

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Audit Committee
May 7, 2015

A meeting of the Audit Committee of the Board of Regents was held on Thursday, May 7, 2015, at 7:30 a.m. in the East Committee Room, 600 McNamara Alumni Center.

Regents present: Richard Beeson, presiding; Thomas Anderson and Peggy Lucas. Laura Brod participated by phone.

Staff present: Senior Vice President and Provost Karen Hanson; Vice President Brian Herman; General Counsel William Donohue; Executive Director Brian Steeves; and Associate Vice Presidents Gail Klatt and Michael Volna.

invited Associate Vice President Volna to present the were \$

678,300 for FY 2014 engagements, with actual fees paid of \$658,221. All FY 2014 engagements with Deloitte have been completed. He indicated

EXTERNAL AUDIT PLAN

Regent Beeson invited Associate Vi

The meeting adjourned at 9:05 a.m.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

CLINICAL AND TRANSLATIONAL HEALTH RESEARCH AT THE UNIVERSITY

Vice President Jackson introduced Bill Blazar, Associate Vice President for Clinical and Translational Science and Director of the University's Clinical and Translational Science Institute, to provide an overview of clinical and translational health research at the University, as detailed in the docket.

Blazar outlined that the Clinical and Translational Science Institute (CTSI) is the academic home of the Clinical and Translational Science Award (CTSA). The University is working with 61 other CTSA-funded institutions to increase the efficiency and speed of clinical and translational research.

He explained that the CTSA was for \$51.5 million over five years, with March 1, 2015 marking the start of the fifth year. The University will re-apply for the award, but the revised funding formula by the NIH will reduce the annual award amount by \$3.5 million.

Blazar shared example 1 (a)-5 (.)] 0 and

and frequency of ongoing review , with review occurring no less than one time per year. Certain types of changes to a study also require a subsequent review by the IRB.

Billings explained that service on the University's IRB is entirely volunteer except for the chair and vice chair, but identified salary support as important to attract the necessary experts to participate. She noted that salary support is likely to be a recommendation from the implementation team. Jackson stated that a budget recommendation would be drafted to support a robust IRB. He added that recruiting and retaining faculty to serve on the IRB is a

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Academic & Student Affairs Committee
May 7, 2015

A meeting of the Academic & Student Affairs Committee of the Board of Regents was held on Thursday, May 7, 2015 at 9:15 a.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellor's Lendley Black and Jacqueline Johnson; Senior Vice President and Provost Karen H(n) 446.5996 564.96 c6/ 2 94 2 2t h (nt) 5 (r)] TJ ET Q q 0.24 0 0 0.87 23574 72 529.68 cm BT 1600!

creating a public website that will provide metrics along with additional context and data in an easy to understand format.

In response to a question from Regent Lucas, K

- ! College of Continuing Education (Twin Cities campus)Ñ Create undergraduate minor in Health Services Management
- ! College of Continuing Education (Twin Cities campus)Ñ Create undergraduate certificate in Health Services Management
- ! College of Design (Twin Cities campus)324 0 0 Colle of DffffinCollti485 3 (g)412 Tc 41 0 0 41 0 0 Tm /TT2 (l) 7

¥ Request for Approval of Discontinued Academic Programs

! School of Dentistry (Twin Cities campus) Ñ Discontinue the B.S. in Dental Therapy

The meeting adjourned at 11:11 a.m.

BRIAN R. STEEVES
Executive Director and
Corporate Secretary

In response to a comment by Regent Beeson, Dady agreed that earmarking money for specific campuses is not a helpful practice. She added that she reiterated to legislators the established and preferred practice of allocating resources to University operations and maintenance (O&M) funding and not specific earmarks. Kaler expressed concern regarding this practice, but indicated his willingness to

In response to a question from Student Representative Ebert, Harris noted that work has been done over the past year to assess the condition of the chapter houses and understand what the possible need would be. The first year of the program will have incentives, such as writing down some of the loan fees, to encourage early adopters.

In response to a question from Regent Beeson, Harris commented that the loan process would be handled through a title company and use standard industry practice. UMFREA and the title company would inspect the work being done to ensure the Greek organization is following the terms and conditions of the loan. Beeson added that in this situation, the University is the lender of last resort. He offered that Greek organizations are not able to acquire traditional loans, creating a gap for funding. This program allows the University and UMF to fill that need. He thanked Friswold and MGAC for their work.

