Board of Regents

March 2017

March 24, 2017

9:00 a.m. - 12:00 p.m.

Ballroom, Kirby Student Center

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OVERVIEW OF EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION OFFICE COMPLIANCE RESPONSIBILITIES AND OUTCOMES

Regent Brod invited Kimberly Hewitt, Deputy Chief of Staff in the Office for Equity and Diversity, and Tina Marisam, Director of the Office of Equal Opportunity and Affirmative Action (EOAA) and the University’s Title IX Coordinator, to present an overview of EOAA’s compliance responsibilities and outcomes, as detailed in the docket. Brod introduced the item by explaining that it was on the committee’s work plan for several months and unrelated to any current issues.

Hewitt reviewed the primary responsibilities of EOAA, noting that student sexual misconduct investigations were added to the office’s portfolio in 2014. Previously, the Office of Student Conduct and Academic Integrity (OSCAI) handled those investigations. Hewitt outlined EOAA’s staffing and organizational structure, noting that it is funded through the Office for Equity and Diversity (OED).

Marisam explained the types of cases that EOAA investigates under Title IX for students and employees and reviewed the investigation process. She noted that while the EOAA and the Title IX coordinator reports to OED at this institution, the placement and reporting structure of similar offices varies greatly across peer institutions and there is no clear best practice.

Brod expressed her concern about the placement of EOAA at the University and noted examples of other institutions where EOAA reports directly to the President.

In response to a question from Regent Simmons, Marisam explained that outside of EOAA’s investigation process, employees can file grievances with the University’s Office of Conflict Resolution, which differs from the student process. She confirmed that appeals from those cases go to the Minnesota Court of Appeals, and that neither the President nor Board of Regents gets involved in the process.

Simmons asked about the greatest challenges facing EOAA. Hewitt explained that it has been difficult to educate the University community on the role of EOAA and the investigation process.
process. She added that the process is long and complicated, and finding ways to make it less burdensome for students and employees also poses a challenge.

Regent Hsu congratulated Hewitt on her new role and asked for her opinion on whether the University should adjudicate cases of sexual misconduct. Hewitt explained that the University has a legal obligation under Title IX to review such cases. She added that it is advantageous for the University to address such cases in order to achieve an inclusive campus climate. Hewitt noted that the University investigates cases of sexual misconduct separate from criminal investigations, similar to how it would investigate any student misconduct case.

In response to questions from Hsu, Hewitt explained that the investigation and hearing process for cases of student sexual misconduct can be time consuming and challenging, regardless of the number of students involved. She added that EOAA is working continuously to improve all aspects of the investigation and hearing processes.

In response to questions from Brod, Marisam explained that a police investigation and a University investigation can happen simultaneously; the police investigation determines what laws may have been broken while the University's investigation addresses University policy. She noted that the University coordinates with the police at the start of any investigation to ensure the office does not interfere with a criminal investigation. EOAA gathers evidence from the police investigation and will share information with police when requested via subpoena.

Brod asked whether EOAA has used external investigators for any cases. Marisam responded that EOAA has used external investigators for employee cases where there may have been a perceived conflict between EOAA and the parties in the investigation, or when EOAA did not have the capacity. She added that EOAA has not used external investigators for student cases.

In response to a question from Regent Omari, Marisam explained that under a new presidential administration, the Office for Civil Rights could make changes to the recommendations issued during the Obama administration, notably from the 2011 “Dear Colleague” letter. She explained that the University would not roll back changes it had made since the 2011 letter.

Regent Beeson recognized Hewitt for her work and her integrity during her tenure at the University. He asked Hewitt if including students on adjudication panels is appropriate, and whether other schools have students sitting on such panels. Hewitt explained that not all institutions use this same model. She offered that the University's model of including staff, faculty, and students is appropriate since staff and faculty may have more training, but students are able to share certain perspectives as peers of the students under investigation.

In response to a question from Hsu, Hewitt reported that EOAA does not make decisions about student-athlete eligibility.

In response to questions from Simmons, Marisam explained that additional communication and follow-up is taking place. With employee investigations, once EOAA has made recommendations, the office follows up with the University administrator responsible for implementation and collects documentation for EOAA’s records. A revised draft of the student sexual misconduct policy is being reviewed that addresses EOAA’s need to provide timely updates throughout the investigation process and to follow up after an investigation ends. Marisam added that EOAA is exploring implementing a new database that will automate and streamline these communication efforts.

Regent Lucas expressed her confidence in EOAA after learning more about their processes.

Brod encouraged EOAA’s focus on continuing to improve communication across the University community.
EXTERNAL AUDITOR'S REVIEW OF COMPLETED AUDIT WORK

Regent Brod invited Suzanne Paulson, Assistant Controller, to introduce the external auditor’s review, as detailed in the docket. Paulson introduced Katie Knudtson from Deloitte & Touche LLP (Deloitte) and noted that this report concludes the FY16 audit work performed by Deloitte.

Knudtson provided an overview of the six remaining audits of FY16. She described findings in two audits. Knudtson explained that findings related to student fees funded-organizations were consistent with previous years and related to documentation of expenses of student organizations. Findings in the NCAA agreed-upon procedures that are performed on behalf of the NCAA and required for all Division I schools did not call into question any NCAA violations.

In response to a question from Regent Omari, Knudtson commented that her team has worked closely with the Office of Student Affairs (OSA) over the last two years to determine which procedures are more important in helping them make student organization funding decisions. She added that students could keep better records, including receipts and spreadsheets of expenditures, but noted the challenges inherent in annual turnover in student organization leadership.

In response to questions from Regent Hsu, Knudtson explained that Deloitte reports to OSA how funds are spent but that OSA must determine if the funds are spent appropriately. She added that most groups have reserve funds that carry over from year to year and generally support a large conference or event in the future. Brod suggested Hsu contact the OSA for more detail regarding the appropriate use of funds.

RECOMMENDATION FOR ENGAGEMENT OF EXTERNAL AUDITOR

Regent Brod invited Brian Burnett, Senior Vice President, Finance & Operations, and Michael Volna, Associate Vice President & Controller, to present the administration’s recommendation for engagement of external auditor, as detailed in the docket.

Burnett shared the recommendation to engage in a new contract for external audit services with the current vendor, Deloitte & Touche (Deloitte). Volna reported that the University issued a national RFP in September 2016 and received two responses. The administration interviewed both firms – Deloitte and CliftonLarsonAllen. Based on the administration’s recommendation, Deloitte interviewed with the chair and vice chair of the committee. The proposed contract with Deloitte is a four-year commitment with three options for a one-year extension.

Brod asked why the University only received two responses to the RFP. Volna explained that considerable consolidation in audit and accounting firms in the last two decades means fewer, larger firms that have greater specialty by industry. He added that he was not surprised to receive two responses, and that those responses came from the firms that have held the last two external audit contracts with the University. Volna shared that other firms would have to travel from other cities to engage in in-person meetings with the University.

Regent Beeson expressed his disappointment with the low number of responses to the RFP, adding that it is not a best practice to issue a contract of this nature to the incumbent firm. In response to a question by Beeson, Volna reported that he had not contacted other firms to determine why they did not bid. Klatt added that other firms with higher education expertise do not have any local presence in higher education auditing. She offered that other firms likely did not bid because they know the University is well served by Deloitte and therefore perceive the likelihood of being awarded a contract as low.

In response to a question from Regent Beeson, Volna reported that the RFP criteria did not identify local presence specifically, but it did include timely response, feedback, and
availability. He added that the Board has not always supported the incumbent firm bidding on a new external audit contract. Brod added that CliftonLarsonAllen currently serves as the external auditor for the University of Minnesota Foundation.

In response to a question from Regent Hsu, Volna explained that Deloitte’s bid came in slightly higher than that of CliftonLarsonAllen. He emphasized the importance of the other criteria outlined in the RFP and reviewed by the committee at the September meeting.

Hsu asked if the Board would act on the one-year extensions after the four-year term of the contract. Volna explained that the administration would make a recommendation to the Board at that time for approval to renew or seek a new firm.

Regent Simmons expressed her support for the contract emphasizing the importance that the external audit firm have experience with research universities. She concurred with Beeson’s concern about long-time incumbency and asked about mitigating risk. Burnett explained that the lead partner from Deloitte will rotate during the timeframe of the new contract. Brod referred to the materials in the docket that describe the timeline for rotating lead partners.

A motion was made and seconded to recommend approval of the contract with Deloitte.

Beeson emphasized the importance of engaging the committee in the process to renew the contract at the end of the four-year term. Volna and Burnett again confirmed they would seek Board approval for any contract extensions.

The committee voted unanimously to recommend approval of the contract with Deloitte.

**UPDATE ON THE LAW SCHOOL’S PROGRESS IN ADDRESSING AUDIT RECOMMENDATIONS**

Regent Brod invited Garry Jenkins, Dean of the Law School, to provide an update on the Law School’s progress in addressing audit recommendations, as detailed in the docket.

Jenkins shared that the audit of the Law School began in December 2015 and Internal Audit issued their report in May 2016. He reported that beginning immediately after the report was issued, the Law School began to address the eight “essential” audit recommendations via communications and trainings with faculty and staff to ensure compliance with University policies.

Jenkins reported full implementation of all eight recommendations.

Regent Omari congratulated Jenkins on the recent $25 million gift the Law School received and for being named one of the 100 people to know in Minnesota. Jenkins thanked Omari and noted that the gift will elevate experiential learning in the Law School.

**UPDATE ON HUMAN PARTICIPANT RESEARCH PROTECTION IMPLEMENTATION PLAN**

Regent Brod invited Allen Levine, Interim Vice President for Research and Brooks Jackson, Vice President for Health Sciences and Dean of the Medical School, to provide an update on human participant research protection implementation plan, as detailed in the docket.

Levine recognized the work of former Vice President for Research Brian Herman and the Academic Health Center, among others, to implement the recommendations. He reported that all 63 recommendations from the external review have been fully implemented.
Jackson reported that Sophia Vinogradov began her tenure as head of the department of psychiatry in July 2016 and has already had an impact on the department and the greater community.

Brod thanked the presenters for their work and emphasized the importance of continuous improvement in compliance now that all recommendations have been fully implemented.

Regent Beeson echoed Brod’s remarks and expressed his desire for the committee to hear from Vinogradov in order to understand the culture of the department of psychiatry. Brod responded that Vinogradov has been invited to the committee and a date is being sought for her presentation.

Regent Simmons expressed the importance of the committee continuing to exercise oversight of human participant research. Brod confirmed that the committee’s work plan includes regular updates through June 2017, and new committee leadership can consider including updates in the 2017-18 work plan.

In response to a question from Regent Lucas, Levine explained that the transition to an electronic Institutional Review Board system will provide more timely response to researchers and allow deeper investigations of proposed research.

In response to a question from Brod, Levine and Jackson confirmed that the research enterprise and the Academic Health Center continue to work collaboratively.

Regent Hsu wondered what else needs to be done in the department of psychiatry. Jackson noted the integral role of monitoring and oversight, especially with the population of human subjects in clinical trials, and the importance of training for faculty.

**INTERNAL AUDIT UPDATE**

Regent Brod invited Chief Auditor Gail Klatt to present the internal audit updated, as detailed in the docket.

Klatt recognized Brod, expressing her appreciation for Brod’s service as Chair of the Audit & Compliance Committee and her commitment to governance at the University. Regent Lucas thanked Brod, on behalf of the committee, for her service and leadership.

Klatt reviewed four changes in the Internal Audit Plan. She reported that since the last update to the committee, University departments implemented 55 percent of the outstanding recommendations rated as “essential,” exceeding the expected implementation rate of 40 percent. Six units fully implemented all their remaining “essential” recommendations and 12 audit reports have been issued with 54 “essential” recommendations.

The meeting adjourned at 9:38 a.m.

*Signature*

**BRIAN R. STEEVES**

Executive Director and Corporate Secretary

Audit & Compliance Committee
February 9, 2017
A meeting of the Litigation Review Committee of the Board of Regents was held on Thursday, February 9, 2017 at 8:00 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Thomas Devine, presiding; Thomas Anderson, Dean Johnson, David McMillan, and Darrin Rosha.

Staff present: President Eric Kaler; Vice President Kathy Brown; Interim Vice President Michael Berthelsen; General Counsel Douglas Peterson; and Executive Director Brian Steeves.

Others present: Timothy Pramas, Brian Slovut, Shelly Carthen Watson, and William Woodford.

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

The meeting convened in public session at 8:02 a.m. A motion was made and seconded that the following resolution be adopted:

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, Friday at 7:30 a.m. in the East Committee Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters including the following:

I. University of Minnesota v. Doran University III, LLC

II. Stephanie Jenkins v. University of Minnesota

III. Shannon Miller, Jen Banford and Annette Wiles v. The Board of Regents of the University of Minnesota

IV. Friends of the Electric Steel Elevator, LLC, et al. v. University of Minnesota

V. Pro-Life Action Ministries, Incorporated, Brian Gibson, and Bridget Busacker vs. Regents of the University of Minnesota

VI. Service Employees International Union, Local 284, South St. Paul, Minnesota and University of Minnesota, Unit 8, Minneapolis, Minnesota

VII. University of Minnesota v. AT&T, et al.

VIII. Rod Raymond v. Board of Regents of the University of Minnesota

Litigation Review Committee
February 9, 2017
The committee voted unanimously to adopt the resolution and the public portion of the meeting ended at 8:03 a.m.

The meeting adjourned at 9:25 a.m.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary
A meeting of the Facilities, Planning & Operations Committee of the Board of Regents was held on Thursday, February 9, 2017 at 9:45 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David McMillan, presiding; Thomas Anderson, Thomas Devine, Dean Johnson, Peggy Lucas, and Darrin Rosha.

Staff present: President Eric Kaler; Interim Chancellor Barbara Keinath; Senior Vice President Brian Burnett; Vice President Brooks Jackson; Interim Vice Presidents Michael Berthelsen and Bernard Gulachek; Executive Director Brian Steeves; and Associate Vice President Michael Volna.

Student Representatives present: Mckenzie Dice and Connor Klemenhagen

UPDATE ON LONG-RANGE TWIN CITIES HOUSING PLAN

Regent McMillan invited Interim Vice President Berthelsen and Laurie McLaughlin, Director of Housing and Residential Life, to present an update on the Twin Cities long-range housing plan (plan), as detailed in the docket.

Berthelsen reminded the committee of the work that has been done around the plan and the guiding documents that have shaped it. He referenced the housing strategy progress card, noting that it summarizes the work to advance the plan and notes where items are complete, in progress, or on hold.

McLaughlin outlined how the University forecasts housing demand. She noted the plan goals and actual performance against those goals. She gave an update on the new master leased apartment facilities and the current lease rate of each. She presented the change in housing capacity by type from 2015 to the end of the current enrollment strategy in 2021 and outlined the capacity needed to support the enrollment strategy. McLaughlin outlined the supportive services matrix that guides what kind of housing best fits specific types of students. She described the available housing for both the University and the neighborhoods around the East Bank and West Bank, breaking the information down by University housing, non-profit housing, and for-profit housing. She walked through the support systems available to students using non-University housing.

In response to a question from Student Representative Dice, McLaughlin explained that Housing and Residential Life (HRL) sends out evaluations to all students to seek feedback on their housing experience. She added that HRL also uses a student advisory group and student focus groups on specific topics to gather feedback. McLaughlin agreed that student feedback is critical to the success of HRL. She explained that space is being held in multiple dorms to accommodate the need for additional first-year housing while Pioneer Hall is closed for renovation. She acknowledged that this temporarily will limit the ability of returning students to live in University-owned housing, but reminded the committee that the master leases of two private apartment buildings will fill that gap. McLaughlin added that space will still be held for those students in the living learning communities located in residence halls.
Regent Devine encouraged the administration to think about how to continue to increase available housing for second-year and transfer students, given the evidence regarding retention and graduation rates. He wondered how capacity will be supplemented when the current master leases end and whether the University should consider housing more student-athletes. He asked about implementation of alcohol and sexual consent training. Berthelsen responded that HRL continues to evaluate how to house a higher percentage of transfer students, noting their fluctuating numbers. He noted that HRL will continue to monitor the master leases and whether renewal is needed beyond the enrollment plan. McLaughlin explained that HRL partners with the Office of Student Affairs and others to provide training on alcohol and sexual consent. She stressed that the challenge is to find the best way to provide students information that they will retain.

In response to a question from Regent Rosha, Berthelsen indicated that the change in University apartments is a direct result of the new master leases and includes the end of the current lease of University Village.

Rosha asked about the impact the Pioneer Hall renovation and master leases will have on housing rates and student costs. Berthelsen responded that the increase from the master leases will remain with those students who lease apartments in those buildings. He noted that an increase in rates for the Pioneer Hall renovation will be spread across all residence hall rates. He estimated that the marginal rate increase added to the average 3 percent annual HRL increase will be 1.5 percent this year, followed by several years at 3 percent, and then back to 1.5 percent. He noted that the rate increase will be spread over six years.

Rosha referenced the investment made to improve retention and graduation rates, noting that students in residence halls are shown to have higher graduation rates, which demonstrates the benefit of investments in those facilities. He added that the Board has made a significant investment in the Pioneer Hall renovation. He suggested making an additional investment in quality capacity to avoid using lounges to meet excess demand, as has been done in the past. He stated that quality capacity should be the goal, even if it means the University occasionally absorbs the cost of unused beds. McMillan added that the committee will have a broader discussion on housing cost and quality at a future meeting.

In response to a question from Student Representative Klemenhagen, Berthelsen commented that the University is working on a new listing service for the Twin Cities campus to help students identify quality non-University housing options.

Regent Anderson expressed his support for the use of master leases and the increase in capacity. He noted that students from other institutions also live in the areas around the Twin Cities campus and help create a vibrant community.

**CAPITAL BUDGET AMENDMENT: CONTAMINATED REAL ESTATE REMEDIATION - TWIN CITIES CAMPUS**

Regent McMillan invited Associate Vice President Volna and Bruce Gritters, Director of Project Delivery, to present for review and action a capital budget amendment for contaminated real estate remediation, as detailed in the docket.

Gritters outlined the project and description. He explained the need for an additional $3.5 million due to remediation not identified in initial environmental studies. Interim Vice President Berthelsen reported that the purchase of the land made sense given its proximity to campus, but the extent of the contamination in the land, including contaminated debris that had been buried under the building and significant amounts of asbestos in the roofs of the electric steel
elevators, was not known at the time of purchase. He expressed his disappointment, but conveyed that the remediation must be done.

McMillan asserted that the lack of knowledge about the site appears to be a big miss. He asked what the University could learn from this situation to improve for the future. Berthelsen conveyed the tension between the price paid for the land versus the price that would need to be paid to have full knowledge of what is being purchased beforehand. He described the type of testing typically done and the testing that was done on this project. He agreed that the administration will review its testing standard.

Regent Devine suggested that given the history of the land, it is not fully unexpected to have to perform significant remediation. He expressed that while the location of the land made it desirable, the University should do more to determine potential problems with future purchases. He asked if more remediation will be needed to ensure the land could be used for various purposes later. Gritters responded that this amendment addresses all of the known asbestos and other materials.

In response to a question from Regent Lucas, Gritters stated that the contingency for the project is not enough and that the contaminated concrete cannot be crushed and buried given the high water table, which surprised the administration.

Regent Rosha agreed with the disappointment of his colleagues. He asked who completed the review of the land. Susan Carlson Weinberg, Director of Real Estate, explained that an outside consultant was used. Rosha wondered about the obligation and potential liability of that consultant, expressing his disappointment in not having all the information before voting on the initial decision. He explained that while he agrees that land near campus is precious, the full information might have changed the decision on what the University should have paid. He reiterated his disappointment and the need for the administration to review the consultant’s role and where accountability lies for this error.

A motion was made and seconded to recommend approval of the capital budget amendment.

In response to a question from Rosha, Volna told the committee that the University as a whole finances the debt service to support land purchases.

Regent Johnson suggested that the seller must have had some knowledge of the underlying issues. He advised that the University perhaps include in future contracts an obligation shared by the seller if significant remediation is found.

Regent Anderson added his disappointment, but reminded the committee of the many other locations that they have considered and noted that he did not have all the information needed on those other site locations.

Devine commented that even with additional costs, this purchase remains a bargain compared to other prices that the University has paid for land near campus.

Rosha asked for assurance that the University will conduct an investigation to determine if the other parties that were involved have any liability for the additional remediation cost. President Kaler responded that he shares the committee’s disappointment. He expressed his intention to explore legal and professional avenues to determine accountability. He added that while these consultants are often careful in their work, the University must determine if they are the right ones to use moving forward.

The committee voted unanimously to recommend approval of the capital budget amendment for remediation of contaminated real estate.
SCHEMATIC DESIGN: INTERCOLLEGIATE ATHLETICS TRACK AND FIELD FACILITY AND RELOCATED RECREATION WELLNESS FACILITIES - TWIN CITIES CAMPUS

Regent McMillan invited Bruce Gritters, Director of Project Delivery; Scott Ellison, Associate Athletics Director; and George Brown, Assistant Vice Provost and director of University Recreation and Wellness, to present for review and action the schematic design for the intercollegiate athletics track and field facility and relocated recreation wellness facilities, as detailed in the docket.

Gritters summarized the location of the proposed track and field and the relocation of the recreational wellness facilities. Ellison explained the project rationale for the track and field and Brown offered the project rationale for the recreational wellness facilities. Gritters outlined the project description and cost estimates.

In response to a question from McMillan, Ellison responded that the University has not had a competition-level track for some time. He added that the track was repaired in the late 1990s and hosted its last major competition around 2002-2004.

Regent Lucas expressed her appreciation for the incorporation of a historical marker and elements of the electric steel elevators in the design. She asked about the status of the lawsuit against the University regarding the demolition of the electric steel elevators. Interim Vice President Berthelsen explained that the court lifted the restraining order and that demolition is underway. The University is awaiting a ruling, which should come in 90 days.

In response to a question from Lucas, Gritters noted there are no plans to improve fan access specific to the track and field location, but that the project will improve overall access to Athletes Village. He reported that southeast Eighth Street is being resurfaced, which will also improve access. Ellison added that Athletics encourages fans to use the Fourth Street Ramp for events that take place in the Athletes Village area and plans to improve signage.

In response to a question from Student Representative Dice, Trevor Dickie, project manager, described that use of LED lighting within the recreation sports bubble as a key energy efficiency strategy for the project.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the schematic design for the intercollegiate athletics track and field facility and relocated recreation wellness facilities.

CAPITAL BUDGET AMENDMENT AND SCHEMATIC DESIGN:
AHC RENOVATION AND RELOCATION PROGRAM - TWIN CITIES CAMPUS

Regent McMillan invited Vice President Jackson and Bruce Gritters, Director of Project Delivery, to present for review the capital budget amendment and schematic design for the AHC renovation and relocation program (project), as detailed in the docket.

Gritters summarized the location of the project and identified the multiple buildings affected by it. Jackson explained the project rationale, noting it will ensure critical research and clinical activities can continue in more modern facilities. He explained that both buildings are designated “do not invest,” and the site will be used for the proposed Health Sciences Education Center. Gritters outlined the cost estimate, funding sources, anticipated completion date, and estimated difference in annual operating costs, and reviewed the floor plans.

McMillan described the project as one that will move forward regardless of legislative and gubernatorial action. He expressed his view that the University needs to make this move given
the state of the current facilities. In response to a question from McMillan, Jackson noted that none of the moves are temporary.
In response to a question from Regent Johnson, Jackson commented that the project accommodates research and some clinical trials. While he agreed that faculty travel across campus to the Clinics and Surgery Center (CSC) might not be ideal from the project site, the freestanding CSC is beneficial. Jackson noted that he also travels between the two sites and it takes five minutes to walk that distance, which he characterized as not difficult.

In response to questions from Regent Anderson, Interim Vice President Berthelsen explained that the space to be renovated is available now and the estimated annual operating savings are $1.8 million. He noted that the savings includes reductions from power usage and custodial services from the two buildings. He indicated that the two buildings will remain standing since the demolition cost is included in the Health Sciences Education Center project, but both buildings will be mothballed to save operating costs.

Anderson asked if the committee would be willing to take action on the recommendation today. Berthelsen noted that unlike the remediation item, this is a fully vetted and designed project. He told the committee that if the project is approved today, the project timeline will move up six weeks. Anderson responded that when he toured the facility, it reminded him of the hospital he was treated in during the 1960s, and he advocated for action today.

Regent Devine expressed his view that review in one meeting and action in another leaves time for comment and thoughtful consideration. He offered that he had heard from the legislature the need for a plan that shows how all of the AHC projects fit together. He noted his belief that this project is an incremental move that should not be made until all funding is secured. McMillan responded that while he shares those concerns, he views this project moving forward regardless of any future action on the Health Sciences Education Center. Jackson told the committee that Governor Dayton supports the Health Sciences Education Center and would like that project to be shovel-ready, which advancing this project will do. He emphasized that the project is needed regardless of the outcome of the Health Sciences Education Center.

Regent Rosha expressed his concern that the Board has established a rule and adherence to that rule should be the expectation. He stated that the Board has a duty to ensure that the public understands what it will be doing, noting that since the item was posted for review, the public would not anticipate a vote and not have the ability to provide input before the vote. He commented that while he does not take issue with the merits of the project, allowing the administration to bring a project for review and action takes away the motivation to plan accordingly.

McMillan noted he is also an advocate of review and action in separate meetings and has reinforced it as the practice of the committee. He relayed his concern in continuing the use of outdated facilities.

Regent Johnson noted that this project is not a surprise. He indicated that while he has also supported review and action in separate meetings, this situation is special given funding, need, and the legislative session.

A motion was made and seconded to recommended approval of the capital budget amendment and schematic design.

Devine cautioned the committee not to do this frequently.

Rossa stated that since the project is listed as review, he did not take the offered tour. He reiterated that the Board should hold to its established rule, and suggested that approval of this project will be viewed as presumptuous by the legislature with regard to the Health Sciences Education Center. Rosha argued that he is being forced into a decision that pits the
merits of the project against the established process. McMillan responded that review and action in the same meeting used to be a common practice on capital budget amendments and reiterated that he has worked hard to change that practice. Anderson explained that he does not tie the two projects together and the committee should advance the project since the space is already available and to ensure the University benefits from the estimated operational savings. Jackson agreed and added that the legislature wants the University to operate efficiently with the resources it has.

Rosha stated that he will vote no since neither he nor the public was informed that it would be review and action in the same meeting.

The committee voted five to one to recommend approval of the capital budget amendment and schematic design for the AHC renovation and relocation program. Rosha voted no.

**SCHEMATIC DESIGN: HEALTH SCIENCES EDUCATION CENTER - TWIN CITIES CAMPUS**

Regent McMillan invited Vice President Jackson and Bruce Gritters, Director of Project Delivery, to present for review the schematic design for the Health Sciences Education Center (center), as detailed in the docket.

Gritters reviewed the location of the center. Jackson explained the project rationale. He reported that the center is extremely important to the University’s health sciences, and identified expanded clinical simulations as a major advancement the center will offer. Jackson noted that the center's location helps ensure that team training across Academic Health Sciences programs is possible and convenient, adding that the University was cited for poor educational space by its accreditor. He emphasized that the planned location is ideal given its access to existing research and educational facilities.

Gritters outlined the cost estimate, funding sources, anticipated completion date, and estimated difference in annual operating costs, and reviewed the floor plans.

Regent Lucas asked about plans for the unused space in the Phillips-Wangensteen Building. Jackson noted that the medical school and others are planning to increase enrollment and the impact of that growth is a consideration. He added that one option is to use the space to consolidate and create a central student services location.

**THE INTERNET OF THINGS IN UNIVERSITY OPERATIONS**

Regent McMillan announced that due to time constraints, the discussion of the Internet of Things in University operations will move to a future meeting.

**CONSENT REPORT**

Interim Vice President Berthelsen presented the Consent Report, as detailed in the docket:

- Amendment to Lease to Extend the Term an Additional 5 Years, First Floor, 1100 Washington Avenue South, Minneapolis - Twin Cities Campus
- Amendment to Lease to Extend the Term an Additional 5 Years, Second Floor, 1100 Washington Avenue South, Minneapolis - Twin Cities Campus
- Amendment to 99-Year Lease to Include Lecture Hall in Leased Premises, 801 16th Avenue NE, Austin - Hormel Institute

In response to a question from Regent Lucas, Susan Carlson Weinberg, Director of Real Estate, explained that the University previously sought to purchase 1100 Washington Ave South. She offered that the owner, as part of an estate plan, might give the University the opportunity to purchase the property in the future. Weinberg added that the property will be very expensive given development in that area, and noted that the joint venture site near TCF Bank Stadium might be a better option for this programming if the University is unable to purchase that property. Lucas shared her concern that the programming will be required to move soon given how underdeveloped the land is.

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

INFORMATION ITEMS

Interim Vice President Berthelsen referred the committee to the information items in the docket:

- Assignment of Ground Lease at 615 Washington Avenue SE, Minneapolis (Twin Cities Campus)
- 2016 State Capital Appropriations Expenditures Report

The meeting adjourned at 11:49 a.m.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary
A meeting of the Faculty & Staff Affairs Committee of the Board of Regents was held on Thursday, February 9, 2017 at 9:45 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Richard Beeson, Laura Brod, Michael Hsu, and Abdul Omari.

