of the University as are approved by the Treasurer and the General Counsel.

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

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

6. The Treasurer is authorized to approve the Preliminary Official Statement, final Official Statement, Offering Memorandum, Offering Circular, or other offering material or any supplements or amendments thereto to be prepared and distributed to any purchaser or potential purchaser of a series of Debt, and the President is authorized to execute and deliver the final Official Statement or any supplements or amendments thereto. In the case of the sale of any series of Debt in a competitive process, the Treasurer is authorized to approve the Notice of Sale and any amendment thereto.

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

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

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

4. Approval of the Consent Report for the Finance Committee as presented to the committee and described in the June 11, 2015 minutes.

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

McMillan reported that the committee also received information on the President's Recommended FY 2016 Annual Operating Budget and on financial components of the

President's Recommended FY 2016 Annual Capital Improvement Budget; discussed long-term financial planning; and reviewed information items as outlined in the docket materials.

REPORT OF THE LITIGATION REVIEW COMMITTEE

Regent McMillan, Chair of the committee, reported that pursuant to notice sent by the University, the Litigation Review Committee met on June 11, 2015. A resolution was considered and passed that authorized the closing of the meeting. In the closed meeting a discussion was held of matters subject to the attorney-client privilege.

REPORT OF THE SPECIAL COMMITTEE ON ACADEMIC MEDICINE

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

NEW BUSINESS

Regent Johnson expressed his gratitude to the Board for their confidence in electing him to serve as Chair. He stated that he is eager to engage his fellow Regents in discussion and collaboration, and to work closely with the

Claire Thiele – Staff member and member of Teamsters Local 320

Thiele stated that she cares for lab animals used in important clinical trials. She explained that, despite the importance of her work in the research process, she feels underpaid and undervalued by the University.

Mick Kelly – Staff member and member of Teamsters Local 320

Kelly argued that a 2 percent increase is not enough for Teamsters, especially given the work they do on campus. He argued that as a land-grant institution, the University should support everyone, including the front-line workers. He expressed a desire to thrive, not merely survive.

Wendy Lougee – University Librarian

Lougee offered her support for the proposed budget. She explained the difficulties of managing the budget for the University libraries, but stated that they have done their part to cut costs. She reported that among peer institutions, the University libraries have the leanest staff.

Eric Schwartz – Dean, Hubert H. Humphrey School of Public Affairs

Schwartz expressed his support for the proposed budget. He stated that the University has a unique capacity for excellence and the opportunities are available at modest costs. He suggested that the budget continues to provide opportunities for students and for research.

Gary Cohen – Professor, History Department and Chair, University Senate Committee on Finance and Planning

Cohen stated that the senate committee found the budget to be prudent in light of the current economic climate. He explained that the

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Board of Regents
June 24, 2015

A special meeting of the Board of Regents of the University of Minnesota was held on Wednesday, June 24, 2015 at 11:00 a.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Thomas Anderson, Laura Brod, Linda Cohen, Thomas Devine, Michael Hsu, Dean Johnson, Peggy Lucas, David McMillian, Abdul Omari, Darrin Rosha. Patricia Simmons joined by phone.

Staff present: President Eric Kaler; Vice Presidents Brooks Jackson, Richard Pfutzenreuter, and Pamela Wheelock; Executive Director Brian Steeves; and Associate Vice President Julie Tonneson.

PRESIDENT'S RECOMMENDED FY 2016 ANNUAL OPERATING BUDGET

Regent Beeson invited President Kaler and Vice President Pfutzenreuter to review the President's Recommended FY 2016 Annual Operating Budget (operating budget) as detailed in the docket materials.

Kaler stated that the operating budget is a reflection of the values and priorities of the institution, and emphasized that 1(u)62nts g(l)5.Tt

Regent McMillan identified two key drivers in the current tuition discussion: underfunding from the legislature and a lack of clear direction from the Board to the administration regarding tuition policy. He argued for the Board to provide the administration with clearer cost-side priorities earlier in the budget cycle so that tuition decisions can be made more proactively. McMillan stated his support for an increase in the NRNR tuition rate since it means a lower increase for residents. He suggested that he could support an even higher NRNR increase if it meant dropping the resident rate

Regent Johnson acknowledged the Board's desire to be engaged and to have proactive policy. He stated that the president and his administration are open to such discussions.