The Greek Loan Program will return for action at a future meeting.

Regent Hsu returned to the meeting.

PERMANENT UNIVERSITY FUND (PUF) LANDS PRIMER

Regent McMillan invited Associate Vice President Volna and Susan Carlson Weinberg, Director of Real Estate, to present a primer on Permanent University Fund (PUF) lands, as detailed in the docket.

McMillan opened the discussion with some perspective on what he has seen as a resident of Duluth and from his professional experience. He emphasized the important magnitude of the PUF lands—a \$530 million asset for the University—and their outsized impact on the University, with more than 20 percent of new freshmen receiving scholarships from the PUF lands fund. He added that University research has helped to develop the tonite industry and that further support for University research will be critical to continue to develop these resources.

Volna outlined a brief history of the PUF lands and noted key state statutes. He explained that the PUF lands are managed by the Minnesota Department of Natural Resources (DNR), which allocates the revenues generated by the different activities on those lands to the University. The Board invests those revenues in the University's Consolidated Endowment Fund.

Volna explained how the state forest trust land revenue and minerals management account are managed by the DNR and transferred to the University. He noted how current law distributes the mining funds into four main areas: endowed chair account, endowed fund for mineral research at the Natural Resources Research Institute (NRRI), the endowed Mesabi Range account, and the endowed scholarship fund. The 2014 impact of the endowed scholarship fund was an average scholarship of \$1,564; 1,522 resident undergraduate students or students eligible for Dream Act received scholarships, and \$2.4 million was distributed.

In response to a question from Student Representative Ebert, Weinberg noted the risk involved with returns from the PUF lands. Forest production is stable, but there is great risk with the steel industry. Currently, one of the US Steel plants will be idled in May. Weinberg added that previous downturns in steel production have affected the annual return, which in turn could affect scholarship distribution.

In response to a related question from Regent Anderson, Volna indicated that if steel proceeds decreased, there would be less new revenue added to the identified funds. However, the spending rate is set on the endowment for those funds, and the current level can be maintained regardless of PUF land performance year over year.

Regent McMillan addressed the committee , noting that the committee faces unique circumstances in an odd

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Facilities & Operations Committee
May 7 , 201 5

A meeting of the Facilities & Operations Committee of the Board of Regents was held on Thursday, May 7 , 201 5 at 12:45 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Thomas Devine , presiding , Thomas Anderson, Linda Cohen, Dean Johnson, Peggy Lucas, and Abdul Omari.

Staff present: President Eric Kaler; Chancellors Stephen Lehmkuhle and Fred Wood; Vice President Pamela Wheelock; Executive Director Brian Steeves; and Associate Vice President Michael Berthelsen.

Student Representatives present: Hannah Keil and Callie Livengood.

SCHEMATIC DESIGN

A. Bee Research Laboratory Twin Cities Campus

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

The schematic plans for the Bee Research Laboratory , Twin Cities Campus are approved and the appropriate administrative officers authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President Wheelock invited Suzanne Smith, Assistant Vice President for Capital Planning & Project Management, and Brian Buhr , Dean, College of Food, Agriculture, and Natural Resource Sciences (CFANS), to present the schematic plans, as detailed in the docket.

Smith explained that the project would include construction of a new facility on the east side of Gortner Avenue just south of Larpenteur Avenue in St. Paul. The project scope includes 10,500 gross square feet with laboratory space to support field research and biological science research, beekeeping and experimental equipment, maintenance and storage, and commercial grade honey extraction. Additional outdoor space will include a beekeeping apiary, demonstrator pollinator gardens, and a 740 square foot cold storage building.

Buhr noted that the new facility will address safety and cleanliness issues present in the current facilities, and will provide the laboratory space necessary for research activities.

In response to a question from Regent Johnson, Wheelock explained that bee research would now be conducted at two new facilities , in St. Paul and at the Landscape Arboretum . Future expansion would depend upon program needs.

In response to a question from Regent Anderson, Buhr reported that the new facility better positions CFANS to secure grants and fundraising to support increased operating costs.