Staff present: President Eric Kaler; Chancellor Stephen Lehmkuhle; Executive Vice President and Provost Karen Hanson; Vice Presidents Katrice Albert and Kathryn Brown; and Executive Director Brian Steeves.

Student Representatives present: Lauren Anderson and Phillip Guebert.

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

**APPOINTMENT AUTHORITY**

Regent Simmons invited Vice President Brown to present for review appointment authority changes to Board of Regents Policy: Reservation and Delegation of Authority, as detailed in the docket. Simmons explained that after the committee’s review of the policy in December, the administration provided new language and so the policy is once again before the committee for review.

Brown reviewed the proposed amendments. She explained that the amended language articulates the authority of the president to consult with the Board Chair and Vice Chair if he deems it appropriate for any personnel agreement.

Simmons noted that the revised policy adds the Vice Chancellor for Academic Affairs to the list of positions requiring Board approval and makes technical edits to reflect current position titles. She clarified that new language clearly excludes personnel hires from the dollar amount threshold for the purchase of goods and services that require Board approval.

Simmons recognized Regent Hsu for his work on this issue and asked him to share his opinion on the current revisions. Hsu stated that he does not support the current revisions other than the technical corrections to titles. He noted that in the policy, the Board reserves the authority to approve purchases of goods and services of $1 million or more, and emphasized the importance of the Board approving high-value contracts like that of the head football coach, in which the guaranteed value is $12.5 million. Hsu stressed the Board’s role as fiduciary of the University. He added that in the February joint legislative committee meeting to screen Regent candidates, all were asked if the Board should approve coach contracts. Each candidate said yes. He urged the committee to continue the discussion and be aware of legislative perceptions.

Simmons expressed her support for language clarifying that financial thresholds outlined in other sections of the policy do not apply to personnel appointments. She encouraged the committee to consider whether the Board should approve high-profile coach contracts, noting that if the committee decides to do so, Regents must have a common understanding of all implications of such a decision. Simmons added that the Board is responsible to the people of
Minnesota, not the legislature, and asked the committee to consider how else the Board should exercise oversight of athletics beyond approving coach contracts.

Simmons asked President Kaler to share his opinion on the amended language. Kaler stated that the language adjustments are overdue and timely given public scrutiny of high-value coach contracts. He added that peer institutions have varying levels of board involvement in approval of coach contracts, and asked the committee to consider flexibility in its policy language. Kaler suggested an approval process of consultation with the Chair and Vice Chair during the negotiation phase followed by action by the full Board. He reminded the committee that in today’s meeting it will consider a contract for the head football coach that is subject to Board approval even though policy does not explicitly require it. Kaler expressed his indifference in adding specific coaches to the list of titles in the policy, but suggested that the Board consider how doing so may change how it interacts with Athletics.

Simmons asked the committee whether the Board should approve coach contracts. Regent Beeson conveyed his support for the amended language, noting it adheres to good governance practices but also recognizes the amount of money involved in the transactions. He added that he is unsure of the value the Board brings to the coach selection and hiring process. Beeson recognized the Board’s desired outcome, but cautioned the committee to consider the unintended consequences of creating relationships with coaches while considering approval of their contract. He suggested that if the Board amends the policy to include the titles of individual coaches, the Board should also review its code of ethics and write guidelines for Regent interaction with coaches and the athletic director.

Hsu explained that his original proposal did not include listing individual coaches, but established an arbitrary salary threshold that would address a number of highly paid employees. He added that the Governance & Policy Committee utilized the president’s salary as a threshold in its amended language, but that the Faculty & Staff Affairs Committee did not want to tie approvals to a salary threshold, but rather include specific individual positions that would be subject to approval, including head coaches and some assistant coaches. Hsu expressed his support for expanding the policy to include other highly paid employees of the University.

Simmons agreed that the policy should not include the president’s salary as a threshold for Board approval, noting that the markets for university presidents and coaches are not parallel. She added that the policy should address the very highly paid employees at the University, and emphasized the importance of defining who those employees are.

In response to a question from Regent Omari, Brown stated she is unsure how many employees have a higher salary than that of the president.

Simmons asked the committee to confirm that it is not their desire to use the president’s salary as a threshold for Board approval. Regent Hsu responded that he would like to see a financial threshold.

Regent Brod proposed utilizing a top percent of employees rather than the threshold of the president’s salary or an arbitrary dollar amount. She expressed her discomfort with identifying coaches explicitly, since athletics does not directly support the three-part mission of the University. Brod stressed that she does not want the Board’s approval process to defer any hiring decisions, adding that the Board often accomplishes its fiduciary responsibilities through ratification of administrative decisions. She reminded the committee that the Chair and Vice Chair of the Board have been positioned to advance the Board’s voice with the administration and asked members to consider including in policy a consultation with Chair and Vice Chair at the time of hire, with Board ratification later.
Simmons shared her summary of the discussion by noting it would be inappropriate to list coaches in the policy because they do not deliver on the core mission. She added that because of the financial implications and the high visibility of athletics, there should be Board oversight through approval or ratification, and that the Board should add value to any process it considers.

Hsu disagreed with the assertion that athletics does not deliver on the three-part mission, stating that athletics helps fulfill the outreach mission of the University. He added that athletics is a critical component of the University brand, with success or failure of sports teams affecting student applications and donations. Hsu argued that the Board should not be involved in hiring or contract negotiations but should approve or ratify contracts in order to exercise its oversight appropriately. He reiterated that it is important for the Board to provide oversight of large financial transactions because of the University’s reliance on public funding.

Simmons concluded that the committee would work with the administration to revise language for action at the May meeting.

PRIMER ON THE MINNESOTA PUBLIC EMPLOYEES LABOR RELATIONS ACT (PELRA) AND LABOR RELATIONS AT THE UNIVERSITY

Regent Simmons invited Vice President Brown to present an overview of the Minnesota Public Employees Labor Relations Act (PELRA) and discuss labor relations at the University, as detailed in the docket.

Brown reviewed PELRA and explained the statutory employee group structure at the University. She reviewed the University’s union structure and noted that the University has respectful and collaborative working relationships with the many unions represented across the system. Brown reported that approximately 30 percent of the University’s workforce is represented by a labor union.

In response to questions from Regent Beeson, Brown clarified that all University employees are statutory employees organized into bargaining units. She explained that unions represent only some bargaining units.

Regent Hsu asked about a scorecard or other mechanism to measure union relationships. Brown noted that scores of the Employee Engagement Survey are comparable across the employee groups, but no other mechanisms are in place to measure satisfaction of union-represented employees or the University’s relationship with labor unions. She added that she is unaware of any such tool.

In response to questions from Regent Omari, Brown shared that her colleagues from peer institutions characterize relationships with labor unions as adversarial, while she would describe the University’s relationship with its labor unions as collaborative. Brown reported that laws differ by state, but that PELRA in Minnesota is similar to the national law.

BEST PRACTICES IN TALENT ACQUISITION

Regent Simmons invited Vice President Brown to provide an update on talent acquisition, as detailed in the docket.

Brown noted the shift in language from “hiring” to “talent acquisition” and explained the importance of putting talented faculty and staff in place to achieve the University’s strategic vision. She reviewed the University’s talent acquisition program, explaining it is an ongoing process of attracting, recruiting, and hiring employees.
Brown described the changing demographics of the state’s workforce and the retirement risk of many employees across the University to illustrate that candidate pools are younger and more diverse, which necessitates new recruiting activities and strategies for talent acquisition.

Regent Omari encouraged the committee to think about how the University can better create an inclusive environment and retain talented employees, noting the cost of high turnover. Brown commented that turnover is a challenge with millennials, as they tend to change jobs frequently.

CONSENT REPORT

Vice President Brown invited President Kaler and Athletic Director Mark Coyle to join her in presenting for review and action the Consent Report, which included the following items:

- Conferral of Tenure for two outside hires.
- Appointment of Peter Matthew (Matt) Kramer as Vice President for University and Government Relations.
- Appointment of Phillip John (P.J.) Fleck as Head Football Coach, Twin Cities campus.

Regent Simmons requested that the committee consider separate action on each item in the consent report. A motion was made and seconded and the committee voted unanimously to recommend approval of conferral of tenure for two outside hires.

Kaler presented for approval the appointment of Matthew (Matt) Kramer as Vice President for University and Government Relations, and explained the reorganization of University and Government Relations that he would present for approval by the Board on the following day. A motion was made and seconded.

In response to a question from Regent Omari, Kaler explained that the Board would consider the reorganization of University and Government Relations before approving Kramer’s hire.

Regent Hsu asked Kaler to share the current supervisory structure of these two areas. Kaler explained that Government Relations reports to him, and Marketing and the News Service report to his chief of staff. He added that this restructure would allow the chief of staff to have a greater internal focus. Kaler emphasized the importance of University and Government Relations reporting to one leader since it must ensure cohesive messages to all external audiences, including media and the legislature.

In response to a question from Hsu, Kaler clarified that this is a replacement position.

Regent Beeson expressed his support for the appointment and asked if the position will allow him to engage with the corporate community. Kaler shared that the Office of University Economic Development (UED), which primarily engages the corporate community, currently reports to the Vice President for Research. The Interim Vice President for Research will review and make a recommendation on the appropriate reporting structure for UED.

Regent Brod congratulated Kaler on the creation of the position and noted that Kramer is well suited for the role. She expressed her satisfaction with the proposed reorganization of University and Government Relations.

The committee voted unanimously to recommend approval of the appointment.
Coyle presented for approval the appointment of Phillip John (P.J.) Fleck as Head Football Coach, Twin Cities campus. Kaler offered his support of the hire. A motion was made and seconded.

Hsu explained that he is unable to support the recommendation without additional information about the financial implications of the hire. Kaler confirmed next steps for Hsu to receive that information. He added that Athletics would need to borrow from the central reserves budget but that it also anticipated increased revenue from media and ticket sales. The committee voted 3-2 to recommend approval. Hsu and Omari voted no.

**INFORMATION ITEMS**

Vice President Brown referred the committee to the information items. She highlighted the Workforce Metrics Report, which includes updates from the ninth payroll of the 2016-17 fiscal year. Brown also noted the information report and recognized Sandra Echlin, who recently retired, for her work in compiling the information report for the agenda for decades. Simmons also expressed her best wishes to Echlin.

The meeting adjourned at 11:26 a.m.
A work session of the Board of Regents of the University of Minnesota was held on Thursday, February 9, 2017 at 12:45 p.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Michelle Behr and Stephen Lehmkuhle; Interim Chancellor Barbara Keinath; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice President Kathy Brown; Interim Vice Presidents Michael Berthelsen, Bernard Gulachek, and Allen Levine; Executive Director Brian Steeves; and Chief Auditor Gail Klatt.

Student Representatives present: Lauren Mitchell.

Chair Johnson invited Vice President Brooks Jackson and University of Minnesota Physicians CEO Bobbi Daniels to introduce a discussion of the M Health agreement between the University and Fairview Health Services (FHS), as detailed in the docket. Jackson discussed the Medical School’s strategic plan and outlined measures of success for an integrated academic health system. Daniels provided a brief history of the M Health collaboration, outlined the co-leadership model, and detailed goals for the system. She reported on several key outcomes, including the opening of a new facility, expanded programs, and enhanced training opportunities.

Jackson explained that the initial term of the M Health agreement ends next year and will automatically renew unless termination notice is given one year in advance, which is June 1, 2017. If either party chooses to terminate, the current agreement will end June 1, 2018. He noted that termination of the agreement would lead to termination of other elements of the structure, such as branding rights. Jackson recommended that the contract not be renewed in its current form. He outlined several critical improvements to the agreement, including clearer financial targets, simplified contracting, improved dissemination of clinical trials, and increased alignment between FHS and the University. Jackson also reviewed questions to guide the Board’s discussion.

Regent Hsu commented that the strategic plan needs updating and that without a clear understanding of the University’s priorities, it is difficult for him to determine next steps. He asked for clarification on the University’s options. Jackson responded that to terminate the agreement, notice must be given by June 1, but no notice is required for modifications. Hsu observed that acceptable terms may not be reached by June, in which case the University should give notice of termination and develop a new agreement. Jackson agreed that is an option, but added that the University and FHS are working well together in some important ways and that the agreement includes no stipulations that would prevent the parties from negotiating changes after June 1. Hsu reiterated that the University should work toward negotiating acceptable terms, but be prepared to give notice by June 1 if it is not satisfied.
Regent Beeson commented that the agreement made sense when it was first negotiated, but that it would be troubling to renew without a clearer path forward. He expressed his hope that new FHS leadership would help guide more productive negotiations. He offered that a continued agreement should not preclude the University from looking into other partnerships. Beeson additionally suggested that planning begin soon in anticipation of the end of the long-term affiliation agreement, cautioning that 10 years will go by quickly.

Regent Devine remarked on the importance of mutual goals between the University and the state, such as student success, top faculty, and quality facilities. Jackson identified several opportunities for achieving those outcomes, such as increased capital for facility improvements and equipment upgrades, additional training sites throughout the state, and a more robust system for clinical trials. Devine urged clarity about the resources needed to achieve those goals. Jackson clarified that the state is still a main partner, explaining that the state has been key in some of the larger facilities projects and that special funding is available for particular research areas. He emphasized that there are many ways to make progress on these goals outside of the agreement.

Regent Anderson agreed with the importance of aspirational goals but suggested also valuing achievements of the partnership. He noted a long way to go toward final integration. He stressed the need to be fiscally responsible with public dollars and suggested improving the agreement.

Regent Brod asked how leadership is planning within a somewhat chaotic health care environment. Jackson stressed the importance of doing everything possible to be prepared for uncertainties. Brod responded that it is wise to pursue as many options as possible.

In response to a question from Regent Cohen, Daniels noted that the M Health Board voted strongly in favor of renewal with modifications. Cohen observed that there are many important benefits to building on the strength of the M Health brand. She suggested it is important to establish a functional integration now and move toward a structural integration in the future.

Regent Rosha acknowledged positive elements of the agreement and stressed the importance of strengthening the relationship with FHS. He noted the University should have clear objectives for being a leader in the industry. He advised communicating those objectives to the legislature, articulating the costs, and providing the state with the opportunity to invest in the Medical School. Rosha advocated an evaluation of the FHS relationship while also considering other partnerships, stressing developing collaborations and partnering with the statewide medical community rather than becoming a competitor.

Jackson reiterated the state’s support for the school. He emphasized that the school is committed to being a resource to the statewide medical community and does not just serve FHS. Jackson noted that the University strives to maximize its resources by garnering support from philanthropic groups, applying for federal grants, submitting requests to the state, and engaging in partnerships with industry. He stressed that the primary focus is serving the people of the state through research and clinical care, adding that while the market is competitive the M Health brand has been very well received.

In response to several questions from Regent McMillan, Jackson replied that a relatively small percentage of services are completed by tertiary and quaternary providers. He added that a system that includes easy access to a wide variety of services is appealing to many patients. He agreed that it is important to remain competitive. He explained that tertiary and quaternary services are more expensive, but the ability to provide training in those areas attracts students to the school. Daniels responded that physicians need to be maintain a wide range of skills to remain versatile, since highly specialized procedures are typically infrequent. She noted that access to specialized service providers allows the school to innovate and provide unique care to
patients. She added that many patients who undergo complex procedures may need more routine care in the future, making it important to offer a variety of services.

Chair Johnson invited FHS CEO James Hereford to speak. Hereford reported a deep appreciation for the value of academic medicine and the school’s expectations for success. He explained he was drawn to FHS by the potential of the partnership with the University. Hereford suggested that all the parts are in place to create a world-class health system, but more work is required. He cautioned that less federal funding is likely in the future, so it is imperative to establish the strongest partnerships possible. He offered that these partnerships and a commitment to quality care will help sustain the brand through inevitable change.

In response to a question from Regent Hsu, Hereford responded that he believes there is an advantage to renewing the agreement but agreed that it is a complicated document. He emphasized that trust is a key element of any agreement, which is difficult to codify. He suggested there are opportunities to simplify the agreement, better articulate the flow of funds, and achieve smoother alignment between the two entities.

In response to a question from Regent Beeson, Daniels explained that it is difficult to determine the exact savings achieved through the integrated structure. Each institution operates on a different fiscal year and employs varying budget processes.

Regent Simmons emphasized the importance of the partnership with FHS and expressed confidence in Hereford. She observed that the University will be better prepared to face changes in health care if it is in a strong partnership. She recommended that the agreement be renewed but with specific and targeted revisions.

Simmons emphasized that additional support is essential for academic growth, which in turn is essential to the Medical School’s success. She argued that the school should be considered an investment, not just a cost. Simmons recommended aligning financial targets between the University and FHS to support quality education and clinical care. She noted there must also be a clear understanding of necessary capital improvements. She also emphasized that contracting must be more efficient and effective, offering that many opportunities are missed due to a prolonged process.

Simmons noted there are other areas for improvement but that these are the most important. She requested that the Board have a proposed agreement by its May meeting, but emphasized the need to identify all options, not just to renew or terminate. Simmons applauded the faculty for engaging in the process and reiterated that the Medical School is one of the Board’s top priorities.

Kaler thanked the Board for its feedback. He acknowledged that improvements to the agreement are needed but feels there is a shared vision between the University and FHS. He suggested that expectations of the Board and the administration are aligned and that the University is moving in the right direction.

The meeting adjourned at 2:12 p.m.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary
A meeting of the Academic & Student Affairs Committee of the Board of Regents was held on Thursday, February 9, 2017 at 2:30 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Linda Cohen, presiding; Thomas Anderson, Dean Johnson, Peggy Lucas, Patricia Simmons, and Darrin Rosha.

Staff present: Chancellor Stephen Lehmkuhle; Executive Vice President and Provost Karen Hanson; Vice Presidents Katrice Albert and Brooks Jackson; Interim Vice President Allen Levine; General Counsel Douglas Peterson; and Executive Director Brian Steeves.

Student Representatives present: Mina Kian and Lauren Mitchell.

DELMER ON THE ACADEMIC MISSION OF THE MEDICAL SCHOOL

Regent Cohen invited Provost Hanson to introduce the Brooks Jackson, Vice President for Health Sciences and Dean of the Medical School, and Mark Rosenberg, Vice Dean for Education and Academic Affairs at the Medical School, to discuss the academic mission of the Medical School, as detailed in the docket.

Jackson shared the importance of the Medical School to the state, noting the significance of meeting the needs of Minnesota’s health care workforce. Rosenberg reviewed the Medical School’s latest national rankings and highlighted accomplishments in producing family physicians, primary care physicians, and those who practice in rural areas. He added that 70 percent of Minnesota’s practicing physicians are graduates of the University of Minnesota Medical School. Rosenberg reviewed plans to increase enrollment and diversity in the student body and explained new approaches they have implemented for clinical rotations and clerkships.

Regent Anderson asked how many students applied for the new BA/MD program. Rosenberg responded that he is unsure, but that in conjunction with the College of Liberal Arts, they had identified 20 applicants to interview and will enroll 10 students to begin the program in the fall.

In response to questions from Regent Lucas, Rosenberg explained that a shift from traditional Block Clerkships to a new model of Longitudinal Integrated Clerkships would increase capacity at clinical training sites. He added that one of the challenges in increasing enrollment at the Medical School is expanding the clinical training site capacity.

Regent Johnson inquired about the Medical School’s admissions process and asked what factors are predictive of success in the profession. Rosenberg reported that the Medical School utilizes holistic review of applications and explained the importance of academic success and a commitment to the human condition as important success factors.

In response to questions from Student Representative Kian, Rosenberg explained that the College of Liberal Arts, the Office of Undergraduate Admissions, and the Medical School collaboratively review applications for the BA/MD program and that diversity is among the
factors considered. He reported that the BA/MD program, currently in its first-year pilot phase, was created to address diversity in the Medical School when the University realized many diverse applicants were selecting other medical schools because of competitive scholarship offers. Rosenberg added that medical schools in most other countries admit students immediately out of high school and their education model is often two years of undergraduate work followed by four years of medical school. He concluded that this BA/MD program is pushing the model of medical education in the United States.

Rosenberg confirmed a comment from Regent Rosha that there is no correlation between national rankings of medical schools and their tuition rates.

Student Representative Mitchell commented that the Medical School is doing well in terms of increasing and sustaining diversity in the student body and asked how they have accomplished that. Rosenberg explained that the Medical School has had success with pipeline programs and active recruitment with underrepresented populations. He added that the shift to holistic review and a change of leadership and culture in admissions have also been important factors in increasing diversity.

**UPDATE ON STUDENT MENTAL HEALTH**

Regent Cohen invited Provost Hanson; Gary Christenson, Chief Medical Officer of Boynton Health; and Sue Wick, Professor of Plant Biology and Biology Teaching & Learning, to present an update on student mental health at the Twin Cities campus, as detailed in the docket. Cohen also acknowledged Student Representative Mitchell for her engagement with the campus community on student mental health.

Christenson reviewed and differentiated the services that are available to Twin Cities students through Boynton and Student Counseling Services (SCS). He noted that demand for and utilization of services at both are increasing, projecting 25,000 student visits by the end of the academic year. Christenson reported that although demand has increased, waitlists for services have been eliminated due to increased staffing.

Wick explained the charge of the Joint Task Force on Student Mental Health is to understand and recommend the role of the instructor in working with students with mental health concerns, and identifying mental health concerns in their students. She reported that the committee, which is composed of faculty and instructional staff, non-instructional staff, and students, will outline five recommendations to the provost and the FCC.

Student Representative Mitchell commented that the progress is good, but that work remains. She advised the establishment of measures to ensure ongoing progress. She suggested the system campuses also need to address the issue of student mental health so that services are equitable across the system.

In response to a question from Regent Rosha, Christenson explained that most counseling services nationally do not seek insurance reimbursement and it would be difficult for SCS to do so. Christenson reported that the increase in use of services can be attributed to an increase in the number of appointments and service providers available. He explained that they also measure the number of first-time appointments, which has increased from the previous year.

Student Representative Kian inquired about the Joint Task Force’s potential recommended policy changes. Wick shared that they have begun to look at policies such as the one related to completing make-up work.
In response to a question from Regent Lucas, Christenson reported that the majority of the therapists are women and that applicants for new positions have also been predominately women.

Regent Anderson commented that great work has been done in addressing student mental health on the Twin Cities campus and the focus should turn to the system campuses.

**UPDATE ON THE GREEK TASK FORCE RECOMMENDATIONS**

Regent Cohen invited Provost Hanson to introduce Maggie Towle, Associate Vice Provost for Student Life; Lamar Hylton, Assistant Vice Provost for Student Life; Lynn Swon, President of the Minnesota Greek Alumni Council; and undergraduate student Emma Mazour to present an update on the Greek Task Force recommendations, as detailed in the docket.

Towle explained that President Kaler created a Greek Community Strategic Task Force in 2012 that returned a report with 47 recommendations. Hylton provided an overview of the University’s Office for Fraternity and Sorority Life and reported on its growth in staff, budget, and Greek chapters on campus. He reported that 11 percent of the student body participates in Greek organizations, surpassing the 9 percent goal set forth in the 2012 recommendations. Hylton also highlighted the success of Greek students in academics and community service.

Mazour shared her experience as a student involved in Greek organizations on campus and emphasized support systems and the drive for improvement as two characteristics of the University’s Greek community.

Hylton provided an overview of the campus’ multicultural and identity-based Greek organizations, explaining that they are smaller and often lesser known to the University community.

Swon outlined the Greek Alumni Council, explaining that the task force recommendations urged its creation. She explained that the UMAA, Office for Student Affairs, and the Office for Fraternity and Sorority Life meet monthly as partners of the council. Swon shared examples of the council’s work, citing a recent mentorship event and program development opportunities for House Directors.

Towle referred the committee to the 2016 Progress Report in the docket materials, explaining that it outlines the status of all 47 task force recommendations.

In response to questions from Regent Lucas, Swon reported that some of the issues with city ordinances include the number of individuals that can live in one house and the allowable square footage and number of levels of the homes. She reported that many of the homes are not in compliance. Towle added that it also difficult to secure funding for repairs in existing homes or for down payments for new homes.

Regent Rosha commended the presenters on the growth they have been able to achieve in the number of students participating in Greek organizations. Hylton reported that they are working to improve recording of student engagement, as the historical data is not entirely accurate.

Regent Johnson thanked the presenters for their work and expressed his frustration with the aesthetics of many of the fraternity and sorority houses on University Avenue. He explained that as the gateway to campus, it does not reflect the University well.
CONSENT REPORT

A motion was made and seconded, and the committee voted unanimously to recommended approval of the following, as described in the Consent Report:

- **Postsecondary Planning: A Joint Report to the Minnesota Legislature**

  This is the eighth report produced jointly since 2001 by Minnesota State and the University of Minnesota, as required by the Minnesota Session Laws 2003, Regular Session, Chapter 133, Article 1, Section 7. The report reflects the long-term working relationship between the two systems to develop and coordinate joint post-secondary programs in the Twin Cities and throughout Minnesota.

- **Request for Approval of New Academic Programs**
  - Carlson School of Management (Twin Cities campus)—Create Doctor of Business Administration
  - College of Science and Engineering (Twin Cities campus)—Create Post-baccalaureate certificate in Data Science and deliver online
  - Medical School (Twin Cities campus)—Create fellowship in Epilepsy
  - College of Liberal Arts (Duluth campus)—Create undergraduate minor in Digital Writing, Literature and Design
  - Labovitz School of Business and Economics (Duluth campus)—Create undergraduate minor in Sustainable Business and Organization
  - The Morris campus—Create B.A. degree and undergraduate minor in Medieval Studies

- **Request for Changes to Academic Programs**
  - College of Food, Agricultural, and Natural Resource Sciences (Twin Cities campus)—Create joint Bachelor/Master of Science degree in Nutrition
  - College of Design (Twin Cities campus)—Create sub-plan in Research Practices within the M.S. degree in Architecture
  - College of Liberal Arts (Twin Cities campus)—Discontinue sub-plan in Ancient Art and Archaeology within the M.A. and Ph.D. degrees in Classical and Near Eastern Studies
  - School of Fine Arts (Duluth campus)—Create sub-plans in Marketing and Studio within the B.F.A. degree in Graphic Design
  - Swenson College of Science and Engineering (Duluth campus)—Move the academic home of the M.S. degree in Integrated Biosciences from the Twin Cities campus to the Duluth campus
  - College of Education and Human Development (Twin Cities campus)—Change the name of the post-baccalaureate certificate in Emerging Leaders in Private Colleges to Private College Leadership
  - College of Education and Human Development (Twin Cities campus)—Change the name of the B.S. degree in Recreation, Park and Leisure Studies to Recreation Administration

- **Request for Approval of Discontinued Academic Programs**
  - College of Continuing Education (Twin Cities campus)—Discontinue the Master of Liberal Studies degree
  - College of Continuing Education (Twin Cities campus)—Discontinue the graduate minor in Liberal Studies
  - College of Continuing Education (Twin Cities campus)—Discontinue the postbaccalaureate certificate in Innovation Studies
  - College of Liberal Arts (Twin Cities campus)—Discontinue the B.A. degree in Statistics
  - College of Liberal Arts (Duluth campus)—Discontinue the M.A. degree in Criminology
• Swenson College of Science and Engineering (Duluth campus)—Discontinue the B.S. degree in Computer Information Systems
• School of Fine Arts (Duluth campus)—Discontinue the B.F.A. in Graphic Design and Marketing

The meeting adjourned at 4:30 p.m.

[Signature]

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

February 9, 2017
A meeting of the Finance Committee of the Board of Regents was held on Thursday, February 9, 2017 at 2:30 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Laura Brod, Thomas Devine, Michael Hsu, David McMillan, and Abdul Omari.

Staff present: President Eric Kaler; Chancellor Michelle Behr; Interim Chancellor Barbara Keinath; Senior Vice President Brian Burnett; Vice President Kathryn Brown; Interim Vice Presidents Allen Levine and Bernard Gulachek; General Counsel Douglas Peterson; Executive Director Brian Steeves; and Associate Vice Presidents Stuart Mason, Julie Tonneson, and Michael Volna.

Student Representatives present: Mike Kenyanya and Tareyn Stomberg.

FULLY ALLOCATED COST OF MISSION ACTIVITIES: UNIT ANALYSIS

Regent Beeson invited Associate Vice President Tonneson and Lincoln Kallsen, Director of Institutional Analysis, to lead a discussion on the fully allocated cost of mission activities, unit analysis (analysis), as detailed in the docket.

Tonneson reminded the committee of the general analysis methodology. She reviewed the FY 2014 fully allocated mission expenditures by instruction, research, public service, auxiliaries, and student aid. She outlined the type of revenue source for each mission activity.

In response to a question from Beeson, Tonneson explained that administrative costs are categorized as indirect costs. She clarified that this analysis uses the same spending data as the administrative cost definition and benchmarking analysis but a different methodology to focus on spending within the broad mission expenditures.

Tonneson reported the unit-specific findings, offering examples of units that receive significant funding from their work in research, public service, and instruction. She indicated that while each unit is unique with regard to the mix of specific revenue sources from mission activities, sources of instruction revenue predominantly come from tuition. Tonneson emphasized that the goal of the analysis is to better understand the cost influences in different unit contexts and does not provide any information on the quality of the specific academic programs. She also provided examples of research and public service findings.