Johnson explained the importance of establishing

Chair Beeson called for a roll call vote on the Hsu amendment to the operating budget, which proposes increasing resident tuition by 1 percent, increasing NRNR tuition by 10 percent, and balancing remaining gaps in the budget with funds from the strategic investment pool. The vote was as follows:

Regent Anderson	Yay
Regent Beeson	Nay
Regent Brod	Nay
Regent Cohen	Nay
Regent Devine	Nay
Regent Hsu	Yay
Regent Johnson	Nay
Regent Lucas	Nay
Regent McMillan	Yay
Regent Omari	Nay
Regent Rosha	Yay
Regent Simmons	Nay

Four votes were cast in favor of the motion and eight votes were cast against the motion. The motion failed.

Regent Hsu moved to amend the budget to increase resident tuition by zero percent, increase NRNR tuition by 7 percent, and balance remaining gaps with funds from the strategic investment pool. The motion was not seconded.

Regent Cohen called the question for the motion on the floor.

The Board of Regents voted 10-2 to approve the Resolution Related to the FY 2015-16 Annual Operating Budget as follows. Regents Hsu and Rosha voted no.

WHEREAS, the University of Minnesota as the state's public, land grant university is charged with the responsibility to pursue knowledge and help apply that knowledge through research and discovery, teaching and learning, and outreach & public service; and

WHEREAS, the State of Minnesota, through its legislative and executive branches, has appropriated \$625,549,000 in state general fund monies for fiscal year 2015-16 to the University of Minnesota, which includes \$26,600,000 resulting from the 2015 legislative session, for the pursuit of its mission and in support of our goals and objectives; and

WHEREAS, the University of Minnesota is committed to achieving standards of national and international excellence; and

WHEREAS, the future of the University is premised on partnerships within the University community of faculty, staff and students, with the State of Minnesota, other educational institutions, business and industry, University alumni, local communities, and the citizens of Minnesota;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents hereby approves the University of Minnesota Fiscal Year 2015-16 Annual Operating Budget as follows:

The Fiscal Year 2015-16 Annual Operating Budget approved by the Board of Regents includes the following attachments from the President's Recommended FY16 Operating Budget:

Attachment 1 – Resource and Expenditure Budget Plan (University Fiscal Page)
Attachment 4 – University of Minnesota 2015-16 Tuition Plan: Tuition Rates

Attachment 6 – University of Minnesota 2015-16 Tuition Plan: Course Fees
Attachment 7 – University of Minnesota 2015-16 Tuition Plan: Misc. Term Fees
Attachment 8 – University of Minnesota 2015-16 Tuition Plan: Academic Fees
Attachment 9 – Student Services Fees
Attachment 10 – Fund Forecast – Centrally Distributed and Attributed Funds

The meeting recessed at 12:38 p.m.

The meeting reconvened at 12:42 p.m.

PRESIDENT'S RECOMMENDED FY 2016 ANNUAL CAPITAL IMPROVEMENT BUDGET

Chair Beeson introduced Vice Presidents Pfitzenreuter and Wheelock to present for action the President's Recommended FY 2016 Annual Capital Improvement Budget (capital budget), as presented in the docket materials.

Wheelock reminded the Board that policy directs the administration to develop a capital budget, with a six-year time horizon, that is updated annually. She explained that approval of the budget allows individual projects with completed predesigns and financing plans to proceed with design and construction.

Wheelock reviewed the major components of the capital budget, emphasizing that the University's legislative capital request was funded during a special session. She described the projects funded by the request and identified the addition of the Willmar Poultry Testing Laboratory, which was included in response to the avian flu epidemic.

WHEREAS, the Board of Regents (Board) directed the administration to annually submit a capital improvement budget and a six-year capital improvement plan; and

WHEREAS, the Board has adopted principles to guide the formulation of the capital improvement budget and six-year capital improvement plan; and

WHEREAS, the Board recognizes the importance of sustaining and improving the University's facilities in support of teaching, research, and outreach; and

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

WHEREAS, the State of Minnesota has declared a state of emergency over avian flu and funded an expansion of the University of Minnesota poultry testing laboratory at Willmar to assist in fighting this threat;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents approves the FY 2016 Capital Improvement Budget and reaffirms its prior year capital expenditure authorizations; and

BE IT FURTHER RESOLVED, that the Board authorizes the Poultry Testing Laboratory project to follow Board of Regents Policy: Purchasing Section II. Subd. 4. and other relevant University policies for emergency purchasing and procurement; and

BE IT FURTHER RESOLVED, that all approvals related to the Poultry Testing Laboratory project shall follow the emergency approvals process as defined by Board of Regents Policy: Board Operations h.8t997