The committee voted unanimously to recommend approval of the schematic plans for the Research Laboratory at Twin Cities Campus. Bee

REAL ESTATE TRANSACTION

- A. Purchase of 120 Acres of Land , Isanti County at Cedar Creek Ecosystem Science Reserve

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

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

¥ The subject property is located adj (r) 6 (s) 1 (ad) -1 41 0 0641 0 0 062 (a) 1 (t) 4 (e) 2 (d)] TJ ET 6r8

priority for pedestrians after trains clear the intersection, and the installation of detection technology for bicycles waiting to cross Washington Avenue.

Krueger reported that during the first year of operation, quarterly testing showed that the Met Council was unable to meet the Electromagnetic Interference (EMI) performance standards agreed upon in the operations and maintenance addendum approved by the Board in May 2014. She indicated that the source of the performance problems is debris entering the EMI mitigation boxes; the Met Council is pursuing a permanent solution. Krueger explained that the administration is requesting authorization to delay, for a second year, the execution of a written agreement with the Met Council to permanently relax a limited number of Vibration and EMI performance standards until the council can implement an engineering solution tu33wd0 (l) 4 (em) -7 (er

University housing providers , would combine the proven support services offered by the University with the type of housing students want and the market already provides.

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Faculty & Staff Affairs Committee
May 7, 2015

A meeting of the Faculty & Staff Affairs Committee of the Board of Regents was held on Thursday, May 7, 2015 at 12:45 p.m. in the East Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellors Lendley Black and Jacqueline Johnson; Senior Vice President and Provost Karen Hanson; Vice President Kathryn Brown; and Executive Director Brian Steeves.

Student Representatives present: Emily Caldis and Damien Carriere.

ANNUAL PROMOTION/TENURE RECOMMENDATIONS
CONTINUOUS APPOINTMENTS: ANNUAL RECOMMENDATIONS

Vice President Brown invited Senior Vice President and Provost Hanson and Vice Provost Allen Levine to present the annual promotion and tenure recommendations and the annual recommendations for continuous appointments, as detailed in the dock.

In

A work session of the Board of Regents of
May 7, 2015 at 3:00 p.m. in the Boardroom,

Regents present: Richard Beeson, presiding;
Michael Hsu, Dean Johnson, Peggy Lucas, D
Patricia Simmons participated by phone.

Staff present: President Eric Kaler; Chancellor
Lehmkuhle, and Fred Wood; Senior Vice President
Kathy Brown, Scott Studham, and Pamela Wheeler
Executive Director Brian Steeves; and Associate Vice

Chair Beeson provided a

- ¥ The need to link the goals of the progress card to other efforts or measures currently in place at the University, such as the Twin Cities strategic plan and accountability report.
- ¥ The desire for specific measures, such as ACT or SAT scores, or graduation rates.
- ¥ A way to track engagement with the broader community, including donors, industry partners, alumni, and the legislature.
- ¥ Caution about what is measured and how:
 - o Do not be too detailed; better to have bigger, broader goals
 - o Fewer in number
 - o Do not try to quantify everything
 - o Do not set goals for things outside the institution's control
- ¥ Engagement of the system campuses

William Messing ∅ Professor, Department of Mathematics

Messing stated that he was impressed by the statement and questions of a young student at the Academic Health Center town hall forum on human subjects research, held earlier in the week. He argued that the actions of the administration toward certain faculty members suggest to him that academic freedom is not valued at the University.

Naomi Scheman ∅ Professor, Department of Philosophy

Scheman, a member of the Implementation Team, expressed hope that the team will fulfill the role with which it was charged. She observed the marginalization and criticism of Carl Elliot and Leigh Turner, adding that without them, the University would not be addressing the current issues. She emphasized the importance of integrity, honesty, and ethics in all research. Scheman urged the Board to acknowledge the mistakes that were made in the past.

Carl Elliott ∅ Professor, Center for Bioethics

Elliott stated that he has filed over a dozen complaints to various University offices about human subjects research, all of which have been dismissed. He described a similar situation experienced by Robert Huber, noting that it took the University 16 months to investigate

Arne Carlson ð Former Governor, State of Minnesota

Carlson stated his belief that a weak oversight system invites management mistakes, and described the Regents as being merely an extension of the Office of the President. He expressed his concern that the considerations of major pharmaceutical companies have become more important than a commitment to the mission and values of the University. He accused the Regents of abandoning their responsibility.

Mike Howard ð Community Member

Howard noted that it has been 11 years since Dan Markingson died. He expressed his belief that the University considers itself above reproach and that it needs to change the way it handles procedures for dealing with complaints from individuals.