Regent McMillan expressed his concern that system campuses are not comparable to Twin Cities academic units. Tonneson agreed that the difference between auxiliary units is not comparable across the system campuses. She explained that beyond auxiliaries, the cost pool sharing that Twin Cities academic units pay into makes the units comparable to each other. In response to a question from Regent Hsu, Tonneson identified athletics, housing, dining services, bookstores, parking, and other areas of University Services as being included in the auxiliaries.
Devine asked why UMAA and UMF are not included in auxiliaries. Tonneson clarified that for example, Athletics, as a full unit of the University, is in the auxiliary category and not included in any of the mission categories. She specified that support given by the University to UMF would be included as an expense, but any revenue taken in by UMAA or UMF would not be included since they are separate units from the University.

Kallsen explained the second-level analysis done on the cost per full year equivalent by student (FYE). He noted that for some units, like the College of Continuing Education or the College of Education and Human Development (CEHD), the FYE appears lower because programs like College in the Schools flow revenue through Continuing Education or physical education classes that are taken by a wide variety of students flow revenue through CEHD. Kallsen added that controlling for those items, the FYE for those units looks similar to other units. Hsu commented that it would be helpful to have tuition prices by unit to compare what the University is spending to what the University is charging.

Regent Brod wondered about the cost to spend a dollar on the research side and which units are more efficient in using research dollars. Kallsen offered that he and Tonneson plan to meet with each dean and chancellor to review the findings of the analysis in order to build knowledge of what it costs for their units to carry out the mission.

In response to a question from Regent Hsu, Tonneson noted that the difference between cost per FYE and tuition varies by unit, but can include funding from the state, endowment revenues, clinical income, or sales of services.

Kallsen reviewed the second-level analysis for graduate and professional education and outlined factors that influence higher and lower instructional costs. He walked through an example from the College of Science and Engineering showing where costs were higher and lower depending on the way instruction is delivered. Brod encouraged the administration to think about how that example could inform the budget process. McMillan requested a breakdown of system campus colleges to compare with Twin Cities colleges.

Kallsen outlined the changes between the FY 2010 and the FY 2014 analyses, and described the next steps. Senior Vice President Burnett commented that this analysis would help encourage units to think about resource management, plan for the types of resources that are funding those units, and look across the system at what others are doing.

Hsu raised the idea of considering variable tuition by school, given the FYE data. President Kaler responded that five years ago the Board created a surcharge for the Carlson School of Management, but held tuition the same elsewhere. He noted that variable tuition carries both benefits and drawbacks, and recommended that the full Board discuss the topic.

Burnett commented that high-cost programs have become standard in states with less public support for higher education. He warned that communicating multiple tuition rates to perspective students can create a recruiting issue. Hsu agreed that it can be difficult to tell what the tuition rate is at a school that uses differential tuition. He commented that the University has to be responsible to cover expenses and to attract the top talent, and should be charging at or above market prices for exceptional programs. Kaler responded that differential tuition could work against the goal of a more diverse student body, noting that diverse students often come from lower income families, requiring incremental financial aid for higher priced programs.

**OPERATIONAL EXCELLENCE: NEXT STEPS**

Regent Beeson invited President Kaler and Senior Vice President Burnett to lead a discussion on the next steps for the Operational Excellence program (OpEx), as detailed in the docket.
Kaler outlined OpEx and its many initiatives. He noted that the focus of this discussion is the goal to reduce and reallocate $90 million in administrative costs by the end of FY 2019. Burnett reviewed the reallocations made to date, noting the $21.5 million planned for FY 2018-19. He offered that deans and chancellors across the system are concerned with finding additional administrative costs to reallocate in the final two years of OpEx.

Burnett outlined the oversight and accountability for OpEx results, reviewing the legislative appropriation tied to $15 million in annual cost reductions and reallocations and the gold measure included in the University Progress Card. He reminded the committee of the administrative cost benchmarking and the challenge of not being able to benchmark against peers. He advised that the University continue to benchmark like this since there is value in continuing to monitor the analysis over time.

Burnett offered observations and lessons learned since the inception of the OpEx program. He noted that it is difficult to effect material changes between the administrative cost benchmarking categories of mission, mission support and facilities, and leadership and oversight since it takes a $3 million shift to change one-tenth of one percent of the budget. He added that units are increasingly using those reallocations to cover core cost increases and not just for investment in new mission activities. Burnett outlined potential paths forward, including the need to find a way to external benchmarking on administrative costs.

Beeson observed that the University does not have data showing what portion of administrative costs is due to compliance oversight, emphasizing the need for a study of compliance oversight costs. Regent Devine agreed, adding that the University is criticized for administrative costs but has no comparable benchmark within the Big Ten. Kaler agreed that the University should study the cost of compliance, asserting that the cost is both high and mandatory. Regent Omari noted that the cost could be even greater if the University did not fully fund the cost of compliance.

Regent Brod warned the Board and administration to be careful in the language used around compliance. She offered that framing it as the cost of regulation or cost of mandates would be a better way to refer to those costs. She commented that the University is working hard and using resources to elevate a culture of compliance. Brod added that being critical of compliance could be viewed as counterproductive.

Regent Hsu referenced an opinion piece in the *St. Paul Pioneer Press*, asking about the accuracy of its calculations on administrative costs. Burnett responded that it appeared to combine “mission support” and “leadership” to arrive at its number. Burnett emphasized that items in mission support are not the same as administration, referring to the cost of facilities as an example. Burnett noted that Board leadership recommended a response and that a submitted letter to the editor sought to strike a measured tone.

Burnett asserted that continuous improvement should be the ultimate goal for OpEx, compared to reaching 100 percent on any measure. He suggested that the University clearly define peers for comparison, establishing different peer groups that relate to each of the campuses. Beeson commented that the University is still improving and needs to continue to push performance.

Brod shared that the $90 million in administrative cuts is an important goal but that OpEx now should not simply be cuts but push the University to be innovative. She proposed focusing future efforts on programmatic innovations, cuts and additions, and identifying where the University can be a leader in a given field.

Student Representative Kenyanya observed that 71 percent of the administrative cuts were personnel. He expressed his concern that the work done by those individuals is now on a smaller workforce, and cautioned that students would eventually feel the change. Kenyanya
asked whether the administration has reviewed the effectiveness of those cuts and how they have affected the University. Burnett agreed that such cuts do affect the workforce and that the administration should review them. He indicated that the University has reallocated resources from eliminated positions to higher priority positions.

In response to Kenyanya, Kaler offered an example of the Office of Information Technology (OIT) employing people to answer the main University phone number. The University eliminated those positions, which did not affect the function of the University, and reallocated the funds within OIT to improve instructional materials development. Kaler added that the administration has pushed units to ensure their work is valued and needed, and not being done simply because they have always done that work. Kaler suggested that cuts up to this point have not significantly affected students, but that might not be true as the $90 million is completed.

Assistant Vice President Volna reported that the University reports a detailed list of cuts to the Board each year. He expressed his view that cuts were easier to make in the first years of OpEx but have become more difficult. He noted that many colleges have not eliminated programs, but have moved positions between programs.

Omari agreed that a concerted effort toward reducing administrative costs must continue, but argued that cutting student jobs is unacceptable. He noted that the committee could review the impact on total number of student jobs across the University to see if new jobs in one unit offset cuts in another, but stressed prioritizing the impact on student employment.

In response to a question from Beeson, Tonneson explained that reallocations always are made to balance the budget, and that reallocations within the academic portion of the mission are not counted toward the $90 million administrative cost goal.

Hsu expressed his support for continuing OpEx and advocated that it be a part of the University’s strategic planning. He suggested that the University seek other opportunities to control costs and ensure tuition remains reasonable. Kaler responded that additional revenue from the state is unlikely, so the University must focus on maximizing revenue-generating opportunities while continuing to maintain costs. He identified professional development, continuing education, auxiliary units, and sales as sources of additional revenue. Kaler noted that accelerating those areas could balance the need for cuts elsewhere.

ANNUAL CAPITAL FINANCING AND DEBT MANAGEMENT REPORT

Regent Beeson invited Carole Fleck, Director of Debt Management, to present the annual capital financing and debt management report, as detailed in the docket.

Fleck reported that as of June 30, 2016, the University’s long-term outstanding debt was $1,500,632,000, consisting of general obligation bonds, special purpose revenue bonds supported by state appropriations, commercial paper notes, infrastructure development bond obligations, capital leases, and the related remaining unamortized premium and discount. The balance outstanding at June 30, 2016 of University supported debt (at face value) plus capital leases was approximately $1,118,548,000.

Fleck reviewed guiding principles for issuance of debt, explained the process for issuing debt, provided a long-term debt analysis, reviewed the University’s capital structure, and outlined the current amortization structure. She discussed the institution’s credit rating and debt capacity determinants, noting that an analysis of student demand, market position, and financial indicators places the University in a strong position. Fleck reported that the University is currently rated Aa1 by Moody’s and AA by Standard and Poor’s. She offered that University was given a stable outlook by both rating agencies, with Standard and Poor’s revising the
University’s outlook from negative. Fleck noted key financial indicators, and compared the University to peer groups.

Regent Devine observed that peers like the University of Michigan, University of Virginia, and Pennsylvania State University all have high reserves and a history of strong athletic programs. He suggested that strong athletic programs help build alumni giving.

President Kaler noted the size of Ohio State University’s debt and asked if it is close to having its credit rating downgraded. Senior Vice President Burnett responded that the primary piece of Ohio State’s debt is the rebuilding of the academic health center, and suggested the institution spent over $1 billion to do so. Associate Vice President Volna agreed and added that many of the outliers have health systems, which drive their credit ratings differently.

In response to a question from Regent Hsu, Volna noted that ratings are a combination of multiple factors. He explained that the University has spoken to rating agencies in the past about the possibility of the University moving up. He noted that given the difference in interest costs between an Aa1 and AAA credit rating, along with turbulent economic times and the risk of being downgraded, the administration is comfortable remaining at an Aa1 rating. Volna added that the cost differential between the two ratings is minimal given the compression of interest rates and the overall low interest rate market.

**REVIEW OF REQUIRED REPORTS**

Regent Beeson invited Associate Vice President Volna to review the reports that are required to come to the committee, as detailed in the docket.

Volna outlined the required reports and noted the administration’s recommendations for each. He recommended that the quarterly purchasing report, which includes transactions and any purchasing violations, be changed to an annual report. He explained that the administration is already using a more strategic, forward-looking annual report and this could replace the more transactional quarterly reports. Volna added that on average, there are only five to six purchasing violations each year.

Regent Devine expressed his preference for more information rather than less and stated his inclination to keep the quarterly report. Regent Hsu agreed, adding that it should not be difficult to generate a quarterly report if the information is available and that it ensures the Board is aware of any purchasing violation sooner rather than later.

Regent Omari offered that the committee could adopt a semi-annual report, pilot the change next year, and then reevaluate.

Regent McMillan noted that part of the challenge with required reports is that they are included as information items and left until the end of the meeting. He suggested that reports most important to the committee be moved to the front of the agenda.

Beeson informally polled the committee on its preference for a semi-annual versus quarterly report. Beeson stated that the consensus of the committee is to keep the quarterly report.

**CONSENT REPORT**

Senior Vice President Burnett presented the Consent Report, as detailed in the docket:
General Contingency:

- There were no items requiring approval this period.

Purchase of Goods and Services $1,000,000 and Over:

- To CDW Government LLC for $27,044,499 for Cisco equipment for core segment of Next Generation Network equipment and support and maintenance for the Office of Information Technology (OIT) for the period of February 15, 2017, through February 14, 2022. The first year purchase of equipment and support and maintenance is funded through the financing plan for The Next Generation Network project, which was reviewed and approved by the Board of Regents in October 2016. Subsequent years’ expense will be paid for as part of OIT’s annual operating budget. Vendor was selected through a competitive process.

- To CDW Government LLC for $2,965,032 for Cisco equipment for data center segment of Next Generation Network equipment and support and maintenance for the Office of Information Technology (OIT) for the period February 15, 2017, through February 14, 2022. The first year purchase of equipment and support and maintenance is funded through the financing plan for The Next Generation Network project, which was reviewed and approved by the Board of Regents in October 2016. Subsequent years’ expense will be paid for as part of OIT’s annual operating budget. Vendor was selected through a competitive process.

- To Comcast Cable Communications Management LLC for an estimated $1,950,126 for a bulk rate cable TV service agreement for Housing & Residential Life, Office of Classroom Management, and Office of Information Technology Video and Conferencing Services for the period of July 1, 2017, through June 30, 2021, with the option to renew through June 30, 2024. Housing & Residential Life will cover costs to residents with other costs covered by the departments using the service. Vendor was selected through a competitive process.

- To Computer Concepts & Services, Inc. for an estimated $3,000,000 for the purchase of essential analysis and programming services for the University of Minnesota Veterinary Diagnostic Laboratory (VDL) for the period of May 1, 2017, through April 30, 2020, with contract extensions through April 30, 2022. VDL user fees and a Minnesota Department of Agriculture appropriation provide sources of funding for modifications specified by the VDL. This has been budgeted for in FY17. Vendor was selected through a competitive process.

- To Deloitte & Touche LLP for an estimated $2,344,000 to provide external audit and related services to the University for the Controller’s Office for fiscal years 2017 through 2020, with options for contract extensions through fiscal year 2023 for an additional $1,877,500. Total contract value, if all options are exercised, would be $4,231,500. The cost of the contract is budgeted and funded out of the Controller’s office operating budget on a recurring annual basis. Vendor was selected through a competitive process.

- To Kudelski Security for $14,832,716 for Fortinet equipment for the firewall segment of Next Generation Network equipment, software, services and support and maintenance for the Office of Information Technology (OIT) for the period February 15, 2017, through February 14, 2022. The first year purchase of equipment and support and maintenance is funded through the financing plan for The Next Generation Network project, which was reviewed and approved by the Board of Regents in October 2016. Subsequent years’ expense will be paid for as part of OIT’s annual operating budget. Vendor was selected through a competitive process.
• To Ortega y Gasset Foundation (Spain), University Paul-Valery (Montpellier, France), CAPA (Sydney & London), Jose Suarez & Dolores Lopez (MSID-Ecuador), Fundacion Ortega y Gasset, Argentina (Buenos Aires, Argentina), Mohamud Jama (MSID-Kenya), Ousmane Sene (MSID Senegal), CIEE, Accent, and others for an estimated $17,000,000 to provide services to support overseas study abroad programs for FY 2016-17 for the Learning Abroad Center. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center. See enclosed documentation for basis of vendor selection.

• To Siemens Medical Solutions USA, Inc. for a 5-year service contract $1,105,820 for the renewal of the existing service contract on the PET/CT mCT 64 Scanner, for the Center for Clinical Imaging Research, Department of Radiology for the period of March 1, 2017, through February 28, 2022. The financial model that supports the profitable operation of the PET/CT mCT 64 Scanner currently pays for the existing service contract of $226,040. The long-term five-year financial projections for this equipment with the incurred costs of this service contract, which will decrease $4,876 annually, will fully support this renewal and all ongoing operations. See enclosed documentation for basis of vendor selection.

Regent McMillan noted that the information technology (IT) contracts total $45 million, an example of the increased cost of IT spending.

In response to a question from Regent Hsu, Associate Vice President Volna clarified that the two contracts with CDW are for the next-generation wireless network, but since they are for different components of the network, they were bid out separately and resulted in separate contracts.

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

INFORMATION ITEMS

Senior Vice President Burnett referred the committee to the information items in the docket:

• Annual Risk Management and Insurance Report
• Annual Investment Performance: Peer Comparisons
• Quarterly Purchasing Report
• FY 2016 Year End Balances Report - Non-Sponsored Funds
• Debt Management Advisory Committee Update
• Budget Allocation Report

Regent Beeson expressed the gratitude of the Finance Committee to Regent Brod for her service to the committee and the Board of Regents.

The meeting adjourned at 4:31 p.m.

BRIAN R. STEEVES
Executive Director and Corporate Secretary

Finance Committee
February 9, 2017
A meeting of the Board of Regents of the University of Minnesota was held on Friday, February 10, 2017 at 8:45 a.m. in the Boardroom, 600 McNamara Alumni Center.

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

Staff present: President Eric Kaler; Chancellors Michelle Behr and Stephen Lehmkuhle; Interim Chancellor Barbara Keinath; Executive Vice President and Provost Karen Hanson; Senior Vice President Brian Burnett; Vice Presidents Katrice Albert, Kathy Brown, and Brooks Jackson; Interim Vice Presidents Michael Berthelsen, Bernard Gulachek, and Allen Levine; General Counsel Douglas Peterson; Executive Director Brian Steeves; Chief Auditor Gail Klatt; and Associate Vice Presidents Andrew Furco, Julie Tonneson, Maggie Towle, and Michael Volna.

INTRODUCTIONS

Chancellor, University of Minnesota Morris

President Kaler introduced Michelle Behr, Chancellor of the University of Minnesota Morris, who began her appointment on February 6, 2017. Behr received a Ph.D. in geography and an M.A. in anthropology from Arizona State University. She also holds a bachelor's degree in anthropology from the University of California Santa Cruz. Previously, she served as the Provost, Senior Vice President for Academic Affairs, and Dean of the College at Birmingham-Southern College in Birmingham, Alabama. Behr briefly addressed the Board.

Dean, Graduate Education

Provost Hanson introduced Scott Lanyon, Dean of Graduate Education, who began his tenure as dean on June 20, 2016. Lanyon received a Ph.D. in ornithology from Louisiana State University in 1985. He previously served as the head of the University of Minnesota Department of Ecology, Evolution, and Behavior, and before that as the director of the Bell Museum of Natural History. Lanyon briefly addressed the Board.

APPROVAL OF MINUTES

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

- Special Selection Committee – December 7, 2016
- Litigation Review Committee – December 8, 2016
- Facilities, Planning & Operations Committee – December 8, 2016
- Faculty & Staff Affairs Committee – December 8, 2016
- Board of Regents Work Session – December 8, 2016
- Academic & Student Affairs Committee – December 8, 2016
President Kaler reported on outreach efforts with the Muslim and Somali communities on campus following a recent executive order from President Trump. He emphasized the importance of building and maintaining strong relationships with these communities. He highlighted a $25 million donation from the Robina Foundation to the Law School’s Center for New Americans, the largest single donation in the school’s history.

Kaler reported on efforts to improve education and training on sexual assault and harassment prevention, emphasizing the University’s commitment to ensuring a safe and respectful community. He discussed ongoing legislative activities and changes in senior leadership. Kaler thanked Regent Brod for her service to the Board and congratulated Regent Cohen for being named to the Minnesota School Boards Association’s 2017 All-State School Board.

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

Chair Johnson also congratulated Regent Cohen on her prestigious honor. He reported on recent legislative outreach efforts, stressing the importance of continued state investment in the University. He thanked Regent Brod for her leadership and service to the Board.

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

Chair Johnson noted the receipt and filing of the Annual Capital Financing and Debt Management Report.

Chair Johnson presented for review and action the Consent Report as described in the docket materials, including:

- Summary of Gifts through December 31, 2016
- Summary of Expenditures
- Report of the All-University Honors Committee

A motion was made and seconded, and the Board of Regents voted unanimously to approve the Consent Report.
Chair Johnson invited President Kaler to discuss the proposed resolution on administrative restructuring, as detailed in the docket. Kaler reported that the resolution would combine into one unit the Offices of University Relations and Government and Community Relations, and create a vice president position that would oversee the new office. He explained that the restructuring responds to three considerations:

1. Attract a seasoned government relations professional with a record of success.
2. Add strategic public affairs and issue management leadership and capacity.
3. Continue to flatten and align the University’s leadership structure and create a more cohesive senior leadership team.

A motion was made and seconded to approve the proposed resolution.

Regent Omari suggested elevating on the organizational chart the position of Executive Vice President and Provost, to indicate the position’s senior academic role in the administration.

Regent Hsu suggested that the proposed change to the chart is unnecessary, since the title indicates the position’s elevated rank.

Omari made a motion to modify the organizational chart to elevate the position of Executive Vice President and Provost above the rest of the vice presidents. Regent Simmons seconded the motion.

Simmons noted that while the title indicates the position’s seniority, the visual representation is also important, since it is the second highest position in the administration.

Regent Rosha agreed that the title indicates the position’s senior rank, so its location on the organizational chart is less important. He remarked that he does not support the motion because it sends a message that the organizational structure is merely an afterthought, adding that he does not believe the position of Executive Vice President and Provost should not be clearly positioned.

Regent Brod offered that the chart merely indicates a reporting structure, in which case it should not matter where the boxes are on the chart. She suggested that if the chart does represent administrative hierarchy, the Chief of Staff (COS) should not be included at the same level as the Vice Presidents. Johnson agreed.

Simmons emphasized the need for clarity since organization charts are communication tools and people may confuse reporting lines for hierarchy. She expressed concern that the chart indicates the University Senate appears to report to the COS, adding that while the intent may have been to indicate that the Senate staff reports to the COS, it looks as though the faculty governing body reports to the COS.

Regent Hsu expressed confusion over the Chief Auditor having a dotted line reporting to the President.

Regent Devine suggested tabling discussion about the organizational chart to a later time and proceeding with a vote on the resolution. Omari emphasized the need to approve the structure prior to voting on the resolution. Johnson suggested adopting the resolution so the Vice President for University and Government Relations could be approved, and revisiting the matter of the organizational chart. Kaler agreed and suggested that further edits to the organizational chart come to him directly. He committed to bringing a new draft to the Board at a later meeting.
Omari withdrew his motion. Simmons withdrew her second.

A motion was made and seconded and the Board voted unanimously to approve the Resolution Related to Restructuring University and Government Relations, as follows:

WHEREAS, the Regents of the University of Minnesota recognize and reaffirm the President’s responsibilities and accountability for developing, recommending, and administering the policies of the Board of Regents; and

WHEREAS, the Regents recognize and reaffirm the importance of providing the President with flexibility in the organization, reporting lines, and position descriptions of central administration; and

WHEREAS, the University of Minnesota must continue to pursue a comprehensive agenda of assessing the improving administrative structure, processes, and procedures in order to improve quality, efficiency, effectiveness, and public accountability; and

WHEREAS, the University of Minnesota’s strategic planning and decision-making processes are best served by designing and implementing administrative structures that ensure clear responsibility, authority, and accountability at the college and campus levels; and

WHEREAS, the organization of central administration and appointment of senior leaders at the University shall be consistent with University and Board policies and procedures; and

WHEREAS, senior leadership transitions create an opportunity to achieve greater alignment, efficiency and coordination of the University’s system-wide operating units; and

WHEREAS, the President desires to continue to flatten and align the University’s system-wide leadership structure and create a more cohesive senior leadership team, while strengthening government relations and public affairs capacity by combining University Relations and Government and Community Relations into one unit.

NOW, THEREFORE, BE IT RESOLVED that the organization of the University’s central administration shall consist of the following executive officers reporting to the President:

Executive Vice President and Provost
Senior Vice President for Finance and Operations
Dean of the Medical School and Vice President for Health Sciences
Vice President for Research
Vice President for Equity and Diversity
Crookston, Duluth, Morris, and Rochester Chancellors
Chief of Staff
Director of Intercollegiate Athletics, Twin Cities Campus
Vice President for University and Government Relations
Chief Compliance Officer
General Counsel (also reports to the Board of Regents)
Chief Auditor (dotted line report)
Chief Executive Officer, University of Minnesota Foundation (dotted line report)
Chief Executive Officer, University of Minnesota Alumni Association (dotted line report)

BE IT FURTHER RESOLVED that the Board of Regents accepts the reorganization of the University’s senior leadership as described in this resolution, which shall become effective upon approval, and directs the Secretary to make any necessary revisions to Board policy.
Chair Johnson invited Director of Intercollegiate Athletics Mark Coyle to discuss the department’s approach to developing the whole person. Coyle provided an overview of the department and the profile of student-athletes. He discussed key changes in the past few years, highlighting several high-profile incidents. He reviewed the department’s guiding principles and values, emphasizing that they are universal standards of behavior for the whole department.

Coyle discussed the education that all student-athletes receive and reviewed recent sessions that have been offered. He noted steps that the department is and will take to better improve efforts to develop the whole person.

Regent Simmons applauded Coyle for directly addressing the department’s challenges. She remarked that the focus on developing the whole person is a preventative approach to misconduct. She acknowledged recent negative incidents, but shared that she feels it is important to continue with the whole person approach to educating student-athletes.

In response to comments from Regent Anderson, Coyle reported that the University has some of the highest academic rankings in the nation. He emphasized that staff and coaches are committed to the academic success of the student-athletes.

Regent Rosha observed that educational programs have existed in the past, but misconduct still occurred. He asked what the department is doing to change or improve education for student-athletes. Coyle responded that following feedback from student-athletes, the department is planning to involve the Office of Equal Opportunity and Affirmative Action, as well as the Office for Student Conduct and Academic Integrity, in educational sessions to help student-athletes better understand issues related to violations of the Student Conduct Code or Title IX. He also noted a planned increase in interactive learning, rather than just lectures or presentations, to better engage student-athletes. Rosha suggested that the sessions not be merely tasks to check off, but rather a real educational experience.

Regent Brod agreed with the importance of shifting from a “check the box” approach to a more interactive approach. She wondered how much student-athletes really take away from those sessions. She observed that behavior changes are critical, and appreciated increased efforts to support behavioral change and increase accountability.

Regent Cohen agreed with the need for more substantive and engaged educational programs. She stressed the importance of shifting behaviors and attitudes, not just learning information, and suggested that while improvements are needed, the department is on the right path.

Regent Beeson commented that sexual assault is a critical issue in higher education and across campus, and not just an issue for student-athletes. He noted that training for coaches and staff is as important as for the students. He proposed inviting representatives from the Aurora Center to present to the Board for additional perspective on next steps.

Regent Hsu expressed disappointment with the level of education on affirmative consent, noting that training is mandatory for athletes but not for all students. He asked if there is a clear method for tracking student-athlete participation in training, since the sessions are conducted by team. Hsu suggested implementing a measure to determine whether students have learned the content, and expressed hope that recent incidents of misconduct will help better inform future processes.

Regent Omari shared his belief that participation in educational sessions is tracked at a student level, and noted a need for clarity about how attendance is recorded. He suggested
additional resources to ensure that all students receive appropriate training, and urged the Board to hold itself accountable on this matter.

Chair Johnson noted that he is pleased by the shift in department culture to reinforce acceptable behaviors. He agreed that more resources should be provided to ensure better training for all students.

In response to a question from Johnson, Coyle reported that the Athletes Village project is on time and on budget; the target completion date is January 2018. He reported significant donor support and that the project has already met more than half of its fundraising goal.

Regent Devine was excused from the meeting due to a prior commitment.

**2016 UNIVERSITY PLAN, PERFORMANCE, AND ACCOUNTABILITY REPORT**

Chair Johnson invited Executive Vice President and Provost Karen Hanson to present the 2016 University Plan, Performance & Accountability Report for approval, as detailed in the docket. Hanson reported several changes since the February review: a footnote was added to better define “student debt” and a summary leaflet was developed to provide a high-level overview of key information.

Regent Omari thanked the provost and her staff for their efforts. He commented that the report is the best resource for highlighting the University’s achievements.

The Board of Regents voted unanimously to approve the 2016 University Plan, Performance & Accountability Report.

**BUILDING COMMUNITY: NEIGHBORHOOD ENGAGEMENT & UNIVERSITY COMMUNITY SAFETY**

Chair Johnson invited Interim Vice President Michael Berthelsen; Associate Vice Presidents Andrew Furco and Maggie Towle; Directors Monique MacKenzie and Jan Morlock; and UMPD Chief Matt Clark to discuss neighborhood engagement and University community safety, as detailed in the docket.

Berthelsen discussed reasons strong community engagement is important for the University, emphasizing the place-based learning experience and the high concentration of near-campus housing.

Furco reported on academic elements of community engagement, detailing outreach efforts by students and faculty. He noted the importance of reciprocal involvement with the community and discussed ways the Twin Cities strategic plan helps guide engagement efforts. Towle discussed student involvement with the neighborhoods. Morlock reviewed planning and development priorities, and discussed partnerships with various agencies and community groups, such as the University District Alliance.

MacKenzie reviewed elements of the 2009 Twin Cities Campus Master Plan, highlighted areas of influence near campus, and discussed joint planning with the surrounding communities. She provided an overview of the Public Participation Spectrum, a tool that facilitates communication with the community about the University’s engagement activities.

Furco reported on research and courses that involve the surrounding community. He noted several community-partnered research projects and student service-learning opportunities.
Morlock discussed efforts by the University to contribute financially to the community, highlighting the Good Neighbor Fund.

Clark discussed partnerships between the UMPD and local law enforcement agencies. MacKenzie provided a brief overview on transportation issues, real estate acquisition, and the District Alliance joint planning task force.

Regent Lucas suggested greater property development partnerships with Minneapolis, citing past city programs that provided incentives for investing in homestead properties. Berthelsen commented that the District Alliance be a good place to start those conversations to allow all partners to have a voice. Lucas agreed that those partnerships are key, but expressed concern about a lack of resources to support them and urged direct collaboration with the city.

Regent Beeson remarked that he is unimpressed with the level at which the city of Minneapolis has engaged with the University. He noted that the University has been a leader in most of the discussions with the surrounding community. He observed that the majority of residential development in near-campus neighborhoods is student housing, and encouraged increased investment in affordable housing for faculty and staff.

In response to a question from Regent Hsu, Berthelsen noted that is difficult to determine exactly how much money has been invested in community initiatives since many different units are involved. Hsu noted student homelessness and suggested there are too few options for lower-cost student housing, adding that homelessness has a direct effect on student mental health. Clark responded that the homeless individuals UMPD officers encounter on campus are typically not students, but added that some students do not have a permanent address. He reported that historic crime trends in the area are fairly steady, with occasional dips and spikes.

Regent Rosha commented that he would like to see a similar presentation about the Duluth campus and its relationship with the surrounding community. He noted he is pleased to see more partnerships with the community and appreciates that the University is being more intentional in its outreach. He noted the importance of having faculty and staff housing options, recalling such neighborhoods in the past.

In response to a question from Regent Anderson, MacKenzie explained that past proposals for faculty and staff housing have not come to fruition. She noted that while the student housing market is saturated, developers continue to invest in similar projects. Berthelsen added that the UMF Real Estate Advisors have been key in conversations with alumni and donors about faculty and staff housing.

Lucas suggested the Pillsbury Court complex for potential redevelopment. She indicated that staff from UMF recently traveled to other campuses where faculty and staff housing is being developed, and suggested it would be helpful to hear about those facilities.

**PROGRESS UPDATE ON TWIN CITIES 5-YEAR ENROLLMENT PLAN**

Chair Johnson invited Executive Vice President and Provost Karen Hanson and Vice Provost Robert McMaster to present on the Twin Cities 5-year enrollment plan, as detailed in the docket.

McMaster explained that one goal of the plan is modest total enrollment growth, noting steady increase in freshman enrollment over the last few years. He outlined a model for undergraduate enrollment, which includes new freshman and transfer students, adding that it requires consideration of the housing impact. He noted that initial applications for 2017 are down, with
a marginal increase in international and resident students but a decrease for domestic students, especially those from Illinois and Wisconsin.

McMaster stressed the importance of admitting students for success, as defined by graduating in a timely manner. Hanson discussed the holistic admissions process. McMaster reviewed average ACT scores by college to demonstrate the broad range of scores for admitted students across the University. He discussed affordability and access for residents, highlighting an increased focus on students from greater Minnesota. He reviewed elements of the student experience and student success initiatives.

Hanson reported on the University’s commitment to transfer students, noting increased availability of programs designed to enhance the overall campus experience. She emphasized the importance and value of diversity. McMaster provided data on incoming freshman and overall headcount for students of color. He noted recruitment and outreach efforts for multicultural students, including partnerships with University and statewide groups.

McMaster reviewed historic retention rates for new freshman, students of color, and other domestic students, emphasizing the importance of first-year retention in timely graduation. He discussed need- and merit-based aid programs and reported that a work group has been formed to simplify the aid application process. Hanson discussed the state’s workforce needs.

Regent Hsu observed that enrollment targets are capped by housing availability. He argued that current housing projects do not support enrollment goals and that he would like to see more options for campus housing. He suggested considering test-optional for admissions since applications are down, noting this could increase applications as well as diversity. In response to a question from Hsu, Kaler clarified that the proposed 2018 tuition rates were included to prompt initial discussions about tuition. Hsu suggested automatic admission for top-ranked Minnesota students.

Regent McMillan shared his appreciation for ongoing Board discussions about admissions policy. He requested greater consideration for Minnesota students.

Regent Simmons remarked that such information helps the Board make data-driven, rather than opinion-driven, decisions. She expressed concern about the decrease in applications from non-resident and international students and wondered if that would lead to decreased enrollment in the fall. She emphasized the need to better understand the long-term outcomes of non-resident students, such as whether they stay in the state and contribute to the community post-graduation. She suggested including that data to the enrollment discussion.

In response to questions from Regent Omari, McMaster replied there is a strong evidence to suggest most transfer students who come to the University from non-Minnesota institutions are Minnesota residents. McMaster clarified that those students are counted as residents.

Regent Omari moved a resolution to amend the Twin Cities 5-year Enrollment Plan. Lucas seconded the motion.

Omari stated the primary aim of his resolution: to increase enrollment to proportionally reflect the African American and Latino/Latina populations in the Minneapolis and St. Paul metro area. He noted the lack of significant increase in enrollment for these populations in the four years he has been on the Board. He agreed that ACT is an indicator of first-year retention, which is an indicator of 4-year graduation rates, but suggested there are additional retention factors. He acknowledged potential legal concerns about the resolution but feels it is sound. Omari stated that one goal of the enrollment plan is to minimize the equity gap and suggested his resolution would help reach that goal. He recognized that there are many different populations in the metro area, but suggested that the African American and Latino communities are struggling the most.
In response to a question from Chair Johnson, Omari clarified that he identified the Minneapolis/St. Paul metro area because the enrollment plan is for the Twin Cities campus. Students of color from other communities would still be included.

Regent Simmons remarked on the importance of Omari's remarks and the issues he raised. She voiced concern over the Twin Cities focus, emphasizing that the University is a statewide institution and suggesting that the population represent the state. Omari responded that the Twin Cities campus proportionally represents the population of the state, but urged continued efforts to increase diversity. Simmons agreed that increasing diversity should be an ongoing priority, but stressed the importance of diversity and inclusion at all campuses.

Regent Rosha agreed with the importance of the issue but suggested that the resolution is too narrow and excludes other communities that may be facing obstacles. He disagreed that the Twin Cities campus should only reflect the surrounding community, noting he would be equally opposed to the Duluth campus only reflecting the population of the Duluth metro or St. Louis County. Rosha suggested compiling additional data to inform future discussion. He stressed that if the resolution does not pass, it does not mean the Board is not committed to diversity. He suggested referring the discussion to a committee, such as Academic & Student Affairs (ASA). Omari declined the suggestion.

Rosha moved to refer the proposed resolution to ASA. Brod seconded the motion.

Brod agreed with the intent of the resolution but not its approach. She observed that the current demographics of the University represent the demographics of the state, but that diversity should be an ongoing priority. She argued that the resolution defines a too-narrow population, noting that Native Americans are not included despite being an underserved community. Brod agreed that the issue should be discussed by an appropriate committee. She echoed concerns that defeat of the resolution would build a false perception that the Board does not consider diversity a priority.

Omari expressed appreciation for the remarks of his colleagues. He urged clarity in defining struggling populations, suggesting that the African American and Latino communities are in crisis. He agreed that Native American populations are also underserved. Omari stressed that his intention is not to suggest that the Board is not committed to diversity, but to hold himself and others accountable.

In response to a suggestion from Chair Johnson, Omari declined to withdraw his motion.

Regent Hsu emphasized that the Board is committed to diversity. He disagreed with the referral to ASA, since the full Board would not participate. He suggested that the discussion come to the full Board with a subsequent referral to ASA, if needed. He noted concerns with the current enrollment plan and his belief that there are ways to increase diversity.

Regent Lucas noted her appreciation for the issue being brought to the Board. She remarked on the lack of significant increase in diversity in the past four years and her hope that the Board will continue discussions and hold itself accountable. She disagreed with the Twin Cities-specific language.

Regent McMillan echoed concerns about the Board being perceived as not committed to issues of diversity. He stressed the importance of the intended goal, but noted the resolution excludes the rest of the system. He added his appreciation for the ongoing, full-Board discussions about the enrollment plan and that he would be concerned if the issue were only discussed in committee. He asked if the matter could return for a full-Board work session. Johnson confirmed that it could.
Regent Beeson supported the motion to refer to a committee or work session discussion. He warned that the Board cannot be casual about goal setting and that the issue warrants additional discussion. He voiced concern about the legality of the resolution and expressed hope that a discussion about underserved populations continues and includes other populations like rural students. He suggested that it is not only a matter of enrolling students from these populations, but investing in better recruitment efforts.

Regent Cohen thanked Omari for raising these issues to the Board. She expressed her preference that any future discussion come to the full board, not just ASA.

Regent Anderson agreed that a committee discussion alone does not offer an opportunity for the full Board to engage. He thanked Omari for bringing the issue to the Board, noting that it took courage. He remarked that he has gained new perspectives by serving with Omari.

Johnson committed to holding a full Board work session on the topic in May. He remarked that he would rather refer the issue to a future Board meeting than see the resolution defeated.

Rosha amended his motion to refer the discussion to a work session of the full Board. Brod seconded the motion. Johnson committed to the May timeframe.

The Board of Regents voted 11-1 to refer the Resolution Related to Amendment to Twin Cities Campus 5-Year Enrollment Plan to a work session of the full Board in May 2017. Regent Omari voted no.

**ROTC OVERVIEW**

Chair Johnson invited the following presenters to discuss ROTC programs: Vice Provost McMaster; Captain Curtis Gilbert, Navy ROTC; Lt. Colonel Lizabeth Wenzel, Air Force ROTC; and Lt. Colonel Collin Keenan, Army ROTC. McMaster reviewed a history of the program, discussed the reporting structure within the University, and highlighted challenges. Gilbert, Wenzel, and Keenan provided an overview of their respective units, discussing staff, cadet composition, curriculum, and program highlights.

In response to a question from Regent Hsu, McMaster reported that ROTC graduation rates are slightly higher than rates for the general student body. In response to a question from Hsu about the firing range, Kaler responded that the current facility will not be recommissioned. He noted that the UMPD has offered its facility for ROTC weapons training.

Regent Brod commented that she is pleased with progress toward improving the ROTC facilities, noting that the program does a lot with limited resources.

**REPORT OF THE FACULTY & STAFF AFFAIRS COMMITTEE**

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

1) Approval of the Consent Report for the Faculty & Staff Affairs Committee as presented to the committee and described in the February 9, 2017 committee minutes. Consent Report items are as follows:

A. Conferral of Tenure for two outside hires.

A motion was made and seconded and the Board of Regents voted unanimously to approve the conferral of tenure.
B. Appointment of Peter Matthew (Matt) Kramer as Vice President for University and Government Relations.

A motion was made and seconded and the Board of Regents voted unanimously to approve the appointment of Kramer as Vice President for University and Government Relations.

C. Appointment of Phillip John (P.J.) Fleck as Head Football Coach, Twin Cities Campus.

Regent Rosha remarked that the financial assumptions associated with the appointment appear sound. He voiced concern about short-term costs, but also his belief that those costs will be offset in the long run. He noted the importance of having a quality football program.

Regent McMillan stressed the importance of considering the fiscal outcomes of hiring decisions.

Kaler expressed confidence in Fleck’s ability to increase the recruiting power of the football program, which will lead to increased ticket sales. He acknowledged the transitional costs, noting that these will be covered by a loan to Athletics from central reserves. The loan will be paid off over two years with football revenue.

Regent Hsu noted that he voted against the appointment in committee due to a lack of financial data. He added that after seeing an overview of athletics finances, he is convinced that the central reserves loan and repayment plan is reasonable.

A motion was made and seconded and the Board of Regents voted 10-1 to approve the appointment of P.J. Fleck as Head Football Coach, Twin Cities. Regent Omari voted no.

REPORT OF THE FINANCE COMMITTEE

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

1) Approval of the Consent Report for the Finance Committee as presented to the committee and described in the February 9, 2017 committee minutes.

A motion was made and seconded and the Board of Regents voted unanimously to approve the recommendation of the Finance Committee.

REPORT OF THE FACILITIES, PLANNING & OPERATIONS COMMITTEE

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

1) Approval of a Capital Budget Amendment for Contaminated Real Estate Remediation, Twin Cities Campus.

Regent Omari observed that the item was discussed at length in committee. He added that although he does not serve on the committee, he wanted to emphasize that the Board takes seriously the additional costs associated with the project.

Regent Hsu echoed Omari’s remarks and asked if the additional abatement costs would be covered by Athletics. Senior Vice President Burnett replied that land costs are traditionally covered by the University as a whole and not an individual unit. Burnett clarified that the initial project budget included modest borrowing from future debt issuance.
A motion was made and seconded and the Board of Regents voted unanimously to approve the capital budget amendment for contaminated real estate remediation.

2) Approval of Schematic Design for Intercollegiate Athletics Track and Field Facility and Relocated Recreation Wellness Facilities, Twin Cities Campus.

A motion was made and seconded and the Board of Regents voted unanimously to approve the schematic design for intercollegiate athletics track and field facility and relocated recreation wellness facility.

3) Approval of Capital Budget Amendment and Schematic Design for the AHC Renovation and Relocation Program, Twin Cities Campus.

Regent Rosha indicated his opposition to the change in committee from review to review/action, with no emergency basis for the change, and stressed the importance of not making last-minute agenda changes for a publicly noticed meeting. He acknowledged that he has heard of no public objections to the projects and feels comfortable moving forward.

Regent Hsu indicated that he was also unaware of the change from review to review/action, and asked for clarification about the change. McMillan replied that the justification for the decision was to advance the project’s timeline. Since the Facilities, Planning & Operations Committee will not meet again until May, approval allows the project to begin. He added that there is no connection between this project and the bonding bill.

A motion was made and seconded and the Board of Regents voted unanimously to approve the capital budget amendment and schematic design for the AHC renovation and relocation program.

4) Approval of the Consent Report for the Facilities, Planning & Operations Committee as presented to the committee and described in the February 9, 2017 committee minutes.

A motion was made and seconded and the Board of Regents voted unanimously to approve the consent report.

REPORT OF THE ACADEMIC & STUDENT AFFAIRS COMMITTEE

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

1) Approval of the Consent Report for the Academic & Student Affairs Committee as presented to the committee and described in the February 9, 2017 committee minutes.

The Board of Regents voted unanimously to approve the recommendation of the Academic & Student Affairs Committee.

REPORT OF THE AUDIT & COMPLIANCE COMMITTEE

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

1) Approval of a new contract for external audit services with the current vendor, Deloitte & Touche, as detailed in the February 9, 2017 minutes.
The Board of Regents voted unanimously to approve the recommendations of the Audit & Compliance Committee.

**NEW BUSINESS**

Regent Omari thanked Regent Brod for her service to the Board.

The meeting adjourned at 12:29 p.m.

_BRIAN R. STEEVES_
Executive Director
and Corporate Secretary
A meeting of the Litigation Review Committee of the Board of Regents was held on Tuesday, March 7, 2017 at 1:30 p.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Thomas Anderson, presiding; Linda Cohen, Michael Hsu, and Darrin Rosha. Dean Johnson and David McMillan participated by phone.

Staff present: President Eric Kaler; General Counsel Douglas Peterson; and Executive Director Brian Steeves.

Others present: Jay Schrankler, Brian Slovut, Jon Steadland, and William Woodford.

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

The meeting convened in public session at 1:30 p.m. A motion was made and seconded that the following resolution be adopted:

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 Tuesday, March 7 at 1:30 p.m. in the East Committee Room, 600 McNamara Alumni Center, for the purpose of discussing attorney-client privileged matters including the following:


The committee voted unanimously to adopt the resolution and the public portion of the meeting ended at 1:31 p.m.

The meeting adjourned at 3:10 p.m.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

Litigation Review Committee
March 7, 2017
AGENDA ITEM:  Report of the President

☑ Review □ Review + Action □ Action ☐ Discussion

This is a report required by Board policy.

PRESENTERS:  President Eric W. Kaler

BACKGROUND INFORMATION

It is customary for the President to report on items of interest to the University community at each Board meeting.
AGENDA ITEM: Report of the Chair

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Regent Dean E. Johnson

BACKGROUND INFORMATION

It is customary for the Chair to report on items of interest to the University community at each Board meeting.
Board of Regents

March 24, 2017

AGENDA ITEM: Receive & File Reports

☐ Review  ☐ Review + Action  ☐ Action  ☑ Discussion

This is a report required by Board policy.

PRESENTERS: Regent Dean E. Johnson

PURPOSE & KEY POINTS

The following items are included for receipt and filing:

A. Quarterly Report of Grant and Contract Activity
B. Revised Organizational Chart
Meeting of the Board of Regents

Quarterly Report of Grant/Contract Activity

Fiscal Year 2017

Second Quarter Data: October - December, 2016
Quarter 2 Summary

Both award count and award amount were up in Q2 FY2017 (114 and $2.0M, respectively). The average award amount in Q2 FY2017 was lower than Q2 FY2016 by $16.5K. The increase in award amount is primarily due to more awards of less than $1M this quarter. Without examining the $1M+ awards for either year, the amount awarded in Q2 FY2017 was greater than that of Q2 FY2016 by $6M (5.3%). The increases in funding for NIH and Business & Industry are also due to more sub-$1M awards in Q2 FY2017 than in Q2 FY2016. Conversely, this quarter's NSF funding increase is primarily due to one $3.7M award to Anu Ramaswami in the Hubert H. Humphrey School of Public Affairs for "SRN: Integrated Urban Infrastructure Solutions for Environmentally Sustainable, Healthy and Livable Cities." Similarly, the increase in Other Federal funding is mostly due to three large awards: two awards totaling $2.6M from Other Public Health Service sponsors and one award of $7.7M from the U.S. Department of Defense. The decline in Other Private funding is due to larger $1M+ awards in Q2 FY2016 and the decline in State & Local is due to two more $1M+ awards in Q2 FY2016 than in Q2 FY2017.

Half of the colleges had an increase in funding, and the other half had a decrease. The group with the largest decline was the Dentistry, Nursing, Pharmacy & Vet Med group; it declined by $13.3M, but almost $12.9M of that difference is due to more and larger $1M+ awards in Q2 FY2016 than in Q2 FY2017. The Medical School saw the largest increase with $14M, and the bulk of this increase is due to five more $1M+ awards in Q2 FY2017 than in Q2 FY2016; the awards accounted for about $11M. Other Health Sciences saw a substantial decrease in funding when comparing Q2 FY2017 to Q2 FY2016 with a $7.8M decline. This is primarily due to more and larger $1M+ awards in Q2 FY2016 than in Q2 FY2017.

Comparison of FY17 Q2 to FY16 Q2

<table>
<thead>
<tr>
<th>Sponsor Group</th>
<th>Sponsor</th>
<th>FY16 Q2</th>
<th>FY17 Q2</th>
<th>$ Change (Amount)</th>
<th>$ Change (%)</th>
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<tr>
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<td></td>
<td>1012</td>
<td>1126</td>
<td>2.0</td>
<td>1.1%</td>
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<table>
<thead>
<tr>
<th>by College/Campus</th>
<th>Number</th>
<th>Amount</th>
<th>Number</th>
<th>Amount</th>
<th>$ Change (Amount)</th>
<th>$ Change (%)</th>
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<tr>
<td>Medical School</td>
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<td>College of Science and Engineering</td>
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<td>Other Health Sciences</td>
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<td>CEHD</td>
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<td>Public Health</td>
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<td>Dentistry, Nursing, Pharmacy &amp; Vet Med</td>
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<td>Other TC Provost</td>
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<td>-1.1</td>
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<td>CLA</td>
<td>18</td>
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<tr>
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<td>1126</td>
<td>183.8</td>
<td>2.0</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

**NOTE:** Amounts are represented in millions, therefore details may not sum to totals due to rounding.
NOTE: Amounts are represented in millions, therefore details may not sum to totals due to rounding.
Quarter 2 Award Dollars by College/Campus

Figure 3: Units with Greater than $10 Million Awarded Annually

- Medical School
- Science & Engineering, Col of
- AHC Shared Units
- Education/Human Dev, Col of
- Public Health, School of
- Food, Ag & Nat Res Sci, Col of
- Veterinary Medicine, Col of
- UM Duluth
- VP for Research, Office of
- Pharmacy, College of
- Biological Sciences, Col of
- Liberal Arts, College of
- MN Extension

Figure 4: Units with Less than $10 Million Awarded Annually

- Public Affairs, HHH School of
- Health Sciences Administration
- Dentistry, School of
- Acad Affairs&Provost, Sr VP
- Information Technology, Ofc of
- UM Morris
- Carlson School of Management
- Design, College of
- Law School
- Other Units*
- Global Programs & Strategy
- Nursing, School of
- University Libraries

*Other Units includes: Vice Provost of Student Affairs, College of Continuing Education, UM-Crookston, and Ag Experiment Station.
Fiscal Year-to-Date Summary

Award amounts are down $13.3M (2.7%) overall for fiscal year 2017. The university has received more awards year-to-date in FY2017 than in FY2016; this suggests that the decline in funding is due to a lower average award amount ($202.2K in FY2016 versus $191.9K in FY2017). NIH awards are down $10.6M (6.9%), and that is with essentially the same award count between FY2016 and FY2017. NSF funding is slightly lower in FY2017, down $0.8M (1.5%); much like the NIH funding, the award count between the two years is very similar, indicating that the lower average award amount is the cause of the decline. Business & Industry (B&I) awards are up $4.8M (12.9%), and this can be attributed to more awards in FY2017 than in FY2016. State & Local government funding is down $12.1M (20.0%) with more large awards in FY2016 than in FY2017. The Other Private group is down $3.0M (3.3%) with decreases in award amounts from Foundations and Universities and Colleges.

Both the Medical School and the College of Science & Engineering (CSENG) are up overall. The Medical School is up $13.7M (12.7%) primarily due to increased NIH and B&I funding. CSENG is up $8.4M (9.5%) primarily due to increased Universities and Colleges and U.S. Department of Defense funding. CFANS is up $10.7M (33.6%); most of this increase is due to increased U.S. Department of Agriculture funding as well as one significant award of $5.8M to Paul W. Glewwe for "Research to Improve Vietnam's Education System." Both the College of Pharmacy and the College of Veterinary Medicine received fewer high-dollar awards in FY2017 than in FY2016 thus far, contributing to the $14.2M (36.9%) drop in funding: the deficit from the fewer high-dollar awards comes to about $18.5M, suggesting that the current FYTD decrease is due to a few large awards. The "Other" group is down $11.6M (48.4%) and $7.3M of that decline is due to $1M+ awards granted in FY2016 that were not matched in FY2017. Other Health Sciences is down $9M (16.8%) because of decreased funding from NIH, the U.S. Department of Homeland Security, and Universities and Colleges, as well as a couple large Foundations awards in FY2016 that totaled $3M.

Comparison of FY17 Fiscal Year-to-Date (Q2) to FY16 Fiscal Year-to-Date (Q2)

<table>
<thead>
<tr>
<th>by Source</th>
<th>Sponsor</th>
<th>FY16 YTD</th>
<th>FY17 YTD</th>
<th>$ Change Amount</th>
<th>$ Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>NIH</td>
<td>323 153.9</td>
<td>322 143.3</td>
<td>-10.6</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Federal</td>
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<td>177 55.7</td>
<td>178 54.9</td>
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<td>-1.5%</td>
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<tr>
<td>Federal</td>
<td>Other Federal</td>
<td>287 86.5</td>
<td>298 94.9</td>
<td>8.5</td>
<td>9.8%</td>
</tr>
<tr>
<td>Private</td>
<td>Business &amp; Industry</td>
<td>678 37.5</td>
<td>694 42.3</td>
<td>16.8</td>
<td>42.9%</td>
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<tr>
<td>Private</td>
<td>Other Private</td>
<td>724 90.9</td>
<td>756 87.9</td>
<td>-3.0</td>
<td>-3.3%</td>
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<tr>
<td>State &amp; Local</td>
<td>State &amp; Local</td>
<td>209 60.4</td>
<td>210 48.3</td>
<td>-12.1</td>
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<tr>
<td>Total</td>
<td></td>
<td>2398 484.9</td>
<td>2458 471.6</td>
<td>-13.3</td>
<td>-2.7%</td>
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</tbody>
</table>

by College/Campus

<table>
<thead>
<tr>
<th>by College/Campus</th>
<th>FY16 YTD</th>
<th>FY17 YTD</th>
<th>$ Change</th>
<th>$ Change</th>
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<tr>
<td>Medical School</td>
<td>816 107.4</td>
<td>784 121.1</td>
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<tr>
<td>College of Science and Engineering</td>
<td>380 87.6</td>
<td>392 96.0</td>
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<td>Public Health</td>
<td>129 66.0</td>
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<td>Other Health Sciences</td>
<td>269 53.3</td>
<td>357 44.4</td>
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<td>CFANS</td>
<td>194 31.8</td>
<td>222 42.4</td>
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<td>CEHD</td>
<td>102 21.9</td>
<td>113 27.9</td>
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<td>27.6%</td>
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<td>Dentistry, Nursing, Pharmacy &amp; Vet Med</td>
<td>142 38.6</td>
<td>133 24.4</td>
<td>-14.2</td>
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<td>Other TC Provost</td>
<td>76 16.8</td>
<td>64 16.1</td>
<td>-0.7</td>
<td>-4.2%</td>
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<tr>
<td>Other</td>
<td>106 24.0</td>
<td>78 12.4</td>
<td>-11.6</td>
<td>-48.4%</td>
</tr>
<tr>
<td>CBS</td>
<td>58 12.6</td>
<td>49 10.2</td>
<td>-2.5</td>
<td>-19.6%</td>
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<tr>
<td>UMC, UMD, UMM, UMR</td>
<td>74 13.1</td>
<td>80 9.5</td>
<td>-3.6</td>
<td>-27.2%</td>
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<tr>
<td>CLA</td>
<td>52 11.8</td>
<td>51 6.1</td>
<td>-5.7</td>
<td>-48.7%</td>
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<tr>
<td>Total</td>
<td>2398 484.9</td>
<td>2458 471.6</td>
<td>-13.3</td>
<td>-2.7%</td>
</tr>
</tbody>
</table>

NOTE: Amounts are represented in millions, therefore details may not sum to totals due to rounding.
Figure 5: 10-year trend of first quarter award dollars. Showing actual amount and rolling 3-year average. Includes ARRA awards.

Figure 6: 10-year trend of first quarter award dollars. Showing actual amount and rolling 3-year average. Excludes ARRA awards.
AGENDA ITEM:  Consent Report

☐ Review   ☑ Review + Action   ☐ Action   ☐ Discussion

☐ This is a report required by Board policy.

PRESENTERS:  Regent Dean E. Johnson

PURPOSE & KEY POINTS

To seek Board approval of items in the Consent Report, as required in Board of Regents Policy: Reservation and Delegation of Authority.

Items for consideration:

A. Gifts
The President recommends approval of the Summary Report of Gifts to the University of Minnesota through February 28, 2017.

B. Report of the All-University Honors Committee
The President recommends approval of the All-University Honors Committee recommendations forwarded to the Board in a letter dated March 16, 2017.

C. Report of the Naming Committee
The President recommends approval of the Naming Committee recommendations forwarded to the Board in a letter dated March 16, 2017.

D. Faculty and Staff Affairs Committee Consent Report
The President recommends approval of the Faculty & Staff Affairs Committee Consent Report.

  o Approval of the appointment of Lynda S. Welage as Dean of the College of Pharmacy, effective July 31, 2017.

  o Conferral of Tenure for two internal hires and one outside hire.
E. Finance Committee Consent Report

The President recommends approval of the Finance Committee Consent Report.

General Contingency
- The purpose of this item is to seek approval for allocations from General Contingency greater than $250,000. There are no items requiring approval this period.

Purchase of Goods and Services $1,000,000 and Over
- The purpose of this item is to seek approval for purchases of goods and services of $1,000,000 and over.

  - To Medica Health Plan (Medica Holding Company) for the estimated amount of $11,440,571 for administering UPlan medical options for the University of Minnesota Office of Human Resources Employee Benefits for the two-year period of January 1, 2018, through December 31, 2019, with contract extensions through December 31, 2023, for an additional $25,013,766. Total contract value, if all options are exercised would be $36,454,337. The administrative service fees are funded on an annual basis through the fringe pool. Vendor was selected through a competitive process.

  - To Medica Health Plan (Medica Holding Company) and RedBrick Health for the estimated amount of $2,292,352 for serving as the Health Management Program provider and incentive/data manager for the University of Minnesota Office of Human Resources Employee Benefits for the two-year period of January 1, 2018, through December 31, 2019, with contract extensions through December 31, 2023, for an additional $5,012,019. Total contract value, if all options are exercised would be $7,304,371. The administrative service fees are funded on an annual basis through the fringe pool. Vendors were selected through a competitive process.

BACKGROUND INFORMATION

Approvals are sought in compliance with Board of Regents Policy: Reservation and Delegation of Authority.

PRESIDENT'S RECOMMENDATION

The President recommends approval of the Consent Report.
MEETING OF THE BOARD OF REGENTS  
GIFTS TO BENEFIT THE UNIVERSITY OF MINNESOTA  
SUMMARY REPORT*  

March 2017 Regents Meeting

<table>
<thead>
<tr>
<th></th>
<th>January 2017</th>
<th>January 2016</th>
<th>Year-to-Date 07/01/16</th>
<th>Year-to-Date 07/01/15</th>
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<td>U of M Gift Receiving</td>
<td>$85,813</td>
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<td>$1,059,753</td>
<td>$2,742,958</td>
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<td>4-H Foundation</td>
<td>44,809</td>
<td>28,508</td>
<td>490,537</td>
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<td>Arboretum Foundation</td>
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<td>192,720</td>
<td>3,619,674</td>
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<td>Univ of MN Foundation</td>
<td>15,650,924</td>
<td>12,074,890</td>
<td>172,512,943</td>
<td>174,814,778</td>
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<tr>
<td>Total Gift Activity</td>
<td>$16,861,266</td>
<td>$12,318,016</td>
<td>$177,682,907</td>
<td>$184,140,188</td>
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</tbody>
</table>

*Detail on gifts of $5,000 and over is attached.