Colleen Traxler ð Community Member

Traxler stated that she has two children who have benefited from the University's medical care. She explained that one son with marijuana-induced psychosis was treated by Dr. Charles Schultz and his team. She described how the care team helped her family understand her son's diagnosis and identify the steps they should take moving

¥ Donald G. Truhlar, Regents Professor of Chemistry (American Academy of Arts and Sciences)

JOHN TATE AWARD FOR EXCELLENCE IN UNDERGRADUATE ADVISING

Recognition was given to the 2015 recipients of the John Tate Award for Excellence in Undergraduate Advising. The Tate Award serves to recognize and reward high-quality academic advising. It calls attention to the contribution academic advising provides in helping students formulate and achieve intellectual, career, and personal goals. The recipients are:

- ¥ Jess Larson, Professor, Studio Arts/Humanities, University of Minnesota Morris
- ¥ Chris Leighton, Distinguished McKnight University Professor, Chemical Engineering

Beinecke Scholarship

Established in 1971, the Beinecke Scholarship Program provides scholarships for the graduate education of young men and women of exceptional promise. The program seeks to encourage and enable highly motivated students to pursue opportunities available to them and to be courageous in the selection of a graduate course of study in the arts, humanities and social sciences.

✶ Edward Chappell, undergraduate in English and history (honors program), College of Liberal Arts

Churchill Scholarship

The Winston Churchill Foundation of the United States was founded in 1959 to offer American

regular duties and have demonstrated an extraordinary commitment to the University community. The 2015 recipients are:

- ¥ Mary Cannedy -Clarke, Associate Administrator, University of Minnesota Medical School Duluth
- ¥ Gary Christenson, Medical Director and Chief Medical Officer, Boynton Health Services, Office for Student Affairs
- ¥ Kim Dockter, Senior Director of External Relations, College of Science and Engineering
- ¥ Jennifer Franko, Executive Secretary, Department of Postsecondary Teaching and Learning, College of Education and Human Development
- ¥ Gregory Hestness, Assistant Vice President for Public Safety and Chief of the University of Minnesota Police Department, University Services
- ¥ Aileen Lively, Senior Lead Business Analyst, Academic Support Resources, Office of the

Kaler also

In response to a question from Regent Devine, Ames noted that the University hopes to mobilize additional rapid response teams to help affected areas. He explained that the governor has offered overtime funds to help with diagnostics and testing. He emphasized that the biggest challenge is finite personnel, referencing the mere 11 technicians statewide. Ames stressed that the time it would take to train additional staff takes away from time spent conducting tests.

In response to a comment by Regent Brod, Ames agreed that the outbreak is a perfect example of how a strong education not only benefits an individual student or the University, but the people of the state. He emphasized that adequate funding for research is vital.

In response to a question from Regent Lucas, Ames explained that much is learned from each

on the investment over the next few years. He compared the upgrade to fixing a broken furnace in one's house.

REPORT OF THE AUDIT COMMITTEE

Regent Brod , Chair of the committee, reported that the committee received an update on the external audit review and external audit plan; received the semi-annual report of the internal compliance officer; discussed an institutional review board primer; and reviewed information items as outlined in the docket materials.

REPORT OF THE FACILITIES & OPERATIONS COMMITTEE

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

1. Approval of the schematic design, as presented to the committee and described in the May 7, 2015 minutes:
 - A. Bee Research Laboratory – Twin Cities Campus
2. Approval of the following real estate transactions as presented to the committee and described in the May 7, 2015 minutes:
 - A. Purchase of 120 acres of land, Isanti County – Cedar Creek Reserve
3. Approval of a Resolution related to Operating and Maintenance Addendum for the Central Corridor Light Rail Transit Project Through the University of Minnesota, Twin Cities Campus , as follows

WHEREAS, on August 31, 2010, the University of Minnesota and the Metropolitan Council (Met Council) successfully concluded negotiations on an Agreement for the Central Corridor Light Rail Transit Project Through the University of Minnesota, Twin Cities Minneapolis Campus ("Agreement") that achieves the University's objectives for construction and operation of the Central Corridor Light Rail Transit ("CCLRT") Project line grade along Washington Avenue, and settled the University's lawsuit against the Met Council; and