Pledges are recorded when they are received. To avoid double reporting, any receipts which are payments on pledges are excluded from the report amount.
## Gifts to benefit the University of Minnesota

### Gifts received in January 2017

<table>
<thead>
<tr>
<th>Donor</th>
<th>Rec’d by</th>
<th>Gift/Pledge</th>
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<tr>
<td><strong>$1 Million and Over</strong></td>
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<td>Blythe Brenden-Mann Fdn.</td>
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<td><strong>$500,000 - $1,000,000</strong></td>
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<tr>
<td>Anonymous Donor Fund-St Paul Fdn.</td>
<td>Gift</td>
<td>Medical School</td>
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<td>Muriel S. Brink Estate</td>
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<td>University of Minnesota Duluth</td>
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<tr>
<td>Charles and Ellora Alliss Educational Fdn.</td>
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<td>Scholarships</td>
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<td><strong>$250,000 - $500,000</strong></td>
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<tr>
<td>Peltier Trust of the MN Community Fdn.</td>
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<td>Intercollegiate Athletics</td>
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<tr>
<td>Winston and Maxine Wallin Fund-St. Paul Fdn.</td>
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<td>Libraries</td>
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<tr>
<td>BNG Management Co.</td>
<td>Gift</td>
<td>Medical School</td>
</tr>
<tr>
<td>Cub Foods</td>
<td>Pledge</td>
<td>Academic Health Center</td>
</tr>
<tr>
<td>Lillehei Family Charitable Fdn.</td>
<td>Pledge</td>
<td>Medical School</td>
</tr>
<tr>
<td>Love Your Melon Inc.</td>
<td>Gift</td>
<td>Medical School, Academic Health Center</td>
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<td><strong>$100,000 - $250,000</strong></td>
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<tr>
<td>Bakken 2004 Lead Trust</td>
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<td>Medical School</td>
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<td>Valspar Corp.</td>
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<td>University of Minnesota Duluth</td>
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<tr>
<td>Millicent Atkins Estate</td>
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<tr>
<td>Marjorie D. Kuhl Estate</td>
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<td>School of Nursing</td>
</tr>
<tr>
<td>Fredrick C. and Christine H. Meyer</td>
<td>Pledge</td>
<td>Minnesota Landscape Arboretum</td>
</tr>
<tr>
<td>William N. Blatt Estate</td>
<td>Gift</td>
<td>College of Science and Engineering</td>
</tr>
<tr>
<td>John W. Mooty Fdn. Trust</td>
<td>Gift/Pledge</td>
<td>Law School</td>
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<tr>
<td>Abir Sen and Crystal Cullerton-Sen</td>
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<tr>
<td>Engdahl Family Fdn.</td>
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<tr>
<td>Minnesota Colon and Rectal Fdn.</td>
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<td>Medical School</td>
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<td>Ted M. Pass</td>
<td>Gift</td>
<td>Scholarships</td>
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<tr>
<td>The Bush Fdn.</td>
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<td>Carlson School of Management</td>
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<td><strong>$50,000 - $100,000</strong></td>
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<td>Wolf Creek Charitable Fdn.</td>
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<tr>
<td>Alfred P. Sloan Fdn.</td>
<td>Gift</td>
<td>Weisman Art Museum</td>
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</table>
$50,000 - $100,000

Mpls Building and Construction Trades Council Pledge Medical School

Thomas H. Swain Gift Undesignated
Katherine R. Lillehei Charitable Lead Unitrust Gift Medical School, School of Nursing

Ruth E. Widstrom Estate Gift University of Minnesota Duluth
Land O’Lakes Inc. Gift Carlson School of Management, Medical School
Jean Illsley Clarke and Richard W. Clarke Gift University of Minnesota Extension

Frank J. Vineyard Estate Gift Academic Health Center
Muriel Whiteside Charitable Trust Gift Medical School
Robert K. Eddy Gift Intercollegiate Athletics
Anonymous Gift College of Veterinary Medicine
Bernard D. Paul Gift Academic Health Center, College of Science and Engineering

Blandin Fdn. Gift University of Minnesota Duluth
Dai Nippon Printing Co. Ltd. Gift College of Science and Engineering
David and Ruth Norman Family Fdn. Gift College of Science and Engineering
ExxonMobil Corp. Gift College of Science and Engineering
Hugh J. Andersen Fdn. Gift College of Veterinary Medicine
Lanny and Charlotte Schmidt Gift College of Science and Engineering
Lynn Y. S. Lin Gift College of Liberal Arts
Otto Bremer Trust Gift Academic Health Center
The Patch Fdn. Gift Scholarships

$25,000 - $50,000

BMO Harris Bank NA Gift Intercollegiate Athletics
Diabetes Research and Wellness Fdn. Gift Medical School
Associated Bank Gift Intercollegiate Athletics
Boston Scientific Corp. Gift College of Science and Engineering, Carlson School of Management

Emerson Electric Co. Gift Intercollegiate Athletics
Dina A. Deno Gift College of Education and Human Development
H. B. Fuller Co. Gift College of Science and Engineering
Marcia L. Betcher Gift Medical School
Virginia G. Puzak CLAT Gift Carlson School of Management
Ted Hanson Family Fdn. Gift Carlson School of Management
Daniel C. Hartnett Family Fdn. Gift Various Colleges
Berger Transfer and Storage Inc. Gift Intercollegiate Athletics
Lindsay/Martin Family Fund-St Paul Fdn. Gift Carlson School of Management

Starkey Hearing Fdn. Gift Medical School
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<td>Mann Lake Ltd</td>
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<tr>
<td>Ecolab Inc.</td>
<td>Gift</td>
<td>College of Science and Engineering, College of Science and Engineering</td>
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<td>Russell J. Penrose</td>
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<tr>
<td>Marie Murdy Maltz Fund-American Endowed Fdn.</td>
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<td>Crystal Lake Country Club</td>
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<tr>
<td>N C A A</td>
<td>Gift</td>
<td>College of Education and Human Development</td>
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<tr>
<td>The Charles A. Weyerhaeuser Memorial Fdn.</td>
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<td>Various Colleges</td>
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<td>Lloyd K. Johnson Fdn.</td>
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<td>BASF Corp.</td>
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<td>3M Co.</td>
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<td>Ann T. Drinkwalter</td>
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<td>Anthony Garofalo Education Fund-St. Paul Fdn.</td>
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<td>Scholarships</td>
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<td>Calvin H. Simmons</td>
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<td>Intercollegiate Athletics</td>
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<tr>
<td>Carolyn Fdn.</td>
<td>Gift</td>
<td>Institute on the Environment</td>
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<tr>
<td>Childrens Cancer Research Fund</td>
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<td>Medical School</td>
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<td>Eckfeldt/Schultz Family Fund-Fidelity Charitable</td>
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<tr>
<td>Esri</td>
<td>Gift</td>
<td>College of Design</td>
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<tr>
<td>Jeffrey S. Kosmoski</td>
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<td>Minnesota Landscape Arboretum</td>
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<td>Lyle G. and Theresa B. Ward</td>
<td>Pledge</td>
<td>Intercollegiate Athletics</td>
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<tr>
<td>Marbrook Fdn.</td>
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<td>Center for Spirituality and Healing</td>
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<td>Paddock Family Fdn.</td>
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<tr>
<td>Phil and Nina Pillsbury Donor Advised Fund-Mpls Fdn.</td>
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<tr>
<td>The Timothy O'Connell Fdn.</td>
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</table>

<table>
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<td>Ames Construction Inc.</td>
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<td>Intercollegiate Athletics</td>
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<td>The McKnight Fdn.</td>
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<td>University of Minnesota Morris</td>
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<td>Team 8 Inc.</td>
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<td>Medical School</td>
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<tr>
<td>Margaret Rivers Fund</td>
<td>Gift</td>
<td>Minnesota Landscape Arboretum</td>
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</table>
$10,000 - $25,000

Mosaic Global Sales LLC  Gift  College of Food, Agricultural and Natural Resource Sciences
CSDZ Inc.  Gift  Intercollegiate Athletics
AMVAC Chemical Corp.  Gift  College of Food, Agricultural and Natural Resource Sciences
Brunswick Public Fdn. Inc.  Gift  College of Food, Agricultural and Natural Resource Sciences
Cherbec Advancement Fdn.  Gift  Medical School
Goldman Sachs and Co.  Pledge  Law School
LeeAnn M. and Jeffrey M. Ettinger  Gift  Carlson School of Management, College of Education and Human Development
Lisa A. Rotenberg Fund-Goldman Sachs Gives  Gift  Law School
Lynne and Andrew Redleaf Fdn.  Gift  Medical School
Margaret A. Torreano  Gift  Medical School
R. C. Lilly Fdn.  Gift  College of Design, College of Liberal Arts
Vanderboom Family Gift Fund-Fidelity Charitable  Gift  College of Science and Engineering, School of Nursing
Zinpro Corp.  Gift  College of Food, Agricultural and Natural Resource Sciences
Mary Lee Dayton Estate  Gift  College of Food, Agricultural and Natural Resource Sciences
Hubbard Broadcasting Inc.  Gift  Intercollegiate Athletics
Jeannine M. Rivet  Gift  Minnesota Landscape Arboretum
Network for Good  Gift  Various Colleges
Knox Fdn.  Gift  College of Liberal Arts
David E. Feinberg  Gift  College of Science and Engineering
Harlan Boss Fdn. for the Arts  Gift  College of Liberal Arts
Infineum USA LP  Gift  College of Science and Engineering
Pediatric Home Service  Gift  Medical School, Academic Health Center
Robert C. and Rebecca C. Pohlad  Gift  Medical School
St. Jude Medical Inc.  Gift  Medical School
The H. H. Weinert Fdn.  Gift  University of Minnesota Duluth
William P. Donovan  Gift  Medical School
Spinal Cord Society  Gift  Medical School
Cargill Inc.  Gift  4H Foundation
InSinkErator Division  Gift  College of Food, Agricultural and Natural Resource Sciences
Mildred L. Skogmo  Gift  Medical School, School of Dentistry
Calpis Co. Ltd.  Gift  College of Food, Agricultural and Natural Resource Sciences
William A. O’Brien Memorial Medical Fdn.  Gift  Medical School
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<thead>
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<th>Amount</th>
<th>Name</th>
<th>Gift Purpose</th>
<th>Recipient</th>
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<td>Harold W. Larson Estate</td>
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<tr>
<td></td>
<td>Barr Engineering Co.</td>
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<td>College of Science and Engineering, University of Minnesota Duluth</td>
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<tr>
<td></td>
<td>Minnesota Power Fdn.</td>
<td>Gift</td>
<td>Unrestricted, Intercollegiate Athletics</td>
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<tr>
<td></td>
<td>David R. and Kathleen Q. Carlsen</td>
<td>Gift</td>
<td>University of Minnesota Duluth</td>
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<tr>
<td></td>
<td>Frank A. Janezich</td>
<td>Gift</td>
<td>College of Science and Engineering, Medical School</td>
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<td>Carol Asleson Estate</td>
<td>Gift</td>
<td>Hormel Institute</td>
</tr>
<tr>
<td></td>
<td>Minnesota Department of Corrections</td>
<td>Gift</td>
<td>Research</td>
</tr>
<tr>
<td></td>
<td>AgBiome Inc.</td>
<td>Gift</td>
<td>College of Food, Agricultural and Natural Resource Sciences</td>
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<tr>
<td></td>
<td>Kyle and Jordan Rudolph</td>
<td>Gift</td>
<td>Global Programs and Strategy Alliance</td>
</tr>
<tr>
<td></td>
<td>The Head Family Fdn.</td>
<td>Gift</td>
<td>College of Pharmacy</td>
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<td>Leo J. Sioris</td>
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<tr>
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<td>Ardent Mills LLC</td>
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<td>Barbara F. Brandt</td>
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<td></td>
<td>Deborah R. Olson</td>
<td>Gift</td>
<td>College of Education and Human Development</td>
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<tr>
<td></td>
<td>Detroit Zoological Society</td>
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<td>College of Biological Sciences</td>
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$10,000 - $25,000
Wade and Kathleen Shafer  Gift  4H Foundation
William C. and Donna K. Johnson  Gift  College of Science and Engineering

$5,000 - $10,000
International Food Science Center  Gift  College of Food, Agricultural and Natural Resource Sciences
John and Betsy Massie  Gift  Minnesota Landscape Arboretum
U S Energy Services Inc.  Gift  Intercollegiate Athletics
Duluth-Superior Area Community Fdn.  Gift  University of Minnesota Duluth
Minnesota Twins  Gift  Medical School
Pipestone Applied Research LLC  Gift  College of Veterinary Medicine
Shapiro Family Philanthropic Fdn.  Gift  Medical School
Eileen N. Smith  Gift  College of Science and Engineering, College of Veterinary Medicine
Mark E. Vandersall  Gift  Intercollegiate Athletics
Northwestern Mutual Fdn.  Gift/Pledge  Academic Health Center, Scholarships
Blooming Prairie Cancer Group  Gift  Hormel Institute
CVS Health Fdn.  Gift  School of Nursing, College of Pharmacy
WMN Fdn.  Gift  Carlson School of Management
Truist  Gift  Various Colleges
Yvonne P. Oaks Estate  Gift  Medical School
Finnegan Charitable Fund-Schwab Charitable Fund  Gift  School of Public Health
Minnesota Livestock Breeders Assn.  Gift  4H Foundation
Minnesota Vikings Football LLC  Gift  Medical School
Monarch Butterfly Sanctuary Fdn.  Gift  University of Minnesota Extension
Nanocopoeia Inc.  Gift  College of Science and Engineering
Rubicon Mortgage Advisors LLC  Gift  Medical School
SVT Associates Inc.  Gift  College of Science and Engineering
UMMC Medical Staff Services  Gift  Medical School
J. E. Dunn Construction Co.  Gift  Intercollegiate Athletics
Kayla Hanson  Gift  University of Minnesota Duluth
Jim and Cathy Gray Fund-Fidelity Investment Charitable Gift Fund  Gift  Minnesota Landscape Arboretum
Philip L. Gardner  Gift  Medical School
Target Corp.  Gift  Weisman Art Museum
Willis Towers Watson  Gift  Intercollegiate Athletics
Tom Claya  Gift  Intercollegiate Athletics
Best Buy Purchasing LLC  Pledge  Various Colleges
Arvid Olson Estate  Gift  Medical School
AgXplore International Inc.  Gift  College of Food, Agricultural and Natural Resource Sciences
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<td><strong>H. William Walter</strong></td>
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### MEETING OF THE BOARD OF REGENTS
**GIFTS TO BENEFIT THE UNIVERSITY OF MINNESOTA**
**SUMMARY REPORT**

**March 2017 Regents Meeting**

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<tr>
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<th>February 2017</th>
<th>February 2016</th>
<th>Year-to-Date 07/01/16</th>
<th>Year-to-Date 07/01/15</th>
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<td><strong>U of M Gift Receiving</strong></td>
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<td>1,103,700</td>
<td>3,747,153</td>
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<td><strong>Univ of MN Foundation</strong></td>
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<td>12,268,044</td>
<td>195,372,757</td>
<td>187,082,821</td>
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<td><strong>Total Gift Activity</strong></td>
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<td>$13,617,056</td>
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*Detail on gifts of $5,000 and over is attached.

Pledges are recorded when they are received. To avoid double reporting, any receipts which are payments on pledges are excluded from the report amount.
## Gifts to benefit the University of Minnesota

### Gifts received in February 2017

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<td>Childrens Cancer Research Fund</td>
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<td>Randy Shaver Cancer Research and Community Fund</td>
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<td>Shakopee Mdewakanton Sioux Community</td>
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<td><strong>$250,000 - $500,000</strong></td>
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<td>Fifth District Eagles Cancer Telethon Fund</td>
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<td>Kyle and Jordan Rudolph</td>
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<td>Midwest Univ. Consortium for Intl. Activities</td>
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<td>Global Programs and Strategy Alliance</td>
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<td>Helen Z. Elahi</td>
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<td>Brian S. Stone</td>
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<td>Scott and Julie Becker</td>
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<td>George and Linda Sherman</td>
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<td>Harry A. Lando</td>
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<td>ExxonMobil Fdn.</td>
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<td>The Spencer Fdn.</td>
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<td>Barbara Roach and Richard Carroll</td>
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<td>Steven M. Andersen</td>
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<td>Weisman Art Museum</td>
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<td>College of Food, Agricultural and Natural Resource Sciences, College of Veterinary Medicine</td>
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<td>Brian Obert</td>
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<td>Benno and Gertrude Wolff Family Fund-St. Paul Fdn.</td>
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<td>June B. Hendrickson</td>
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<td>Dutchtown Jumpers</td>
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<td>Charles W. Taylor</td>
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<td>Elizabeth A. Tegen</td>
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### $10,000 - $25,000

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### $5,000 - $10,000

<p>| Name                                                          | Type | College or Institution                                                                 |
|                                                              |      |-----------------------------------------------------------------------------------------|
| Cynthia A. Brucato                                            | Gift | College of Design                                                                     |
| Felix Goldenberg                                              | Gift | College of Science and Engineering                                                     |
| PriceWaterhouseCoopers LLP                                   | Pledge| Scholarships                                                                         |
| Mayo Fdn. for Medical Education and Research                 | Gift | Hormel Institute                                                                       |
| Minnesota D H I A                                             | Gift | College of Veterinary Medicine                                                         |
| Shah Corp.                                                   | Gift | Intercollegiate Athletics                                                              |
| John P. Borger                                               | Gift | Libraries                                                                             |
| Syvilia M. Turbis Estate                                     | Gift | Medical School, Academic Health Center                                                 |
| Anthony Tortorice                                            | Gift | Intercollegiate Athletics                                                              |</p>
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<td>Chorzempa Family Fdn.</td>
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$5,000 - $10,000

CoBank Gift College of Food, Agricultural and Natural Resource Sciences
Dairy Farmers of America Inc. Gift College of Food, Agricultural and Natural Resource Sciences
David L. Ekstrand and Mary K. St. John Gift Intercollegiate Athletics
Deane and Nancy Manolis Charitable Giving Fund Gift Medical School
Diane C. Hoey Gift College of Science and Engineering
E. I. DuPont De Nemours and Co. Gift College of Food, Agricultural and Natural Resource Sciences
Epstein Funeral Directors Inc. Gift Medical School
First District Association Gift College of Food, Agricultural and Natural Resource Sciences
Frank. C and Frances B. Newman Family Fund Gift Law School
James M. Graven Pledge University of Minnesota Duluth
Jeffrey J. Murray and Jennifer Hart-Murray Gift Intercollegiate Athletics
Laura M. Newinski Gift Carlson School of Management
Lifetouch Inc. Gift Academic Health Center
Lyle D. Hoxtell Gift University of Minnesota Morris
Michael S. Berman Gift Humphrey School of Public Affairs
Peter F. Rockers Gift Medical School
Philip P. Caspers Gift Law School
Praveen Upreti Gift College of Food, Agricultural and Natural Resource Sciences
Richard G. Spiegel Gift Minnesota Landscape Arboretum
Saputo Dairy Foods USA LLC Gift College of Food, Agricultural and Natural Resource Sciences
Sargento Foods Inc. Gift College of Food, Agricultural and Natural Resource Sciences
The Engh Fdn. Gift Weisman Art Museum
The Nicholas P. Koenig H.E.R.O. Fdn. Gift Academic Health Center
Thomas F. O'Grady Gift Intercollegiate Athletics
Thomas J. Mielke Gift Law School
Thomas R. Day Gift Hormel Institute
Timothy J. Forstad Gift Carlson School of Management
Veritas Technologies LLC Gift College of Science and Engineering
Whitefish Area Property Owners Association Gift College of Food, Agricultural and Natural Resource Sciences
William R. Dircks Gift Intercollegiate Athletics
Will-To-Live Fdn. Inc. Gift College of Liberal Arts
Pending approval by the Board of Regents, Dr. Lynda S. Welage will be appointed Dean of the College of Pharmacy, effective July 31, 2017.

Position Overview

As dean, Dr. Welage will serve as the chief executive officer and chief academic officer of the College of Pharmacy, which spans both the Twin Cities and Duluth campuses. Dr. Welage will provide strategic and intellectual leadership and administrative oversight for the school and will collaborate with other campus deans to advance the University’s collective mission. She will also provide visionary leadership and administrative oversight of, and accountability for, the college, including oversight of the responsible planning, stewardship and management of the college’s fiscal, capital and human resources. As dean, Dr. Welage promotes and represents the college, playing a major leadership role in fundraising and leading energetic efforts to secure philanthropic support for its mission. She will also integrate the college and its many vital resources and functions into the broader community – locally, nationally and globally, garnering support for the College of Pharmacy from both internal and external stakeholders.

Appointee’s Background and Qualifications

Dr. Welage brings to the University extensive experience as a collaborative academic leader and an accomplished translational researcher, educator, and pharmacy practitioner. Since 2011, she has been dean of the College of Pharmacy at the University of New Mexico, Albuquerque, where she is also professor of pharmacy practice and administrative sciences. Previously, Dr. Welage was a professor, clinical pharmacist, and associate dean for academic affairs at the University of Michigan, Ann Arbor, having joined that faculty in 1988. Her varied leadership roles at Michigan included service as associate director of the Michigan Institute for Clinical and Health Research.

As dean at New Mexico, Dr. Welage oversaw the development of innovative educational and practice models and initiatives to improve the health of local and global communities, as well as growth in the College of Pharmacy’s research program. She updated the Pharm.D. curriculum to enhance integration of foundational and clinical sciences, strengthened interprofessional education and practice, led completion of a strategic plan, and enhanced faculty mentoring programs, including initiatives for faculty of color in the health sciences.

Dr. Welage holds a doctor of pharmacy degree from the State University of New York at Buffalo, Division of Clinical Pharmacy, and a bachelor of science degree in pharmacy from the University of Michigan College of Pharmacy, Ann Arbor. A nationally known expert on critical care and drug absorption, she has researched, published, and presented extensively on issues related to alterations in intestinal transport processes during acute inflammatory states. Dr. Welage is a fellow of the American College of Clinical Pharmacy and has held many other leadership roles in local, state, and national pharmacy and medical organizations.
Recommended Salary and Appointment Type

Dr. Linda Welage’s annual salary will be $300,000. Her appointment as Dean of the College of Pharmacy is a 100%-time, A-term (12-month), L-type (limited) appointment, reporting to and serving at the pleasure of the Executive Vice President and Provost. The full employment agreement between the University of Minnesota and Dr. Welage is attached as an exhibit.

Individually Negotiated Terms of Employment or Separation Agreements

There are no individually negotiated terms of employment or separation agreements.

Comparable Market Data

Sibson Higher Education Executive Survey*:
25th percentile – $279,333
50th percentile – $319,074
75th percentile – $329,918

CUPA-HR (College and University Professional Association for Human Resources) Executive Survey*:
25th percentile – $296,098
50th percentile – $309,179
75th percentile – $322,629

Recommendation

The President recommends the appointment of Dr. Linda S. Welage as Dean of the College of Pharmacy at the University of Minnesota.

*aged to July 1, 2017
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of this eighth day of February, 2017, by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the “University”) and Dr. Lynda S. Welage (“Dr. Welage,” “you”).

WHEREAS, the University wishes to employ Dr. Welage as the Dean of the College of Pharmacy and Dr. Welage wishes to accept employment as Dean of the College of Pharmacy;

WHEREAS, this Employment Agreement is subject to the approval of the Board of Regents of the University of Minnesota and the completion of a background check satisfactory to the University;

THEREFORE, the University and Dr. Welage agree as follows, subject to the approval of the Board of Regents:

I. EMPLOYMENT TERM

Subject to the terms and conditions of this Agreement and University policies and procedures, the University appoints Dr. Welage as the Dean of the College of Pharmacy and she agrees to be so employed by the University for a term commencing on July 31, 2017. The Dean of the College of Pharmacy is a 100 percent time, 12-month, L appointment in the professional and academic personnel classification who serves as an at will employee at the pleasure of the Executive Vice President and Provost. As such, you report to and serve at the pleasure of the Executive Vice President and Provost and your appointment may be terminated at any time without advance notification.

II. DUTIES

During the term of your employment as Dean of the College of Pharmacy you will diligently and conscientiously devote your full-time attention and best efforts in performing and discharging the duties of Dean of the College of Pharmacy as they are set forth in the position profile for this position (attached) including, but not limited to, the following duties:

A. Providing visionary leadership and administrative oversight of, and accountability for, the College of Pharmacy;

B. Overseeing the responsible planning, stewardship and management of fiscal, capital, and human resources of the College of Pharmacy;

C. Promoting and representing the College of Pharmacy in a positive fashion in private and public forums;

D. Integrating the College of Pharmacy and its many vital resources and functions into the broader community - locally, nationally, and globally;

E. Playing a major leadership role in fundraising for the College of Pharmacy, leading energetic efforts to secure philanthropic support for its mission;

F. Garnering support for the College of Pharmacy from both internal and external stakeholders;

G. Performing such other duties as related to your employment position and assigned to you by your appointing authority.
III. PERFORMANCE

In accordance with University policy, you will receive regular annual performance evaluations and, in accordance with University policy, you will receive a broader systemic review of your performance no later than the end of your third year in the position.

IV. FACULTY APPOINTMENT

In addition to your appointment as Dean of the College of Pharmacy, you will also hold an appointment as a tenured, full professor in the college, subject to Board of Regents Policy: Faculty Tenure. Your tenured faculty appointment requires approval as well as the Board of Regents. During the time you serve as Dean of the College of Pharmacy, you will not receive any compensation for your faculty appointment, but a salary for this appointment will be established each year by the University, based on the average increase to base of your same-ranked collegiate peers. In the event you no longer are employed as Dean of the College of Pharmacy and retain this faculty appointment, this will be your established faculty salary.

V. COMPENSATION

A. Subject to the terms of this Agreement for all services provided by you on behalf of the University, the University shall pay you an annual salary of $300,000.

B. All base salary shall be paid in accordance with the University’s regular payroll procedures for Professional and Administrative employees and shall be subject to withholding for applicable federal and state income taxes, federal social security taxes, and other applicable taxes and deductions.

C. In accordance with University policies and procedures, you shall be eligible for salary increases on an annual basis based upon the evaluation of the appointing authority or his/her designee.

D. The base salary is subject to furloughs, pay freezes, salary reductions or other adjustments to the same extent they are required of other employees of the University.

VI. BENEFITS

The University shall provide you with a benefits program as provided generally for its Professional and Administrative employees as described in its Policies and Procedures (http://www.umn.edu/ohr/benefits/summary/). These programs shall be subject to amendments and modifications by the University.

VII. RELOCATION

The University will pay for relocation costs associated with your move by means of a lump sum equivalent to one month’s salary ($25,000), in accordance with the University’s Relocation Policy (http://policy.umn.edu/Finance/employeeRelocation).
VIII. SEPARATION

A. Your appointment as Dean of the College of Pharmacy is at the pleasure of your appointing authority. Your appointment may be terminated without any required notice period.

B. In the event you are separated from your administrative position, you may be eligible for certain benefits provided by the University, in accordance with University policy. Any exception from or waiver of University policy related to your separation must be approved by the Board of Regents.

C. At the end of your administrative appointment, you may return to the faculty at your established faculty salary.

IX. UNIVERSITY POLICIES AND GENERAL CONDITIONS

A. Your appointment is subject to the University's policies and procedures that govern your position (http://policy.umn.edu/), which may be amended from time to time.

B. Amendment. Any amendment to this Agreement shall be in a writing executed and delivered by the parties.

C. Parties in Interest/Assignment. This Agreement shall be binding upon and the benefits and obligations provided for herein shall inure to the parties hereto and their respective heirs, legal representatives, successors, assigns, transferees or donees, as the case may be. No portion of this Agreement shall be assignable without the prior written consent of the other party.

D. Effect of Prior Agreements. This Agreement is intended by the parties as the final and binding expression of their contract and agreement and as the complete and exclusive statement of the terms thereof. This Agreement supersedes and revokes all prior negotiations, representations, and agreements, whether oral or written, relating to the subject matter hereof.

E. Enforceability. If any provision contained herein shall be deemed or declared unenforceable, invalid, or void, the same shall not impair any of the other provisions contained herein, which shall be enforced in accordance with their respective terms.

F. Construction. The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and shall not in any event be employed or used for the purpose of construction or interpretation of any portion of this Agreement. No waiver by any party of any default or nonperformance hereunder shall be deemed a waiver of any subsequent default or nonperformance. As used herein and where necessary, the singular shall include the plural and vice versa, and masculine, feminine and neuter expressions shall be interchangeable.

X. BOARD OF REGENTS APPROVAL
AND APPROVAL OF TENURED APPOINTMENT

This agreement is subject to the approval of the Board of Regents and a background check that is satisfactory to the University. This agreement is also subject to the approval of the faculty appointment provided for in Section IV of this agreement.
IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

By: Dr. Lynda S. Welage 02/13/17

REGENTS OF THE UNIVERSITY OF MINNESOTA

By: Karen Hanson
Executive Vice President and Provost

Approved as to Form and Execution

By: Douglas B. Peterson 2.23.17
General Counsel
Tenured Outside Hires

The decision of the Board of Regents to confer tenure and rank for any individual faculty hire from outside the University of Minnesota becomes effective on the first day of that faculty member's academic appointment at the University.

Tenured Hires for the March 2017 Board of Regents meeting – Twin Cities campus
Recommended by Executive Vice President and Provost Karen Hanson

Nancy Sherwood  
Associate professor with tenure  
Division of Epidemiology and Community Health  
School of Public Health

Nancy Sherwood received her Ph.D. in clinical psychology from Kent State University in 1996. Currently, she is a Senior Research Investigator and Director of Scientific Development at HealthPartners Institute. Dr. Sherwood’s research focuses on the development and evaluation of behavioral obesity prevention and treatment interventions across the lifespan. Her impressive publication portfolio includes over 120 peer-reviewed articles as well as numerous authored and co-authored book chapters. Professor Sherwood demonstrates skill, dedication, and a passion for teaching in the classroom, and brings with her an outstanding and high-level of service and leadership.

Tenured Internal Hires

Michelle Biros  
Professor with tenure  
Department of Emergency Medicine  
Medical School

Michelle Biros received her M.D. from the University of Minnesota in 1982. She is currently a professor on the research track and interim head in the Department of Emergency Medicine. Her research includes head injury, neurological emergencies, biomedical research ethics, and research education. Dr. Biros has an exceptional record of scholarship with 135 publications, 18 book chapters authored, and 5 textbooks edited. With regard to teaching, she is a two-time recipient of the Ernie Ruiz Faculty Teaching Award and a recipient of the Medical School’s Outstanding Mentor Award. She has a strong service reputation with 29 invited presentations internationally and 120 national presentations.

Lin Yee Chen  
Associate professor with tenure  
Department of Medicine  
Medical School

Lin Yee Chen received his M.D. in 1997 from the National University of Singapore. Currently, he is an associate professor on the clinical scholar track in the Department of Medicine. Dr. Chen’s research focuses on understanding the risks associated with atrial fibrillation, specifically defining
risks of cognitive decline and sudden death. He has obtained considerable funding through three NIH R01 grants and two NIH contracts. Dr. Chen is an excellent teacher and mentor through his lectures, clinical context teaching, and grand rounds for Cardiology and the Department of Medicine. He has made significant contributions to the field of cardiovascular medicine with his work as a reviewer for various journals as well as his work as a grant reviewer for the American Heart Association and the NIH.
## General Contingency

**Fiscal Year 2016-17**

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Amount</th>
<th>Balance</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 FY2017 General Contingency</td>
<td>$1,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Carryforward from FY16 to FY17</td>
<td>22,500</td>
<td>1,022,500</td>
<td></td>
</tr>
<tr>
<td>3 Facilities Management</td>
<td>88,000</td>
<td>934,500</td>
<td>Eastcliff small capital &amp; large maintenance projects in FY16</td>
</tr>
<tr>
<td>4 U Services</td>
<td>(5,515)</td>
<td>940,015</td>
<td>Return of unused funds from reconstruction of Eastcliff Event Lawn Space</td>
</tr>
<tr>
<td>5 Capital Planning &amp; Project Management</td>
<td>125,000</td>
<td>815,015</td>
<td>Replacement of 3 boilers at the North Central Research &amp; Outreach Center in Grand Rapids</td>
</tr>
<tr>
<td>7 Capital Planning &amp; Project Management</td>
<td>(180)</td>
<td>815,195</td>
<td>Return of unused funds from Rare Books pre-design funds given to CPPM in FY16</td>
</tr>
</tbody>
</table>

6 **New items this reporting period:**

   None

8 **FY 2016-2017 Ending Balance**           815,195

* Subject to Board approval due to cost of $250,000 or more

FY17 r. 2017 March
Purchase of Goods and Services $1,000,000 and over

To Medica Health Plan (Medica Holding Company) for the estimated amount of $11,440,571 for administering UPlan medical options for the University of Minnesota Office of Human Resources Employee Benefits for the two-year period of January 1, 2018 through December 31, 2019 with contract extensions through December 31, 2023 for an additional $23,013,766. Total contract value, if all options are exercised would be $36,454,337.

Medica Health Plan was selected as the medical plan administrator during a request for proposal process conducted from October 2016 through February 2017. The initial contract is for a two-year period, with four options to renew the contract. The estimated contract value of $36,454,337 is based on administrative service fees submitted as a part of the RFP process and estimated enrollment.

The administrative service fees are funded on an annual basis through the fringe pool.

Submitted by: Ken Horstman  
Senior Director, Total Compensation  
Office of Human Resources  
horst009@umn.edu

Approval for this item is requested by:

Kathryn F. Brown  
Vice President, Office of Human Resources  

[Signature]  
March 23, 2017
Purchase of Goods and Services $1,000,000 and over

To Medica Health Plan (Medical Holding Company) and RedBrick Health for the estimated amount of $2,292,352 for serving as the Health Management Program provider and incentive/data manager for the University of Minnesota Office of Human Resources Employee Benefits for the two-year period of January 1, 2018 through December 31, 2019 with contract extensions through December 31, 2023 for an additional $5,012,019. Total contract value, if all options are exercised would be $7,304,371.

Medical Health Plan and RedBrick Health was selected as a provider during a request for proposal process conducted from October 2016 through February 2017. The initial contract is for a two-year period, with four options to renew the contract. The estimated contract value of $7,304,371 is based on administrative service fees submitted as a part of the RFP process and estimated enrollment.

The administrative service fees are funded on an annual basis through the fringe pool.

Submitted by: Ken Horstman  
Senior Director, Total Compensation  
Office of Human Resources  
horst009@umn.edu

Approval for this item is requested by:

Kathryn F. Brown  
Vice President, Office of Human Resources  
March 23, 2017
AGENDA ITEM:  Report of the Student Representatives to the Board of Regents

☐ Review  ☐ Review + Action  ☐ Action  ☑ Discussion

☐ This is a report required by Board policy.

PRESENTERS:  Lauren Mitchell, Chair, Student Representatives to the Board of Regents
              Mike Kenyanya, Vice Chair, Student Representatives to the Board of Regents

PURPOSE & KEY POINTS

The report of the Student Representatives to the Board of Regents provides a student perspective on issues and concerns facing University students.

The report will discuss and make recommendations regarding the following issues:

- Following Through on Mental Health
- Disaggregation of Student Race Data
- Free Speech at the University of Minnesota

An update from campus student government organizations is also included.

BACKGROUND INFORMATION

Board of Regents Policy: Student Representatives to the Board of Regents states that the student representatives may make a report to the Board each semester. The group chose to present only one report for the year.
2016-2017 REPORT OF THE STUDENT REPRESENTATIVES
TO THE BOARD OF REGENTS

INTRODUCTION

This year’s report focuses on three areas where students have identified specific interventions that would improve the University community and address serious ongoing concerns. Each of the topics in this report has been a priority for student governance organizations this year, and our research has yielded specific recommendations for action. These topics are:

1. Following Through on Mental Health
2. Disaggregation of Student Race Data
3. Free Speech at the University of Minnesota

When addressing these topics, we ask the Board to view them from a system-wide lens. The Twin Cities campus is not only our system's flagship campus, but also a world-class research institute and for this reason, students across the system are proud of it. However, student leaders from across the system have observed that a Twin Cities-first approach overlooks the system campuses at best, and is outright disadvantageous at worst. The issues we present in this report are challenges that face the system as a whole. The administrative makeup of our system often assigns one employee with both system and Twin Cities responsibilities. We do acknowledge that there is ongoing system strategic planning and are optimistic about it. Nevertheless, it is imperative that we remind the Board to consider the contents of this report, and all others, with a system-wide lens.

FOLLOWING THROUGH ON MENTAL HEALTH

The 2015-2016 Report of the Student Representatives to the Board of Regents highlighted inadequate access to mental health services as an urgent problem at the University of Minnesota. The purpose of this section is to review the progress that has been made on this issue since Spring 2016, and to identify areas where work is still needed. Several crucial recommendations from last year’s report remain unaddressed, particularly the need to establish an intentional strategy for meeting students’ mental health needs in the years to come. Furthermore, the changes implemented last year only improved conditions on the Twin Cities campus, and did not address problems on the system campuses, where conditions are equally or more severe. Finally, to ensure that progress on student mental health is maintained and not allowed to slip into crisis over time, we recommend that concrete, quantitative measures of access to mental health services be reported regularly to the Regents, along with other regularly reported assessments.
Progress on Student Mental Health Since 2015-2016

Student mental health emerged as an area of severe need and a priority for activism in the 2015-2016 academic year. Students demonstrated at the May Regents’ Budget Forum hearing, the Student Services Fees Hearing, wrote letters to the President, passed resolutions in their organizations, and engaged in numerous discussions with staff and administrators to advocate for increased access to services. Consequently, student mental health was recognized as a priority by administrators and the Board of Regents, and actions were taken to address some of the most severe and pressing needs.

Four major efforts have been taken to improve the status of student mental health since last year. First and foremost, increased funding from Student Services Fees ($97,000) and funds from the Office of the President and Office of the Provost ($200,000) have allowed the Twin Cities service providers, Boynton Mental Health and Student Counseling Services (SCS), to hire the equivalent of 6.5 full time counseling staff members. These additional staff members have eliminated the wait list at Boynton, and reduced wait times at SCS. Furthermore, Boynton Health Service has acquired space on the first floor that had been previously rented for revenue, to expand its Mental Health Clinic space. The Office for Student Affairs has hired the University’s first care manager for the Twin Cities campus, who is trained to address a broad range of mental health concerns and coordinate care for students with complex needs. Finally, the Office of the Provost and the Faculty Consultative Committee jointly charged a task force of Twin Cities staff, faculty, and students to produce a report on the role that instructors can play in promoting student mental health. This task force is described more fully below.

Several of these efforts have had a substantive, positive impact on the state of student mental health at the University of Minnesota. In particular, students on the Twin Cities campus, who would have had to wait weeks for treatment last year, are now seeing counselors in a much more timely manner. We are encouraged and grateful for the progress that has been made so far. However, we have also identified several areas of concern that the Regents should attend to, and take action to resolve.

Remaining Areas of Concern

Leadership
Last year’s Report of the Student Representatives to the Board of Regents identified the following priority: The Board should establish a comprehensive, system-wide strategy on student

http://www.mndaily.com/article/2016/12/mental-health-services-eliminate-waitlists
February 2017 Presentation to the Academic and Student Affairs Committee, “Update on Student Mental Health”
February 2017 Presentation to the Academic and Student Affairs Committee, “Update on Student Mental Health”
mental health by Spring 2017\(^5\). No University leader has taken responsibility for developing a comprehensive, system-wide strategy on student mental health. Furthermore, no leader on the Twin Cities campus has taken responsibility for developing a campus-wide strategy.

Two groups have been purported to fill this role on the Twin Cities campus: the Provost-FCC Joint Task Force on Student Mental Health (JTFSMH) and the Provost’s Committee on Student Mental Health (PCSMH). However, neither of these bodies is able to carry out the comprehensive evaluation of services and resource allocation required for strategic planning on student mental health.

The JTFSMH does not serve the purpose of strategic planning because it was not charged or structured with the intent of doing so. In Spring of 2016, when the task force was being formed, student and faculty leaders saw potential for the group to carry out strategic planning\(^6\). Students advocated for the task force to be charged with the following goals:

\begin{itemize}
  \item[a)] Articulating the standards that the University should aim for, regarding student mental health.
  \item[b)] Estimating demand for services for the next 3-5 years and making recommendations for meeting that level of demand.
  \item[c)] Selecting one or two data-based interventions to apply at the University.
  \item[d)] Re-examining the institutional structure, and considering whether the current models, which are largely the result of historical accident, are effective and efficient.
\end{itemize}

Students leaders made specific recommendations for the membership of the task force, to align with the goal of developing a comprehensive strategy. Student leaders’ proposal was not adopted, and instead the JTFSMH is charged to:

\begin{itemize}
  \item[a)] Develop strategies for engaging and training faculty and instructional staff in promoting student mental health and responding to students in distress,
  \item[b)] Review the charge of the PCSMH and provide suggestions on the committee’s future composition and direction.
\end{itemize}

Neither of these goals involves developing a comprehensive plan for addressing student mental health concerns. The JTFSM has met nine times and does not have further scheduled meetings. Once the report on the role of instructors in promoting student mental health is completed, the work of the task force will be over.

\(^{5}\) 2015-2016 Student Report to the Board of Regents

\(^{6}\) [http://www.mndaily.com/article/2016/04/groups-rally-mental-health-collab](http://www.mndaily.com/article/2016/04/groups-rally-mental-health-collab); Letter to the Board of Regents from the Student Representatives, August 2016
The PCSMH is also not responsible for developing a comprehensive strategy on student mental health, and is not well-equipped to do so. The charge and composition of the PCSMH are currently being reconsidered, in light of the JTFSM’s forthcoming recommendations, and with input from the committee itself on what it would like the charge and membership to be in the future. Historically and presently, the PCSMH has been composed of primarily staff members from mental health service providers and other student service offices\(^7\). There are two faculty representatives and three students on the committee. There are no administrators on the committee. The committee has been chaired by the same individual since its start in 2005. The major accomplishments of the committee have been\(^8\):

- Development, revision, and promotion of the website [www.mentalhealth.umn.edu](http://www.mentalhealth.umn.edu)
- Development of a syllabus statement on student mental health
- Development, promotion, and execution of faculty/staff and student trainings
- Participation in events such as Cirque De-Stress, Mental Health Awareness Day, and Welcome Week
- Hosting two Mental Health forums in 2014 and 2015
- Adding signage to the Washington Avenue bridge to discourage suicide attempts
- Development of the Mental Health Advocates program, to train staff and faculty volunteers on available resources and responding to students in distress
- A White Paper published in 2016, assessing current levels of demand and making recommendations to meet that level of demand

These accomplishments reflect the strengths of the committee: training, communication, and programming. They do not include major policy changes, or management and planning of services. In its present composition, the committee is not equipped to carry out these tasks, which are necessary for establishing a campus-wide strategy. Reorganizing the committee to be capable of developing a strategy would require a massive overhaul of its membership, charge, and routines. The committee’s long history is a barrier to change, and we are not optimistic that the PCSMH can be reconstructed to carry out the necessary work of planning and strategy development.

Though recent efforts to improve access to services have alleviated many of the problems on the Twin Cities campus, demand has also continued to increase. Service providers are mostly managing to hold off on waitlists for now, but with consistently increasing demand, the currently available resources will likely become insufficient again in the next few years. It has become increasingly evident that strong, top-down leadership, either from University administration, or a permanent committee composed primarily of faculty, would afford the kind of long-range strategic planning that is necessary to prevent the recurring cycle of crisis and intervention that

\(^7\) [http://mentalhealth.umn.edu/about.html](http://mentalhealth.umn.edu/about.html)

\(^8\) [History and Accomplishments of the Provost’s Committee on Student Mental Health](http://mentalhealth.umn.edu/about.html)
has characterized progress on student mental health over the past several years. Currently existing groups are not positioned to exert the necessary leadership on this issue, and administrators have not taken responsibility for addressing problems proactively and systematically.

System Campuses

While superficial problems with accessing services have been addressed on the Twin Cities campus, the system campuses have been neglected. Demand for services has increased at the same rates, and no additional resources have been allocated by the Board or University leadership to alleviate problems that are just as severe as they were on the Twin Cities campus last year, if not worse due to a lack of alternative resources in the community. Below, we review concerns that have been raised at each campus in turn.

Duluth

Despite limited resources, administrators on the Duluth campus have commendably managed to implement interventions to respond to increasing demand for services. These include hiring a case manager, and implementing the “Let’s Talk” program, a service that offers one-time, first-come-first-served counseling sessions in a more informal environment than the traditional counseling office, and is thus more accessible to a broad range of students.

Nonetheless, the resources at Duluth are severely limited, relative to the level of demand. UMD has only four FTE counselors. The International Association of Counseling Services recommends one FTE counselor for every 1,000-1,500 students. UMD’s ratio of counselors to students is 1: 2,750. This is the same ratio that the University of Iowa reported in 2015, that put them at second-to-last of the Big Ten, and spurred the hiring of eight new counselors last year. In response to growing demand, UMD has implemented a session limit for the first time this year, restricting students to 12 sessions per year. This is in line with the session limits already in place at Boynton and SCS on the Twin Cities campus, but consequences may be more severe in Duluth, as there are far fewer community resources in the Duluth area for students who may exceed the session limit and need to be referred elsewhere. Vice Chancellor Lisa Erwin reports that two to four additional FTEs would bring their ratio of counselors to students within the recommended guidelines, and resolve most of the problems of access on the Duluth campus.

Morris

Students at the Morris campus face a similar restriction on services, with the number of sessions per year capped at 12-14 visits per student, after which they are referred to Stevens Community

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9 [http://www.iacsinc.org/staff-to-student-ratios.html](http://www.iacsinc.org/staff-to-student-ratios.html)
10 Vice Chancellor Erwin, January 26 2017, SSCC Meeting
Medical Center (SCMC). UMM has 3.2 FTEs, but turnover has left them with gaps in their counseling staff that took time to fill, and resulted in wait times of 3-4 weeks in Fall 2016. Assessment and medication management are not offered in the counseling clinic, so students requiring those services are referred to SCMC. Crisis management is a challenge for the Morris campus, given the limited on-campus resources and emergency services in the community. Student affairs staff report that students in crisis have had to wait over 24 hours for an opening at SCMC to treat them.

Rochester
Students at the Rochester campus have access to an on-campus counselor, who is not a licensed counselor. This staff member will meet with distressed students for one or two visits, after which they are referred to a local clinic for treatment if needed. Nonetheless, approximately twenty percent of the UMR student body utilizes the on-campus resources that are offered.

Students’ extremely limited access to counseling services is reflected in their personal testimonials. For instance, one student reported, “I feel like I can’t go to the counselor here. I know she is really busy and I feel bad.” Even one part-time counselor would go a long way toward improving Rochester students’ access to mental health services.

Crookston
Demand for counseling services has increased rapidly at the Crookston campus. Their counseling services received over 1000 contacts in the past year, which is concerning given that there are only about 900 students on campus. Student reports of suicidal ideation have also increased threefold in the past year. Counselors at Crookston have far fewer community resources to lean on for complex cases, and so the needs they must address are often more intense than those faced by other college counseling centers. They frequently treat students with profound mental illness and suicidality on-campus, rather than referring them out.

Adding a small number of staff makes a large impact with this relatively small student body. Staff report that a recently hired PhD intern has helped manage increasing demand. Staff estimate that one additional half-time counselor would resolve most of the problems on the Crookston campus.

Summary
Several system campus leaders have estimated the resources they would need to address the most severe problems on their campuses. In total, these amount to approximately 3-5 additional FTE.

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12 Bridget Joos, Senior Counselor, and Jeanne Williamson, Senior Clinical Counselor, Wellness Center and Violence Prevention Center Coordinator, UMM
13 Julie A. Thornton, Director of Student Engagement, UMR
14 Tim Menard, UMN Crookston Mental Health Services staff, December 2016
15 ibid
**staff members.** The $200,000 invested on the Twin Cities campus in last year’s budget cycle would more than cover these needs on the system campuses, and establish equitable access to services among students on all five campuses.

**Sustaining Commitment to Student Mental Health**

Progress on student mental health at the University of Minnesota has historically been achieved through a destructive cycle of crisis, advocacy, action, and complacency. For example, in 2012, wait times at the Boynton Mental Health Clinic reached unacceptable levels, and students advocated for increased resources. Boynton requested $380,000 in Student Services Fees to hire additional counseling staff, which reduced wait times temporarily\(^\text{16}\). However, demand has continued to grow, and as a result, mental health services reached a state of crisis again in 2015.

The current strategy appears to be to wait until conditions become urgently problematic, and then allocate enough funds to temporarily resolve the most glaring problems. This strategy is costly in terms of hours, effort, and emotional energy dedicated to advocacy, and necessarily involves times of crisis when students are not getting the help they need. As a result, mental health services become less efficient. Many mental illnesses become more difficult to resolve, the longer they are left untreated\(^\text{17}\), and so allowing wait times to become severe creates a backlog of increasingly difficult cases. Staying on top of waitlists means that the University expends less resources per student treated, because problems can be addressed before they are severe.

Furthermore, this strategy results in action that only addresses the most salient problems. These actions tend to be superficial, “band-aid” solutions, and tend to persistently neglect the parts of the system that are perennially overlooked. For example, in both 2012 and 2016, all interventions focused on the Twin Cities campus and no help was provided to the system campuses. A more deliberate and thorough examination of needs might have revealed the egregious lack of counselors at Duluth, and directed some resources there instead. One FTE in Duluth would arguably make a bigger impact than one FTE on the Twin Cities campus, but because we were in crisis, these kinds of considerations were not made when taking action.

We are concerned that the actions taken in 2016 are another manifestation of the action stage of this destructive cycle, and as has happened in the past, this will be followed by a period of complacency, then crisis. We do not want to find ourselves in the same position in 2020 as we were in 2012 and 2016. Further action is necessary to ensure that the progress we have made this year is maintained, and that we do not slip into the same destructive pattern that has

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happened before. Rather, we hope that crises can be avoided with foresight and intentional planning of services.

The first step to ensuring that the University maintains its commitment to student mental health is establishing concrete, consistent measures of the state of student mental health, that can be regularly reported to the Board of Regents. We recommend that these measures be included in the University Progress Card. The University Progress Card is an important tool for assessing progress and accountability, and that is what is required to sustain reasonable access to mental health services. The Regents should be kept up-to-date on the status of student health and wellness, just as they are on academic performance, financial accessibility, inclusivity of diverse students, sustainability, and so on. Regular assessment of student mental health will help identify problems and needs before they reach a crisis level, when they can be addressed carefully and efficiently. It will also ensure that University leaders are held accountable for maintaining acceptable standards of service.

The University is currently well-positioned to address student mental health concerns in an intentional and sustainable way. Students, staff, and faculty have recognized the importance of mental health as a prerequisite for academic success, and stigma against mental illness is at an all-time low. The University has also been recognized as a leader among our peers in addressing student mental health concerns. The Twin Cities campus houses three of the top psychology departments in the nation, and many of our faculty members are research leaders in relevant fields of psychology, psychiatry, human development, public health, and health management. Increasing demand for mental health services is a national problem, but it is one that the University of Minnesota is uniquely positioned to solve.

RECOMMENDATIONS ON FOLLOWING THROUGH ON MENTAL HEALTH

The Student Representatives reiterate the following recommendations from the 2015-2016 Report, which are fundamental to a sustained commitment to student mental health, and which have not yet been addressed:

● The Board should establish a comprehensive, system-wide strategy on student mental health by Spring 2018.
● The Board should establish an unambiguous mandate for the administration to develop campus-specific action plans on student mental health by Spring 2018.
● The Board should commission the development of an annual report on student mental health risks, trends, and service outcomes.

The Student Representatives also recommend the following actions, as informed by the developments on student mental health in 2016-2017:

- The Board should ensure that the 2016-2017 Budget includes an allocation commensurate with the investment made on the Twin Cities Campus in 2015-2016 to hire additional counseling staff on the system campuses.
- The Board should add measures of wait times for counseling services to the University Progress Card. These measures should include average and peak times from first call, to first appointment with a counselor.

**DISAGGREGATION OF STUDENT RACE DATA**

The purpose of this section is to identify the need for data disaggregation practices at the University of Minnesota when gathering racial information about the student body in the admissions and enrollment processes.

Data Disaggregation is the process of breaking down the ethnic categorization of the student body into more precise groupings. This practice allows for a more comprehensive assessment of the student body. Adopting this practice into the University’s admissions and enrollment practices would allow for extensive data on how the University must work to fully reflect the state of Minnesota and support all of its unique communities.

**Background**

Minnesota has one of the largest achievement gaps in higher education nationwide between white students and students of color. We consider both enrollment and retention rates to be important measures of the achievement gap, so both are discussed in this report. This gap is reflected in the enrollment rates of institutions of higher education across the state, including the University of Minnesota, as indicated in the chart below, created using data from the University of Minnesota Office of Institutional Research:

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19 https://www.ohe.state.mn.us/pdf/MinnesotaMeasures2016.pdf
While White, Native American, and Asian students are proportionately represented in the U, there is disproportionate representation of Black and Hispanic students throughout the system. Black and Hispanic people make up 5.8 percent, and 5.2 percent of the Minnesota state population respectively, yet only 4.1 percent and 2.9 percent of students across the system campuses. This percentage differential appears small, but is significant when taken into context the total population size. For example, the overall Hispanic population in Minnesota in 2015 was 284,214 (5.2 percent) while the population of enrolled students was 1,921 (2.9 percent). If there were no enrollment gap, this would correspond to approximately 2000 additional Hispanic students in the University of Minnesota system, beyond those currently enrolled. With the University’s large student body, even a seemingly small change in enrollment percentages can make a large difference in the of numbers of students.

### Southeast Asians

While Asian students as a whole are overrepresented at the University, there is research that shows that this is not a trend represented in many communities that fall under the ‘Asian’...
category. According to an American Community Survey, only 34.2 percent of Cambodian, 33.5 percent of Laotian, 36.8 percent of Hmong, and 48.9 percent of Vietnamese Americans have attended college. Comparatively, 65 percent of Asians in Minnesota have attended college. This percentage is inflated by the more affluent Asian subgroups in the demographic. The Southeast Asian Resource Action Center has noted these trends and has recommended that institutes of higher education disaggregate their data for Southeast Asian groups in states with large Asian American and Pacific Islander communities to provide accurate data on the academic achievement and growth in those less affluent populations. Minnesota has the one of the largest Hmong communities in the world, serving as the home to over 66,000 Hmong Americans. The Laotian community is the third-largest foreign born immigrant community in the state. Due to the significant size of Southeast Asian communities in the state of Minnesota, and the evident disparities that exist in these communities, it is crucial that the University of Minnesota begin to gather additional information about the students that identify as Asian.

Nationwide, data disaggregation has become more widely used. In May 2016, the Secretary of Education John B. King Jr. announced the Asian American Pacific Islander Data Disaggregation Initiative, which is focused on gathering additional information on the subcommunities that have been traditionally excluded from the successes of the Asian category as a whole. The Department of Education has also allocated $836,000 in funding for Minnesota and two other states to implement data disaggregation among Asian American and Pacific Islander students, to identify the needs of specific subgroups, and work to combat the achievement gap in K-12.

This demonstrates the trend in Minnesota for data disaggregation practices through all levels of education.

Black Students

While the percentage of black students in attendance at the University of Minnesota is already low, there is a concerning discrepancy between the educational achievement of Somali students and other ethnicities in this category. A report from the Minnesota Office of Higher Education revealed that Somalis had lower educational attainment than other African Americans, with 15 percent of Somali individuals ages 25-44 having obtained an associate’s degree or higher, compared to 34 percent of Ethiopians, 35 percent of Liberians, and 31 percent of Africans of

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20 http://www.searac.org/sites/default/files/SEARAC_Fact_Sheets_ACCESS_FINAL.pdf
21 https://www.ohe.state.mn.us/pdf/MinnesotaMeasures2016.pdf
22 http://www.searac.org/sites/default/files/SEARAC_Fact_Sheets_ACCESS_FINAL.pdf
23 http://www.mnhs.org/hmong
24 http://www.mncompass.org/immigration/population-trends#1-5584-g
26 ibid
other ethnicities27. As evidenced below, higher educational attainment is directly correlated with economic welfare, which highlights the major negative consequences from the Somali community’s educational attainment level being at only 15% percent.

**Economic Benefits**

Higher education is a serious financial decision, and in an era where the price of attending college is a heavy undertaking on students and families economically, it is important to note all of the benefits that a college education can have on both individuals and society. In studies based on findings from the Pew Research Center survey, young college graduates are outperforming their peers with less education in almost every indicator of economic well being and career success28. The Pew study finds that Millennial college graduates ages 25 to 32 who are working full time earn about $17,500 more than those without a high school diploma. However, in 2016, only 32.5 percent of those above the age of 25 had bachelor’s degrees and around 30 percent of those people were minorities, whereas the percentage of minorities in the United States is around 40 percent29.

In 2015, the Minnesota State Legislature set a goal for 70 percent of Minnesotans between the ages of 25-44 to have some form of college certificate by the year 202530. Supporting this goal would prove to be beneficial to the State of Minnesota. McKinsey and Company’s research on the achievement gap reported a couple of major consequences of the gap: one detailing the economic repercussions of leaving these children behind. McKinsey made an estimate as to what our nation’s GDP might look like if we had dealt with the achievement gaps between 1983 and 1998. They found that the “2008 GDP would have been $310 billion to $525 billion higher if we had closed the racial achievement gap, and $400 billion to $670 billion higher if we had closed the income achievement gap”31. Educating minorities will prove to positively impact Minnesota's economy.