WHEREAS, in the Agreement, the Met Council unambiguously committed to construct and operate the CCLRT line in compliance with vitally important, rigorous performance standards for vibration and electromagnetic interference (EMI). The Agreement was incorporated into the Met Council's Final Environmental Impact Statement (FEIS) and the Federal Transit Administration's Record of Decision (ROD); and

WHEREAS, the Board of Regents approved the Agreement in its meeting on September 8, 2010, and the Agreement was duly fully executed by all parties on September 30, 2010; and

WHEREAS, the Met Council, City of Minneapolis, Hennepin County, and University staff negotiated an Operating and Maintenance Addendum to the Agreement to resolve the parties' rights and obligations with respect to the on-going maintenance and operation of the CCLRT after it commences revenue operation; and

WHEREAS, the Met Council and University staff have worked diligently and resolved other outstanding issues not included in this Addendum such as the University Fare Zone, reimbursement of University staff expenses, construction damage claims, and other construction punch list items; and

WHEREAS, the operation of the CCLRT during the vibration and EMI certification testing required by the Agreement exceeded the vibration and EMI performance standards set out in the Agreement under certain circumstances, thus requiring the Met Council to take corridor- and operational-based solutions to mitigate the EMI and vibration in those circumstances before it commenced revenue operation; and

WHEREAS, the University was willing to allow a one-time amendment to a limited number of the vibration and EMI performance standards in order to permit the Met Council to begin revenue operation on June 14, 2014, and in the Board of Regents meeting on May 9, 2014, resolved to permit that amendment; and

WHEREAS, the Board of Regents further resolved that the term of this one time amendment to the vibration and EMI performance standards would be one (1) year from the date revenue service commenced. Promptly upon the expiration of this amendment, the Met Council, at its sole cost and expense, is required implement corridor based solutions or make operational adjustments to ensure that CCLRT operations comply with the original Vibration and EMI Performance Standards, unless the parties have,

such termination. Promptly upon the termination or expiration of the Delay, the Met Council will comply with the original EMI and Vibration Performance Standards.

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

Devine reported that the committee also discussed the University's housing strategy.

REPORT OF THE FACULTY & STAFF AFFAIRS COMMITTEE

Regent McMillan,

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Nominating Committee

May 15 , 2015

A meeting of the Nominating Committee of the Board of Regents was held on Friday, May 15, 2015 at 12:00 p.m. in Room 238 Morrill Hall , 200 Church Street SE .

Regents present: Thomas Devine , presiding; Laura Brod and Linda Cohen .

Staff present: Executive Director Brian Steeves

The committee discussed the process to be used for preparing a slate of nominees to serve as Board officers and considered desirable attributes of Board leadership.

The meeting adjourned at 12:58 p.m.

BRIAN R. STEEVES

Executive Director
and Corporate Secretary

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Nominating Committee

May 21 , 2015

A meeting of the Nominating Committee of the Board of Regents was held on Thursday , May 21, 2015 at 3 :00 p.m. in the Office of the Board of Regents , 600 McNamara Alumni Center .

Regents present: Thomas Devine , presiding; Laura Brod . Linda Cohen participated by phone .

Staff present: Executive Director Brian Steeves

Regents were interviewed individually regarding their goals, qualifications, and experience. The committee then discussed a possible slate of officers.

The meeting adjourned at 4:34 p.m.

BRIAN R. STEEVES

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Nominating Committee

May 2 7, 2015

A meeting of the Nominating Committee of the Board of Regents was held on Wednesday , May 2 7, 2015 at 12:30 p.m. in the Office of the Board of Regents, 600 McNamara Alumni Center .

Regents present: Thomas Devine , presiding; and Linda Cohen. All Regents participated by phone .

Staff present: Executive Director Brian Steeves .

The committee discussed and voted unanimously to recommend the following individuals to serve as Board officers:

- ¥ Dean Johnson to serve as Chair of the Board of Regents, 2015 -17;
- ¥ David McMillan to serve as Vice Chair of the Board of Regents, 2015 -17;
- ¥ Brian Steeves to serve as Secretary of the Board of Regents, 2015 -17; and
- ¥ Richard Pfutzenreuter to serve as Treasurer of the Board of Regents 2015 -17.

This slate will be presented to the Board for consideration at its annual meeting on June 12, 2015.

The meeting adjourned