**Current Practices**

Currently, the United States Department of Education requires that, at a minimum, every postsecondary schooling system collect student ethnicity data through a multi-question system32:

- “What is this person's ethnicity? (Hispanic or Latino / Not Hispanic or Latino)”

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29 ibid
30 https://www.ohe.state.mn.us/mPg.cfm?pageID=2187
● “What is this person's race? Mark one or more races to indicate what this person considers himself/herself to be. (White / Black or African American / Asian / American Indian or Alaska Native / Native Hawaiian or Other Pacific Islander).”

● The multi-question system must also include an option to claim “race and ethnicity unknown”

● and an option for “nonresident aliens (for whom neither race or ethnicity is reported).”

While the University of Minnesota follows the exact same multi-question system that the U.S. Department of Education demands, the Minnesota Department of Education, taking data for K-12 schools, goes more in depth. When surveying primary education schools across Minnesota in 2016, the Minnesota Student Survey goes further in depth by asking, “Are you a member of any of the following ethnic or cultural groups? Somali (Yes / No / Not answered)” and, “Are you a member of any of the following ethnic or cultural groups? Hmong (Yes / No / Not Answered)” along with the required multi-question system33. These questions were first introduced during the 2013 Minnesota Student Survey, so the practice is familiar and duplicable.

National Trends

While the University of Minnesota campuses currently collect only the required data, the University of California (UC) system has decided to disaggregate their data to account for the unique populations in California. The State of California set into law that the UC system must disaggregate and release their data for the Asian ethnicities of: Chinese, Filipino, Japanese, Korean, Other Asian, South Asian, and Vietnamese. California’s intended reason for this law is “to examine roadblocks preventing certain communities from educational achievement.”34 Because of the presence of unique populations in the state, the University should follow a higher education system with comparably large unique minority populations such as California, a state with the largest Hmong population in America (the same minority group in Minnesota that is struggling with school).

Conclusion

The sections above highlight specific variances in the enrollment gap for higher education among many minority communities in the State of Minnesota. Yet, the full impact of the state’s enrollment gap at the University of Minnesota is not understood due to the insufficiency of data currently gathered by the institution. Gathering ethnicity-specific data is critical to understanding and addressing the enrollment gap to improve economic standing and reach the state’s education goal.

33 http://education.state.mn.us/MDE/dse/health/mss/
34 https://www.ohe.state.mn.us/pdf/MinnesotaMeasures2016.pdf
RECOMMENDATIONS ON DISAGGREGATION OF STUDENT RACE DATA

The Student Representatives to the Board of Regents recommend:

- The Board should adjust the current application process system-wide to incorporate a comprehensive question about race.

It is crucial that the University of Minnesota implement data disaggregation practices into its admissions process so that more information can be compiled about both the applying and the enrolled bodies. Looking at both demographics with the additional details of racial breakdowns allows for a more comprehensive assessment of the achievement gap, and its effect on the student body of the University of Minnesota. This information may then be used in planning the proper course of action to address the Minnesota achievement gap, and drafting a strategic plan to rectify this with our educational programs. It is critical to note that no recommendation is being made to use the ethnic data as a factor in the admission process, any further than it is currently being used through affirmative action.

FREE SPEECH AT THE UNIVERSITY OF MINNESOTA

Introduction

In the wake of the Milo Yiannopoulos protests at the University of California, Berkeley35 to the vandalism of the College Republican’s pro-Trump mural at the University of Minnesota36, free speech on college campuses has become a hot button issue across the country. In fact, the Paint the Bridge incident involving the College Republicans’ mural is not even the first time in the past few years that students at the University of Minnesota have disagreed about the limits of free speech. At least two guest speakers have been shouted down in the last two years for discussing ideas that protesters deemed unsavory or unwelcome at the school. Similar to the Berkeley protests, conservative pundit Milo Yiannopoulos, who often rebels against what he calls the exaggerated myth of a “rape culture,” was briefly interrupted by UMN students with noisemakers. A few months earlier, another protest disrupted a guest lecture by an Israeli law professor, delaying the speech by more than 30 minutes before police escorted demonstrators out of the building. Needless to say, the issue is already affecting our university.

So what are the limits to free speech? What should the university’s response be to hate speech and how should the university approach student protests? It first might be helpful to look at what the law dictates involving issues of free speech. The First Amendment reads: “Congress shall make no law . . . abridging the freedom of speech.” 37 This doesn’t only apply to the federal government however, it also applies to state governments as well. 38 In the seminal free speech case Brandenburg v. Ohio, the Supreme Court held that speakers cannot be punished for advocacy of lawless activity unless the advocacy amounts to actual incitement of illegal action and, in addition, is likely to produce imminent lawless action. 39 Therefore, except under a few narrowly defined circumstances, governments may not exclude any idea from public discourse on the ground that it is wrong, offensive, evil, or even dangerous. In fact, the First Amendment even protects offensive modes of expression. In a series of cases, the Supreme Court upheld the right to wear a jacket that said “Fuck the draft,” to burn the American flag in protests, and even for the KKK to burn a cross. 40 41 42 So what are the limits of free speech? And are there special rules for college campuses?

The Supreme Court has defined certain categories of speech that can be regulated based on their content. Content-based restrictions on speech have been permitted only for a few historic categories of speech, including incitement, obscenity, defamation, speech integral to criminal conduct, so-called “fighting words,” child pornography, fraud, true threats, and speech presenting some grave and imminent threat the Government has the power to prevent. 43 Most notably absent from this list is hate speech and political speech. Even the American Civil Liberties Union (ALCU) has said that “[t]he First Amendment to the United States Constitution protects speech no matter how offensive its content.” 44 Which is why speech codes adopted by government-financed state colleges and universities amount to government censorship, in violation of the Constitution.

Where racist, sexist, homophobic, or any hate speech is concerned, more speech -- not less -- is the best revenge. This is particularly true at universities; whose mission is to facilitate learning through open debate and study. Because when hate is out in the open, people can see the problem. Then they can organize effectively to counter bad attitudes, possibly change them, and forge solidarity against the forces of intolerance. The problem itself is bigotry. Instead of opting for gestures that only appear to cure the disease, universities have to do the hard work of

37 U.S. CONST. amend. I
44 “Hate Speech on Campus.” https://www.aclu.org/other/hate-speech-campus
recruitment to increase faculty and student diversity; counseling and education to raise awareness about bigotry and its history, and changing curricula to institutionalize more inclusive approaches to all subject matter.

University Stance on Free Speech

At the recent State of the University Speech on March 2, 2017, President Kaler spent time highlighting how free speech is a priority and core value at the University of Minnesota. He went on to further discuss how the University “cannot condone a chilling of conversation” while at the same time fostering a welcoming climate on campus free from hateful words and actions. This dichotomy is the fine line campuses and universities have to walk. How can we hold fast to the bedrock of free speech while still aggressively tackling issues like racism and discrimination on our campuses? Towards the beginning of President Kaler’s speech, he mentioned that the university’s “policy and traditions are clear” when it comes to the open exchange of ideas on campus. However, recent events on campus like the Morrill Hall sit-in which resulted in the arrests of 13 students, to the even more recent mural defacements on the Washington Avenue bridge highlight the fact that the policies on free speech at the University are far from clear.

Current Policies

The University of Minnesota currently does not have a central database, website, or resource that students can access that includes all relevant policies relating to the First Amendment protections they are afforded at the University. Vague statements supporting free speech are mentioned in various places like Board of Regents Policy: Student Conduct Code, but the university also has policies, like their definition of harassment in the Student Conduct Code, that seem to naturally conflict with the broader sweeping statements made at the beginning of the document. These contradictory ideas create confusion for students seeking to understand how the Constitution, and the rights it provides them with, are protected at the University of Minnesota.

Currently, section 2, f of the Student Conduct Code states that “[s]tudents are entitled to the rights and responsibilities of other citizens with regard to freedom of speech, peaceable assembly, and right to petition. Students are entitled to exercise their rights to inquire and dissent, speak freely, and peaceably assemble and protest to the extent permissible under both the

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45 “2017 State of the University.” https://president.umn.edu/content/full-transcript-and-video-president-kalers-state-university-addres
47 Sawyer, 2016.
First Amendment and the Student Conduct Code.” (emphasis added) However, later in the code, section 4, subd. 16, disruptive behavior, mentions that certain conduct is forbidden by the Student Conduct Code. Specifically:

Disruptive behavior means willfully disrupting University events; participating in a campus demonstration that disrupts the normal operations of the University and infringes on the rights of other individuals; leading or inciting others to disrupt scheduled or normal activities of the University; engaging in intentional obstruction that interferes with freedom of movement, either pedestrian or vehicular, on campus; using sound amplification equipment on campus without authorization; or making or causing noise, regardless of the means, that disturbs authorized University activities or functions.

This could leave many students to wonder what they would have to do to be in compliance with the Student Conduct Code while still exercising their right to free speech and protest. When can a protest take place? Where would they have to stand or march in order to be in compliance with the code? How loud could they be? Would it matter if the event took place on a weekend? Can they protest in buildings? Are there different rules for rallies, marches, sit-ins, and meetings? At the end of the day, these questions usually go unanswered until the police get involved because a protest goes too far.49

The Morrill Hall arrests and the June 10, 2016 arrests at the Board of Regents meeting are a perfect example of actions that might have played out differently had there been easy and readily available access to a central, user friendly guide on the various policies and procedures that are triggered by student sit-ins and protests. Now, the outcome could have very well have been the same, but more information about the process and guidelines is always better, just like more speech is the best option to combat speech that disagrees with your own view.

Due to the lack of sufficient information regarding the University of Minnesota’s policies on free speech, we recommend adopting a Board policy specifically on free speech and protest. The Board, administration, and the Office of the General Counsel, should craft a succinct policy that outlines (1) the protections students are afforded under the First Amendment, (2) the possible ramifications that follow from moving from an area of free speech to speech that can be curtailed, and (3) discusses the various “time, place, and manner” restrictions that University of Minnesota has enacted.


Faculty and Student Advocacy

We highly recommend that the Board and administration look to the Faculty Consultative Committee (FCC) report on free speech at the University of Minnesota. The FCC put together a set of four guiding principles that the Board and administration should consider adopting as a foundation and starting point for further clarification on the issue of free speech. Another useful document to consider in the ongoing debate about free speech protections is the Council of Graduate Students’ (COGS) “Policy Statement on Free Speech Principles.” The document was written as a response to the FCC report and proposes a number of affirmations as well as concerns regarding the FCC’s proposed guiding principles. COGS agreed that a University of Minnesota Free Speech Statement is necessary and appropriate but did voice some concerns about the values and language used in the report. Both the student and faculty resources are great examples of the momentum behind this topic. Students and faculty alike want clearer standards and this is the right time to answer their calls for change.

RECOMMENDATIONS ON FREE SPEECH AT THE UNIVERSITY OF MINNESOTA

The Student Representatives to the Board of Regents recommend:

- **The Board should establish a comprehensive, system-wide policy on student free speech by Fall 2018.**

  The University can ensure it is a national leader on free speech by working to proactively create a clear stance on campus free speech. The formulation of a comprehensive strategy would create a clear set of guidelines that students could understand, determine if additional resources should be available to students wishing to use their free speech on campus, and evaluate potential changes to the academic curriculum and student conduct code. Other institutions, including the University of Chicago, have followed this approach. It would send a strong signal to both students and the greater educational community that free speech is a priority for the University.

  The Board, administration, and the Office of the General Counsel, should craft a succinct policy that outlines (1) the protections students are afforded under the First Amendment, (2) the possible ramifications that follow from moving from an area of free speech to...

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speech that can be curtailed, and (3) discusses the various “time, place, and manner”\textsuperscript{54} restrictions that University of Minnesota has enacted.

- **The Board should mandate the administration develop a central source of information regarding free speech on campus by Fall 2017.**

  The Board should mandate the University administration create a website that can serve as a central source of information regarding free speech protections on the University of Minnesota. A central website is a necessary tool in defining and clarifying the overall campus understanding of what rules govern free speech at the University. Students should be able to see all relevant policies, rules, and regulations that might touch on their free speech rights.

- **The Board should look to the Faculty Consultative Committee (FCC) report on free speech at the University of Minnesota and the Council of Graduate Students’ (COGS) response when crafting the University’s free speech policy.**

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**STUDENT GOVERNMENT UPDATES**

**Morris Campus Updates**

*Voting and Student Involvement*

The Morris Campus Student Association (MCSA) spent a great deal of time working on getting students educated and excited to vote in the 2017 national elections in November. We hosted a Get Out and Vote Party where we educated students on the importance of voting, how to register, and what to expect. We also tabled and took pictures of students who voted to post on social media.

*Technology*

MCSA just went through the process of Technology Fee allocations in which we took requests, listened to hearings, and sent our decisions to the chancellor to approve the allocation of the money from the Student Technology Fee for this year. We are working to improve the system in which it is run, including whether or not we will fund any subscription renewals in the future.

*Support for the University*

MCSA worked to advertise and organize University of Minnesota, Morris (UMM) students to attend Support the U Day where we met with various representatives. An impressive 48 students from UMM attended to lobby about why Morris needs more funding. We talked about the need

for an HVAC system in our Humanities building and the need for classrooms and dormitories to be handicap accessible.

**Sustainability**

This year MCSA has emphasized UMM’s vision of “serving as a national leader in areas of sustainable energy and green living.” We hosted a Sustainability Forum in which we organized the groups on campus who are working on sustainability initiatives to speak about what they are doing. It was a night to network with groups on campus and celebrate all of the accomplishments thus far. We also hosted a Green Tour of campus sustainability initiatives, open to anyone on campus.

We also recently passed two resolutions related to sustainability. One was a Sustainable Food Resolution in regards to students’ desire to have more local, healthy and sustainable food in our dining services. Through the sustainability rating system we have committed to using on campus: the Sustainability Tracking, Assessment & Rating System™ (STARS®), we were disappointed to discover that our food ratings were substantially lower than the rest of the categories on campus. We hope to continue to work with our dining services to improve these ratings, and hopefully the food quality will benefit with that, too.

Another resolution we recently passed expressed the students’ desire for the creation of an academic requirement for all students on the subjects of Environmental Sustainability and American Indian Histories and Cultures. Because the UMM is housed on original Anishinaabe (Ojibwe), Dakota, and Lakota (Sioux) homelands and the campus was originally founded as an American Indian boarding school; we strive to be a national leader in sustainability and have many sustainability resources on campus; and we are here to receive a liberal arts education, MCSA feels that this requirement is necessary to promote community and foster a deeper understanding of UMM’s history and values.

**Sanctuary Campus**

And finally, we recently passed a resolution that voiced students’ desires to become a “Sanctuary Campus.” This resolution asks the current UMM administration to refuse to turn over data about student's personal information that could be used to persecute, deport or otherwise harm them in light of the likelihood of significant changes to federal policy on immigration in the United States in 2017.

**Rochester Campus Updates**

The 2016-2017 academic year marks the 6th year that Rochester Student Association (RSA) has been present on campus. As we continue to make changes to our campus as well as our RSA constitution, we also continue to grow together as a Rochester community. This year has been an important year of conversation with the Chancellor, Vice Chancellor, and Chief of Staff. The
RSA’s main focus has been to address student voices and concerns of the entire student body. In addition, we are focusing on increasing student engagement on campus and in campus activities. Below we have highlighted a few important events and changes that have happened this academic year.

**Trick-or-Canning**
Last fall of 2016, RSA continued our annual Trick or Canning food drive. Trick or Canning is an event that occurs at the end of each October and invites students to gather together and go door to door downtown asking for non-perishable food donations to be given to the Channel One Food Shelf in Rochester. This year we updated our routes to cover more communities spread out through all of Rochester. In the end, we were able to collect a total of 290 pounds of food!

**Club Additions**
As of last year, our students have been more involved and created 8 new clubs! These clubs have a wide range of topic coverage from politics to mental illness awareness. The names of the clubs are: Mayo Helping Hands, HOSA, Rochester Hmong Association, To Write Love on her Arms, Political Club, Pre-OT Club, The American Society for Biochemistry and Molecular Biology (ASBMB), and Sierra Student Coalition. We have also added a 318 Community Council that manages their own account money and creates events for the students living on campus.

**Pennies for Patients**
This spring, RSA will continue our traditional Pennies for Patients campaign. Since the past few years continue to be successful, we will continue our method of penny collecting by nominating five faculty members to participate in this event. Based on the dollar amount donated per jar, the faculty with the largest dollar amount will be pied in the face at our Annual Talent Show this spring. All funds that are collected benefit The Leukemia & Lymphoma Society. Our goal for this year is to raise $225!

**AmeriCorps VISTA**
In expansion of HealthCORE, UMR will now be starting an AmeriCorps VISTA in August, 2017. The VISTA will work with health and wellness staff to create a model for a community of wellness. This will help low-income communities receive access to health care, health insurance, food security, etc. to support a healthy environment and promote success in higher education. We are very excited to start this program!

**Crookston Campus Updates**
With the opening of our new Wellness Center in Fall 2016, there has been an overwhelming theme of wellness on campus. Students now have a brand new facility with all of the newest technology and equipment to promote a healthy lifestyle. Although there have been a few hiccups regarding Athletics using the Wellness center due to inadequate space within our Sports Center and lacking facilities for our athletic teams, the Wellness Center has been a great asset to
our campus. The Wellness Center has given UMC the ability to promote wellness in all areas from our improved intramurals program, to classes being held in the Wellness Center within the Sports and Recreation Management, and Exercise Science and Wellness programs.

**Community Relations**
Through our Crookston Campus-Community Connection (C4) group, we have been able to continue improving the relationship between our campus and the City of Crookston. Over the past year, this group has sponsored many different events to incorporate UMC students into the community. We continue to improve our “Paint the Town” initiative every year throughout homecoming week to show the community’s support of UMC. Our C4 group also hosts open discussion forums with vital members of the city, and students to continue to help bring UMC students throughout the community. The City of Crookston as well as the Crookston Chamber will also be revealing a new marketing campaign to reinforce that we all can “Belong” in Crookston.

**Chancellor Search**
We have been in the middle of our Chancellor search and there has been a lot of discussion surrounding what we expect for our next Chancellor. Throughout discussions that have been held around this, many ideas have come forward about our campus as a whole, and what we want to see in our future. These discussions have come forward due to the work done by Interim Chancellor Keinath to build a new strategic vision moving forward. Despite the busyness of spring semester, we have gotten an abundance of information from students, faculty, and staff regarding who UMC’s next Chancellor should be. The search committee continues to narrow down candidates and once the candidates are finished on campus, the committee will send strengths and weaknesses to President Kaler for the ultimate decision.

**Policy Resolutions**
The Crookston Student Association (CSA) put forth a policy resolution at the end of spring 2016, which then went to the Academics Standards and Policy Committee, and ultimately landed at Faculty Assembly towards the end of Fall semester. The Faculty heard what the students had to say and voted the resolution into policy. The policy now requires Faculty to submit midterm grade alerts for all grades A-F, S, and N, utilizing the PeopleSoft system within MyU. CSA is also in the beginning stages of a couple of other policy resolutions and look forward to submitting them before the end of the semester.

**Duluth Campus Update**

**Front Yard Parking**
The External Affairs team at the University of Minnesota Duluth continues to work tirelessly in the community and with the legislator. In fall of 2016, it came to our attention that the city would
begin ticketing vehicles that were parked in front yards, regardless if it was in the grass or on a
designated gravel area. This was due to complaints from various neighbors as well as city code
that restricted where vehicles could be parked. The areas being targeted were primarily student
housing near the UMD campus. Our external affairs worked with the city council and local
landlord association to get the date for enforcement pushed to June 1st, 2017 so that landlords
could advise new tenants of the amount of parking they would be allowed.

Mid-Term Grade Alerts
Student Association is continuing the push for mid-term grade alerts as outlined in the campus
update last year. There has been some pushback from faculty with concerns of having to do extra
or unnecessary work. As the policy sits now, students in danger of receiving a grade of D, F, or
N in 1xxx and 2xxx level classes are required to receive a mid-term grade alert for their
performance through the first half of the semester. Student Association is advising faculty and
administration to revise the policy to include all classes and all performance levels. It’s
imperative that all students understand where they are at academically in their courses, regardless
of the class or their grade.

Lobbying
UMD students have took two trips to the capitol this year for Bulldog Lobby Day and Support
the U Day with one trip remaining (Duluth and St. Louis County Days). We continue to ask the
legislator to pass a bonding bill that would approve funding for the Chemical and Advanced
Materials Science building. As always we are lobbying for the University of Minnesota priority
requests such as funding for a tuition freeze and Higher Education Asset Preservation and
Replacement (HEAPR).

Twin Cities Update: Minnesota Student Association

The Minnesota Student Association (MSA) has continued to focus on initiatives that are of high
priority to the student body such as sexual assault prevention, affordability, inclusivity, and
more.

Food Insecurity
MSA has prioritized learning about the reality of student hunger and food insecurity while
creating and partnering on multiple initiatives across campus. This included collaboration with
PhD students on surveying about the scope of student hunger, funding a student-run food pantry,
and launching a campaign to educate students about SNAP (Supplemental Nutrition Assistance
Program) and hosting conversations to destigmatize food insecurity.
Sexual Assault Prevention
MSA has continued our unwavering commitment to end sexual assault on campus. Our Campus Life committee has been working on a bystander intervention photo campaign and moving towards Title IX training for Community Advisors in Housing & Residential Life. We are also working on drawing attention to the funding needs of The Aurora Center (TAC) by launching a campus-wide partnership between gender empowerment groups to have a fundraising day for TAC and display the great development potential of this University service.

Advocacy for Inclusion
In an increasingly hostile socio-political atmosphere, and with an increasingly diverse student body, MSA continues to prioritize equity and access. This has included multiple efforts to promote quicker, streamlined, and student-collaborated communication from administration that relays our values, resources, and stances on current events affecting student populations. Additionally, we have worked to convert single-stall gendered bathrooms to gender-neutral, expand access to menstrual care products in bathrooms, and increase the centralization, and number, of open spaces to be used for prayer, meditation, or other needs.

Legislative Engagement
After launching a competition with the rest of the Big 10 student governments on voter registration, and winning with over 8000 students registered, MSA continued our focus on our student civic engagement and legislative power. From Voterpalooza 2016 to creating our first Legislative Fellowship Program, we have continued building students’ skills in legislative engagement and higher education issues. We also hosted an off-campus affordable housing town hall, partnered on creating a University neighborhood board, and are now putting our energy into telling the Minnesota Legislature why funding the U is critical for the talent we are building for the State.

Twin Cities Update: Council of Graduate Students

Mental Health
The Council of Graduate Students (COGS) and Professional Student Government (PSG) Joint Mental Health & Wellness Committee is in its second year of operation and has six active subcommittees: Academic Policy, Communication & Outreach, Data Collection, Direct Services, Duluth Campus, and Wellness & Prevention. Examples of ongoing and recently completed projects include: a pilot survey of mental health risk and protective factors in four graduate departments; development of a comprehensive listing of campus mental health and wellness resources; and composition of a report on the mental health needs of students from diverse and traditionally underrepresented backgrounds, which was informed by interviews with nearly twenty student leaders. Committee members also authored a resolution on Commitment to
Campus Mental Health Services which was overwhelmingly passed in the COGS and PSG General Assemblies in December 2016.

**Enhancing graduate student community**
Social and academic isolation hurts graduate students both by restricting their social support system and limiting interdisciplinary opportunities. The Council of Graduate Students has been working to decrease isolation of graduate students. In the fall, we launched the UMN Graduate Student Exchange on Facebook, for graduate students to share resources, sell items (such as old textbooks), and request help and advice. The council has experimented with different types of programming. The council was involved in the second annual Winter Gala, co-sponsored by the Graduate Students of Color Alliance, Black Graduate and Professional Student Association, and Council of International Graduate Students. Supporting other graduate student groups has also been a priority, including supporting events by the Graduate Women's Association, Society for Advancement of Chicanos/Hispanics and Native Americans in Science, Minnesota Institute for Neuroeconomics and Decision Science, and Student Unions and Activities. A task force is also examining the graduate student community spaces at peer institutions and how such a space may be created at the University of Minnesota.

**Parental leave policy**
The Council of Graduate Students has identified policy holes in the parental leave policy and requested these gaps be corrected. Currently, the gendered language in the parental leave policy is exclusionary of transmen who give birth. Graduate students who give birth outside of the academic term may have their leave eligibility cut by timing. Graduate students who receive fellowships, outside money to support their studies, lose their eligibility for parental leave until having been employed by the university for a certain duration.

**Support for non-citizen students**
The Council of Graduate Students has supported efforts to advocate for undocumented students, including the passage of a resolution laying out what a sanctuary campus means to our organization and why the council supports this effort. This resolution calls on the administration to continue to express their unequivocal and public support for undocumented and immigrant students, and offers a set of concrete policies that this organization believes is key to immigrant and undocumented advocacy.

**Expanding access to gender-segregated facilities**
The Council of Graduate Students has supported and taken up efforts to create a more welcoming campus environment for transgender and gender nonconforming individuals. Upon review of practices involving the gendering of single-stall restrooms, the council successfully advocated for single-stall restrooms on the Twin Cities campus to be recognized as gender-neutral restrooms.
Examining need for unified policies
The Council of Graduate Students has charged an Equity and Diversity committee. This committee has begun examining the need for a unified anti-retaliation policy, such as those at many of our peer institutions. The committee has also been researching language at our peers of a generalized anti-harassment policy, to serve as a foundation to support specific policies and to ameliorate harassment on categories covered in our equal opportunity policies. The committee is advocating for anti-harassment language to be added to course syllabi, and supported the creation of student organization to advocate and support graduate students with disabilities and their allies and advocates.

Twin Cities Update: Professional Student Government

The Professional Student Government (PSG) has had another strong and productive year. PSG has focused on improving the connections between each of the ten professional schools and their 11,000 professional students, as well as improving the professional student experience at our university. We have continued to work closely with the Council of Graduate Students after the restructuring of the Graduate and Professional Student Association (GAPSA).

PSG has also continued to provide financial support to a number of programs that directly improve the student experience at our university. We have been able to provide funding to over 150 individuals pursuing professional development opportunities and over 80 events hosted by student groups. We have remained committed to providing funding to our constituents and constituent professional councils despite decreased funding through the Student Service Fees process.

We work towards improving interdisciplinary connections both at the individual and school levels. We host multiple events every year and are able to support many more. We advocate for student interests, whether brought by individual students or through the work of a professional council, and we are able to bring students together through shared goals. As part of our transition from GAPSA, we have continued to refine internal processes to make our organization as efficient and effective as possible.

University Advocacy
PSG has been an active advocate for student interests this year on multiple issues. Unfortunately, campus climate concerns have become a recurring issue at our university. The administration has generally included students in discussions related to campus climate, however, we believe there is an opportunity to be more proactive regarding these issues. We recognize that no two issues are the same, but the reactive approach previously taken increases the risk of inconsistent responses, which undermines student faith in the response process.
The cost of attendance remains a significant issue for many professional students, who are more likely than undergraduates to have outside financial and familial obligations, yet also are paying higher tuition rates. Massive amounts of debt burden many professional students after graduation. Although the expected income from some professional programs can offset this debt burden, that is not the case for every profession. We strongly believe that any increases in professional student tuition rates should be a topic of increased discussion. There should be more uniformity in terms of justification for tuition increases at the professional level and a heightened level of scrutiny regarding how such tuition increases fit within the university’s mission.

PSG is proud of the improvements made to mental health resources at the University of Minnesota since last year, but believes that this must remain a top priority going forward.

Legislative Advocacy
PSG continues to work with the Minnesota Student Legislative Coalition to lobby for student and university interests at the state legislature. Last year, PSG’s advocacy related to the expansion of the Postsecondary Child Care Grant Program, which provides financial assistance to student parents, was very successful. As a result, graduate and professional students are now able to receive funding from the grant program. Our legislative advocacy focus for this year is related to securing state funding for university projects, particularly funding for the AHC and various health education and training programs.

Programming
PSG not only advocates for professional students, but also provides opportunities to develop interdisciplinary connections, professionalism, and social connections. During the fall semester, PSG hosted a tailgating event before a Gopher Football game to get more professional students involved in on-campus activities and to provide an informal setting for students to get to know each other across programs. During the spring semester, PSG will be hosting a day trip to the Duluth campus. We are looking forward to a fun event and are excited to be able to build more connections between professional students on the Duluth and Twin Cities campuses.
Student Representatives to the Board of Regents
Report Presentation 2016-2017

Lauren Mitchell, Chair
Mike Kenyanya, Vice Chair
Report Topics Overview

1. Following Through on Mental Health
2. Disaggregation of Student Race Data
3. Free Speech at the University of Minnesota
### 2015-2016 Recommendations—Mental Health

<table>
<thead>
<tr>
<th></th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Provide additional sources of funding for mental health services, and evaluate alternative financing models to ensure sustained support of mental health resources</td>
</tr>
<tr>
<td>2</td>
<td>Develop a comprehensive, system-wide strategy on mental health by Spring 2017</td>
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<tr>
<td>3</td>
<td>Establish an unambiguous mandate for the administration to develop campus-specific action plans on student mental health by Spring 2017</td>
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<tr>
<td>4</td>
<td>Commission the development of an annual report on student mental health risks, trends, and service outcomes</td>
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</tbody>
</table>
Recommendations—Following Through on Mental Health

1. Ensure that the 2016-2017 Budget includes an allocation commensurate with the investment made on the Twin Cities Campus in 2015-2016 to hire additional counseling staff on the system campuses.

2. Add measures of wait times for counseling services to the University Progress Card.
Recommendations—Disaggregation of Student Race Data

1. Adjust the current application process system-wide to incorporate a comprehensive question about race.
### Recommendations—Free Speech at the University of Minnesota

1. Establish a comprehensive, system-wide policy on student free speech by Fall 2018.

2. Mandate the administration to develop a central source of information regarding free speech on campus by Fall 2017.

3. Look to the Faculty Consultative Committee (FCC) report on free speech at the University of Minnesota and the Council of Graduate Students’ (COGS) response when crafting the University’s free speech policy.
AGENDA ITEM:  Update on System-Wide Strategic Planning Process

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS:  President Eric W. Kaler
Stephen Lehmkuhle, Chancellor, University of Minnesota Rochester
Rebecca Ropers-Huilman, Vice Provost for Faculty Affairs

PURPOSE & KEY POINTS

The purpose of this item is to review progress on the system-wide strategic planning process that formally launched in fall 2016. The discussion will include an overview of the planning process to date, summary of feedback gathered, and a preview of initial plan content. The proposed plan will be reviewed by the Board in May 2017.

The system-wide strategic planning process is designed to better align institutional resources and leverage the University’s strengths as a system. The goal of the plan is to develop a document that embraces the 21st century land grant mission by articulating the common values, processes, and expectations across campuses, and the contributions of constituent parts of the system to local, national, and global communities.

BACKGROUND INFORMATION

The Board has participated in the following discussions about the strategic planning process:

- System-Wide Strategic Plan Themes – Board of Regents Work Session, December 2016
- Overview of System-Wide Strategic Planning Process – Board of Regents, October 2016
- System-Wide Strategic Planning: UMR – Board of Regents, July 2016
- System-Wide Strategic Planning: UMC – Board of Regents, June 2016
- System-Wide Strategic Planning: UMD – Board of Regents, May 2016
- System-Wide Strategic Planning: UMM – Board of Regents, March 2016
- Update on UMTC Strategic Plan Implementation – Board of Regents, October 2015
- Twin Cities Strategic Plan Implementation Steps and Metrics – Board of Regents, March 2015
- Strategic Plan for the Twin Cities Campus: Driving Tomorrow – Board of Regents, October 2014
System-Wide Strategic Planning Process
March, 2017 Update

Board of Regents
President Eric Kaler
Chancellor Stephen Lehmkuhle
Vice Provost Rebecca Ropers-Huilman

March 24, 2017
Listening *(Fall)*  
- Campus visits  
- Unit visits  
- Internal stakeholder survey  
- Board listening

Synthesis *(Winter)*  
- Ideas percolating  
- Committee work  
- External stakeholder survey  
- More listening

Affirmation *(Today–Spring)*  
- Campus visits  
- Stakeholder meetings  
- Collecting implementation ideas

Approval *(May–June)*  
- Finalization  
- Board of Regents approval
High Level Themes from Fall Listening:
(shared with Board of Regents Dec. 8, 2016)

- Faculty, staff, and students are proud of what they do and how it contributes to Minnesota and to the world.

- People on all campuses and in Extension and the Research and Outreach Centers want to be valued for the work that they do. Those on system campuses want to be more involved in planning and developing system-wide solutions.

- Faculty, staff, students and administrators lack knowledge about the contributions and unique strengths across the system. This hinders their ability to work together.

- It will be important to balance the values of innovation, effectiveness, efficiency, responsibility, and inspiration as we move into our future.
High Level Themes from Committee Synthesis
(Winter 2017)

Strengths and Opportunities

- We are the university and workplace of choice and we have excellent students, staff, and faculty.

- Our distinctiveness and comprehensiveness allow us to have a broad and deep impact.

- Many administrative functions effectively support our mission system-wide.

- Relative to other states, we have historically had strong state support.

- We have mutually beneficial partnerships across the state.
Challenges and Opportunities

- While each campus makes a distinct and significant contribution to Minnesota, the needs and opportunities of system campuses are sometimes dwarfed by a focus on the Twin Cities campus. It is hard to attend to a local context within such a large system.

- Collaboration between system entities can be challenging.

- While we have connections to many Minnesota communities, some feel we are not sufficiently connected to “main-street Minnesota.”

- We need to provide support for the success of an increasingly diverse student population.

- An aging infrastructure requires attention and resources.
External Stakeholders: University of Minnesota TODAY
The distinctiveness of our campuses and the comprehensive and distributed nature of our System allows the University of Minnesota to be greater than the sum of its parts, positively impacting Minnesota, the nation, and the world.
UNIVERSITY MISSION

The University of Minnesota (University), founded in the belief that all people are enriched by understanding, is dedicated to the advancement of learning and the search for truth; to the sharing of this knowledge through education for a diverse community; and to the application of this knowledge to benefit the people of the state, the nation, and the world. The University's mission, carried out on multiple campuses and throughout the state, is threefold:

§ Research and Discovery - To generate and preserve knowledge, understanding, and creativity by conducting high-quality research, scholarship, and artistic activity that benefit students, scholars, and communities across the state, the nation, and the world.

§ Teaching and Learning - To share that knowledge, understanding, and creativity by providing a broad range of educational programs in a strong and diverse community of learners and teachers, and prepare graduate, professional, and undergraduate students, as well as non-degree seeking students interested in continuing education and lifelong learning, for active roles in a multiracial and multicultural world.

§ Outreach and Public Service - To extend, apply, and exchange knowledge between the University and society by applying scholarly expertise to community problems, by helping organizations and individuals respond to their changing environments, and by making the knowledge and resources created and preserved at the University accessible to the citizens of the state, the nation, and the world.

[Adopted by Board of Regents: January 14, 1994, Amended: February 8, 2008]
UNIVERSITY GUIDING PRINCIPLES

In all of its activities, the University strives to sustain an open exchange of ideas in an environment that:

▪ embodies the values of academic freedom, responsibility, integrity, and cooperation;
▪ provides an atmosphere of mutual respect, free from racism, sexism, and other forms of prejudice and intolerance;
▪ assists individuals, institutions, and communities in responding to a continuously changing world;
▪ is conscious of and responsive to the needs of the many communities it is committed to serving;
▪ creates and supports partnerships within the University, with other educational systems and institutions, and with communities to achieve common goals; and
▪ inspires, sets high expectations for, and empowers the individuals within its community.

[Adopted by Board of Regents: January 14, 1994, Amended: February 8, 2008]
PURPOSE of the SYSTEM

As a system, the University of Minnesota will connect its distinctive statewide resources to provide outstanding education, globally significant research, and extension and outreach programming to positively impact the quality of life in Minnesota, the nation, and the world.
# THEORY OF ACTION for the SYSTEM

<table>
<thead>
<tr>
<th>IF WE…</th>
<th>THEN WE WILL…</th>
<th>AND…</th>
<th>AND…</th>
<th>LEADING TO…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognize the University of Minnesota’s unique role in the State as “the primary state supported academic agency for research and extension services”** AND value the distinctiveness of our campuses and the comprehensive and distributed nature of our system</td>
<td>Invest in each campus and its units so they can excel in their areas of unique strength</td>
<td>Develop stronger collaborations and minimize internal competition</td>
<td>Advance excellence in research and discovery, teaching and learning, and outreach and public service</td>
<td>A system that connects its distinctive statewide resources to provide outstanding education, globally significant research, and extension and outreach programming to positively impact the quality of life in Minnesota, the nation, and the world.</td>
</tr>
</tbody>
</table>

* 2016 Minnesota Statute 135A.052 Postsecondary Missions.
STRATEGIC INTENTIONS as a SYSTEM

✧ We will support the development of learners and leaders across their lifespan to equip them to productively engage in their workplaces and communities.

✧ We will facilitate scholarly research and creative work to solve problems, expand possibilities, and enrich the human condition.

✧ We will partner with Minnesota communities to address challenges and create opportunities.
UMN SYSTEM CAPACITY BUILDING TO ACHIEVE THE STRATEGIC INTENTIONS

- Ensure that the distinctiveness of each campus is planned, communicated, and adequately resourced.
- Ensure that the strength of the system is actively communicated with stakeholders.
- Develop systems that promote inclusive excellence.
- Integrate system mindfulness throughout our core functions and decision-making processes.
Listening (Fall)
- Campus visits
- Unit visits
- Internal stakeholder survey
- Board listening

Synthesis (Winter)
- Ideas percolating
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- External stakeholder survey
- More listening

Affirmation (Today–Spring)
- Campus visits
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Approval (May–June)
- Finalization
- Board of Regents approval
AGENDA ITEM: Community Engagement: UMD, Duluth, and the Northland

☐ Review  ☐ Review + Action  ☐ Action  X Discussion

This is a report required by Board policy.

PRESENTERS: Lendley C. Black, Chancellor, UMD
Fernando P. Delgado, Executive Vice Chancellor for Academic Affairs, UMD
Lisa Ann Erwin, Vice Chancellor for Student Life, UMD

PURPOSE & KEY POINTS

This item focuses on the close ties and interactions between the University of Minnesota Duluth, the greater Duluth community, and the Northland. It will detail examples of progress toward community engagement goals and highlight how UMD is making a positive difference in Duluth and northern Minnesota. The discussion will include an overview of UMD's community engagement over the past several years. This follows a similar discussion at the Board’s February 2017 meeting about community engagement on the Twin Cities campus.

Greater connections and more meaningful impact in the community are ongoing priorities for UMD. One of the goals of the UMD Strategic Plan calls to: “Strengthen ties with Duluth and surrounding communities in an intentional, visible and mutually beneficial partnership.” Campus community engagement efforts fall into these categories:

- **Academics and Community Engagement**
  Emphasizing the impact of research and creative activities on the quality of life and culture in the Northland, as well as the state and the region. This includes the work of campus centers, as well as collaborations between faculty and staff and other local and government agencies. Examples include: partnerships the U.S. Department of Health and Human Services, STEM education and outreach to K-12, and regional food systems.

- **Student Community Engagement**
  Emphasizing the impact of student volunteerism in the community through Athletics, Greek Life, and various student organizations. Students also have an important role in workforce development through internships, co-ops, and community organizations. UMD has many strong and sustained campus-community ties through initiatives like the Better Neighbors Program, transportation initiatives, and student conduct in the surrounding neighborhoods.
• **Administration and Community Partnerships**

Emphasizing the collaborations with city planning and public safety, as well as partnerships with local, regional, and community entities in sustainability. As an example, UMD has established a partnership with a private developer that has resulted in property assets for campus and the surrounding neighborhood. This includes the BlueStone mixed-use development and other UMD properties on Woodland Avenue.
Community Engagement: UMD, Duluth, and the Northland

Presented by:
Lendley C. Black, Chancellor
Fernando P. Delgado, Executive Vice Chancellor for Academic Affairs
Lisa Ann Erwin, Vice Chancellor for Student Life
MLK Day Community March
24th Annual Joel Labovitz Entrepreneurial Success Awards
Overview

- Academics and Community Engagement
- Student Community Engagement
- Administration and Community Partners
Natural Resources Research Institute - Amity Creek water testing
980 businesses served
Center for Economic Development - Student to Business Initiative
UMD Girls’ Engineering Camp Helps Boost STEM Interest

Heidi Enninga
July 14, 2016 10:36 PM

It's no secret that few girls end up pursuing STEM fields; of UMD’s electrical engineering students, just ten percent are women, and that number isn't much different nationally.

A UMD camp geared specifically for middle school girls this week, however, could help change those statistics.

On Thursday, 13-year-old Ashlyn Molard was diligently working on a self-designed maze that incorporated lots of traditional crafting materials, but also battery-powered lights that
Large Lakes Observatory - Science on Deck
Large Lakes Observatory - Science on Deck
Portable GeoDome at local elementary
Duluth Shines - Business energy efficiency
Federal grant for UMD aims to help Native American children

By Jana Hollingsworth on Dec 14, 2016 at 8:02 p.m.

Minnesota has the most disproportionate rate in the country of Native American children in foster care, and St. Louis County's rate is among the worst in the state.

The University of Minnesota Duluth's social work department has been tackling that issue for some time, and was just awarded one of three federal grants to further its work.

The U.S. Department of Health and Human Services awarded a five-year grant to UMD worth more than $2 million to create a better delivery system for the Indian Child Welfare Act, a federal law meant to keep Native American kids with Native American families.
Internships and co-ops
Internships and co-ops
Neighborhood relationships
Transportation initiatives
Transportation initiatives
Impactful volunteering
Impactful volunteering - Feast of Nations
Impactful volunteering
Impactful volunteering
Athletics and Laura MacArthur Elementary
Community welcome students campaign

Welcome back students!
Bluestone development - Woodland Ave
Bluestone development - Woodland Ave

[Map of the development showing various locations, distances, and shops.]
Campus pedestrian & bike path entrance
Sustainability: UMD Farm Fest provides community outreach and education
UMDPD partner with area law enforcement
Community Engagement: UMD, Duluth, and the Northland

Presented by:
Lendley C. Black, Chancellor
Fernando P. Delgado, Executive Vice Chancellor for Academic Affairs
Lisa Ann Erwin, Vice Chancellor for Student Life
AGENDA ITEM: FY 2018 Budget Framework

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

This is a report required by Board policy.

PRESENTERS:
President Eric W. Kaler
Brian Burnett, Senior Vice President, Finance and Operations
Julie Tonneson, Associate Vice President, Budget and Finance

PURPOSE & KEY POINTS

The purpose of this agenda item is to engage in a discussion regarding operating budget planning assumptions for the fiscal year beginning July 1, 2017. The discussion will include:

- An outline of the budget framework components.
- Identification of required, variable, and strategic cost and investment categories.
- Resource options in the context of the biennial budget request.
- Next steps in development of the FY18 budget.

Key questions related to the development of preliminary operating budget planning assumptions for the fiscal year beginning July 1, 2017 include:

- What, conceptually, is a “budget framework”?
- What are the known “required” cost increases related to facilities, contractual obligations, and student aid?
- What are the categories of variable cost increases and how should they be considered?
- What is the appropriate level of strategic investment in academic and mission support units?
- How are the biennial budget investment request items and potential appropriations included within the budget framework?
- What changes should be considered for the resident undergraduate tuition rates for each campus? What should the undergraduate nonresident/non-reciprocity (NRNR) rate plan be?
- What is an acceptable level of increase for the graduate and professional tuition rates?
- What is the plan for repurposing resources through administrative and other reallocations?

Development of operating budget assumptions for FY 2018 play an important role in planning for the president’s recommended annual operating budget. The operating budget will include
recommendations regarding new state appropriations, tuition, fees, and internal reallocations. The budget supports compensation plans, strategic investments, facilities, and ongoing operations.

BACKGROUND INFORMATION

The Board approved the biennial budget request at its October 2016 meeting. Preliminary discussions about the FY 2018 operating budget were held at the Board's September 2016 work session.

The President’s recommended annual operating budget is brought to the Board for review and approval each year in late spring or early summer depending on the adjournment date of the Minnesota Legislature. It is anticipated that the President will provide recommendations on the FY 2018 annual operating budget for review in early June 2017 and action later that month.
Agenda

- Budget Framework Summary
- “Required”, “Variable” and “Strategic” Costs
- New Resources
- Repurposed Resources
Budget Development Components

- Biennial Budget Request
- Annual Budget Framework
- Long Term Financial Planning – All Funds
- President’s Annual Operating Budget
- Biennial Budget Request
- Annual Budget Framework
- Long Term Financial Planning – All Funds
- President’s Annual Operating Budget
University of Minnesota Revenue Sources
All Funds Approved Budget FY17: $3.8 Billion

- Tuition: 25%
- ICR: 4%
- ISO: 6%
- Sales, Fees & Misc.: 9%
- Nonsponsored Grants & Contracts: 9%
- Sponsored: 15%
- Auxiliary Ops: 9%
- Gifts & Endow. Income: 6%
- Federal Approp: 0%
- State Support: 17%
- Federal Approp: 0%
- Tuition: $914.3m
- ICR: $650.0m
- ISO: $133.8m
- Sales, Fees & Misc.: $224.1m
- Nonsponsored Grants & Contracts: $344.3m
- Sponsored: $575.0m
- Auxiliary Ops: $349.8m
- Gifts & Endow. Income: $240.2m
- Federal Approp: $17.7m
- State Support: $914.3m
- Tuition: $3.8 Billion
Budget Development Process

Defining the **Budget Framework** & Balancing the Budget

### Part 1: Available Resources
- Tuition
- State Appropriation
- Planned Reallocation
- Other

### Part 2: Costs & Investments
- Compensation
- Academic Investments
- Facility Costs
- Other

### Part 3: Balancing the Budget
University of Minnesota Revenue Sources
By Fund Category-FY17: $3.5 Billion (excludes internal sales)

- **O&M Appropriation and Tuition**: 41%
- **Sponsored**: 16%
- **Auxiliaries**: 13%
- **Misc. Unrestricted – Differentially Available to Units Based on Ability to Generate (ICR, Fees, Sales, Clinical Income, etc.)**: 10%
- **Restricted to Purpose or Units (Gifts, Endowment Earnings, State Special and Federal Appropriations, Non-Sponsored Grants & Contracts)**: 20%
## Recurring Expense Drivers

### Required Costs
- Utilities
- New Building Ops.
- Debt
- Leases
- Contractual/Licensing
- Financial Aid

### Variable Costs
- Compensation (Salary & Fringe)
- Facility Repairs & Replacement
- Network Upgrade
- Financial Aid (Need & Merit)

### Strategic Pools
- System-wide Investment Pool – Academic Units
- System-wide Investment Pool – Mission Support Units

### Framework Costs
Recurring Expense Drivers

Incremental Framework Costs

Required Costs $6,240,000

- Utilities $1,050,000
- New Building Operations $1,300,000
- Debt $2,600,000
- Contractual/Licensing $535,000
- Network Upgrade (O&M impact) $420,000
- Financial Aid (merit match) $335,000
Recurring Expense Drivers

Variable Costs

- Compensation (Salary & Fringe)
- Facility Repairs & Replacement
- Financial Aid (Need/Promise)
Recurring Expense Drivers

Incremental Framework Costs

Variable Costs

Compensation

Target Pool: $34.5m @ 2.0% salary increase plus increased fringe cost
Salary & Benefit Expenses –
2017 Annual Merit Increase Percentage

One consideration - the annual merit increase percentage must be competitive with local general industry and education industry

<table>
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<tr>
<th>Survey Name</th>
<th>Local</th>
<th>National</th>
<th>Higher Ed National</th>
<th>Public Sector National</th>
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<tr>
<td>Aon Hewitt</td>
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<td>Altura</td>
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<td><strong>Average</strong></td>
<td><strong>2.96</strong></td>
<td><strong>2.97</strong></td>
<td><strong>2.65</strong></td>
<td><strong>2.63</strong></td>
</tr>
</tbody>
</table>

Jan. 2017 12 mo. CPI = 2.5%  
FY16 HEPI wages 2.7%-3.1% range
Salary & Benefit Expenses – FY18 Issues

• Fringe pool cost will bounce back after FY17 held “artificially” low due to legal settlement in FY15 – framework funds increase for fringe alone (no salary increase) estimated at $11.7m (factored into the $34.5m)

• Change in MSRS – state may require employer contribution to increase from 5.5% to 7% to reflect longer life expectancy – all funds increase in cost estimated to be $6.5m – O&M $3.0m spread across all units (NOT factored into the $34.5m)
Recurring Expense Drivers

Variable Costs

- Facility Repairs & Replacement
  Target: at least $1.0M

- Network Upgrade
  Target: $420k O&M/$4.0m Central Reserves

- Financial Aid (Need/Promise)
  Target: $0 - $2.0m

Incremental Framework Costs
What does $1M additional R&R buy?

- Current R&R allocation: **approx. $10.75M**
- Additional $1M increases allocation by **11%**
- Helps close renewal funding gap & raises R&R investment from $0.53/sf to **$0.58/sf**
- Completes 10 **more critical projects** at average cost of $100k
  
  - Roof Repairs
  - Accessible Restrooms
  - Plumbing / Electrical Repairs
  - Window Replacements
  - Security Improvements
  - Ventilation and Air Quality
# Financing Plan – Network Upgrade

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<tbody>
<tr>
<td>Estimated Cost of the Network Upgrade Project</td>
<td>$78M</td>
<td>$70M</td>
</tr>
<tr>
<td>One-Time Funds Reserved for this Project</td>
<td>$20M</td>
<td>$23M</td>
</tr>
<tr>
<td>State Request</td>
<td>$19M</td>
<td>$0M</td>
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<tr>
<td>Earnings – New TIP Investment FY17</td>
<td>$0M</td>
<td>$3M</td>
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<tr>
<td>Subtotal Year 1</td>
<td>$39M</td>
<td>$26M</td>
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<tr>
<td>Earnings – New TIP Investment FY18-FY27($4m/yr for 10 yrs)</td>
<td>$0M</td>
<td>$40M</td>
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<tr>
<td>Balance - Annual Budget (~ $400k/yr for 10 yrs)*</td>
<td>$39M</td>
<td>$4M</td>
</tr>
<tr>
<td>Total Resources</td>
<td>$78M</td>
<td>$70M</td>
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* This amount would be divided by 10 and included as an investment in the annual operating budget beginning in FY18. It will be adjusted as necessary to accommodate a variance in the final project cost, a change in the estimated investment earnings, and/or availability of additional one-time resources.
Financial Aid – Promise Program

- Provides automatic aid to low and middle income Minnesota resident undergraduate students.
- Available on all campuses.
- 2016-17 awards from $306 - $4,134 annually, scaled to family income.
- Provides awards for families up to $120,000 in family income.
- Guaranteed for 8 semesters for incoming freshmen, 4 semesters for transfer students.
- Must maintain satisfactory academic progress.

Option - Address a Portion or All of Any Tuition Rate Increase

- Combine with potential increases in PELL and MN State Grant Program to offset tuition rate increase
- Cost dependent on rate increase (e.g., TC 2% = $2.5m)
Recurring Expense Drivers

Incremental Framework Costs

Strategic Pools

Biennial Budget Request Initiatives
Target: $26.0m (excluding Core Mission)

System-wide Investments – Academic Units
Target: $8.0m-10.0m

System-wide Investments - Mission Support Units
Target: $3.0m - $5.0m
Resource Drivers

Framework Resources

Group I
New Resources

Group II
Repurposing Resources
Resource Drivers

- Group I
  - New Resources
    - State Appropriation
    - Resident Undergrad. Tuition
    - NRNR Undergrad. Tuition
    - Graduation & Professional Tuition
    - Other
<table>
<thead>
<tr>
<th>Incremental over prior year</th>
<th>2018</th>
<th>2019</th>
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</thead>
<tbody>
<tr>
<td>Core Mission</td>
<td>$22.6</td>
<td>$23.0</td>
</tr>
<tr>
<td>Student Success</td>
<td>$8.5</td>
<td>$5.0</td>
</tr>
<tr>
<td>MnDRIVE</td>
<td>$8.5</td>
<td>$15.0</td>
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<tr>
<td>Health Training Restoration</td>
<td>$6.0</td>
<td>$2.0</td>
</tr>
<tr>
<td>NRRI-Applied Research for Economic Dev.</td>
<td>$1.0</td>
<td>$2.0</td>
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<tr>
<td>Bell Museum Operations</td>
<td>$2.0</td>
<td>$3.0</td>
</tr>
<tr>
<td>Total University Request</td>
<td>$48.6</td>
<td>$50.0</td>
</tr>
</tbody>
</table>

Critical for budget framework and to minimize tuition increases.

Biennial Math Total
(2018 * 2) + 2019

(dollars in millions)
Undergraduate Resident Tuition Rates

Goals for FY18:

- For Twin Cities Campus – Minimize rate increases dependent on state funding and critical needs
- For System Campuses – Continue to freeze if possible to recognize competitive position among peers
## Undergraduate Resident Tuition Rates

### Twin Cities Campus

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<tbody>
<tr>
<td>Rate</td>
<td>$12,060</td>
<td>$12,060</td>
<td>$12,060</td>
<td>$12,240</td>
<td>$12,546</td>
<td>$12,796</td>
</tr>
<tr>
<td>$ change</td>
<td>+$0</td>
<td>+$0</td>
<td>+$180</td>
<td>+$306</td>
<td>+$250</td>
<td>+$250</td>
</tr>
<tr>
<td>% change</td>
<td>+0.0%</td>
<td>+0.0%</td>
<td>+1.5%</td>
<td>+2.5%</td>
<td>+2%</td>
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### System Campuses

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<tbody>
<tr>
<td>UMD, UMM, UMR</td>
<td>$11,720</td>
<td>$11,720</td>
<td>$11,720</td>
<td>$11,896</td>
<td>$11,896</td>
<td>$11,896</td>
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<tr>
<td>$ change</td>
<td>+$0</td>
<td>+$0</td>
<td>+$176</td>
<td>+$0</td>
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<tr>
<td>UMC</td>
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<td>$10,030</td>
<td>$10,030</td>
<td>$10,180</td>
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<tr>
<td>$ change</td>
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<td>+$0</td>
<td>+$150</td>
<td>+$0</td>
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<tr>
<td>% change</td>
<td>+0.0%</td>
<td>+0.0%</td>
<td>+1.5%</td>
<td>+0.0%</td>
<td>+0.0%</td>
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Resident Undergraduate, Graduate and Professional

• Resident Undergraduate Rate *(assume stable enrollment)*
  - each 1% change (TC) = $3.2m
  - each 1% change (system campuses) = $1.3m

• Graduate & Professional Rate *(assume stable enrollment)*
  - each 1% change = $1.9m
Non-Resident/Non-Reciprocity Tuition Rates

Options to Consider:

- For Twin Cities Campus - Tuition and fees to continue to move up from the bottom of the Big 10 over time – Increase by 7.5%-10% annually
- For UMD and UMM Campuses – Modest increases dependent on market considerations
- Use “tuition discounting” in recruitment of new freshmen
- Use “tuition discounting” to particularly lower the effects of any tuition rate increases for continuing students
- Monitor effects closely to ensure geographical diversity of national and international students

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<tbody>
<tr>
<td>Rate</td>
<td>$17,310</td>
<td>$18,310</td>
<td>$19,310</td>
<td>$20,660</td>
<td>$22,210</td>
<td>$24,431</td>
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<td>$ change</td>
<td>+$1,000</td>
<td>+$1,000</td>
<td>+$1,350</td>
<td>+$1,550</td>
<td>+$2,221</td>
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<tr>
<td>% change</td>
<td>+5.8%</td>
<td>+5.5%</td>
<td>+7.0%</td>
<td>+7.5%</td>
<td>+10.0%</td>
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Would remain 13 of 14 in Big 10
Resource Drivers

Group II
Repurposing Resources
Target $12.5m-$20.0m

Administrative Reallocation
Target – minimum of $12.5m

Reallocation from Mission Activities May be Necessary to Balance the Budget and Address Unit Level Challenges
1. FY14 Implemented - *(Final list compiled & communicated during 2015 session)*
2. FY15 Implemented - *(Final list compiled and communicated to the Board of Regents)*
3. FY16 Implemented - *(Final list compiled and communicated during 2017 session)*
4. The FY17 approved budget includes unit level reallocations to support the costs and investments in the O&M/Tuition/State Specials portion of the budget
5. The FY17 approved budget also includes unit level reallocations in the other non-sponsored funds to reduce administrative costs – pay for cost increases and reduce the pressure on increased revenues in those funds (sales, fees, etc.)

President’s Goal – $90m Reduction in Admin Costs Over 6 Years FY14 - FY18 and “balance”

- FY14 Implemented: $18.8m
- FY15 Implemented: $19.6m
- FY16 Implemented: $15.4m
- FY17 Budget: $10.0m
- FY17 Reallocations: $4.7m

Total to Date: $68.5m
Total Remaining: $21.5m
**FY2018 Target**: $12.5m
Balance FY19: $9.0m
Budget Development Process
Defining the Budget Framework & Balancing the Budget

Part 1: Available Resources
- State Appropriation
- Internal Reallocation
- Tuition
- Other Resources

Part 2: Costs & Investments
- Fixed Costs
- Variable Costs
- Strategic Pools

Part 3: Balancing the Budget
Target Date: June 8-9, 2017
AGENDA ITEM: Report of the Committees

☐ Review  ☐ Review + Action  ☐ Action  ☐ Discussion

☒ This is a report required by Board policy.

PRESENTERS: Regent Dean E. Johnson

PURPOSE & KEY POINTS

Pursuant to Board of Regents Policy: Board Operations and Agenda Guidelines, “The Board conducts business through meetings of the Board and its committees... [and] 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 Board vice chair.”

The Board chair will call on the chair of each committee to present recommended actions and provide a brief report.

BACKGROUND

Current committee chairs:
- Academic & Student Affairs Committee – L. Cohen
- Audit & Compliance Committee – P. Lucas (acting)
- Facilities, Planning & Operations Committee – D. McMillan
- Faculty & Staff Affairs Committee – P. Simmons
- Finance Committee – R. Beeson
- Governance & Policy Committee – L. Cohen
- Litigation Review Committee – T. Anderson (acting)