

Year 2015-16

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Board of Regents Work Session:
Raising the National Profile of the University's Academic Health Sciences

March 30, 2016

Year 201 5-16

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Board of Regents Meeting
March 3 0, 201 6

A meeting of the Board of Regents of the University of Minnesota was held on Wednesday ,
March 3 0, 201 6 at 4:15 p.m.

UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Board of Regents Meeting
March 31 , 2016

A meeting of the Board of Regents of the University of Minnesota was held on Thursday , March 31 , 2016 at 8:45 a.m. in the Boardroom

representatives have cultivated relationships with many campus leaders and administrators. She speculated that future representatives will continue the momentum on the

6. Value ethnic, social, economic, geographic diversity.
7. Support timely graduation .
8. Adjust enrollment levels and tuition rates to provide revenues.
9. Continue need - and merit -based aid programs.
10. Direct attention to workforce needs.

Regent Anderson emphasized the importance of balancing NRNR tuition increases with changes to resident tuition. He voiced concern about the impact of tuition increases on the system campuses. He expressed his overall support for the resolution.

Regent Brod

Regent Omari commented that he would not support the resolution because it suggests increases to NRNR tuition of up to 1.2 percent per year.

Regent Lucas commented that the target for NRNR tuition should not be the midpoint of the Big Ten, noting the poor optics of such a move. She cautioned against increasing tuition too quickly.

Regent Hsu moved to amend section 8 b of the enrollment plan to state that the University will keep the resident tuition rate to a minimum, not just minimize increases. The motion was seconded.

The Board of Regents voted 9 -3 against the Hsu amendment. Regents Brod, Hsu, and Rosha

Pfutzenreuter provided an overview of the budget development process. He highlighted revenue sources, debt impact, and recurring expense drivers, including fixed costs, variable costs, and strategic pools.

Pfutzenreuter introduced Vice President Kathy Brown to report on the 2017 annual merit increase plan. Brown explained the determining factors for the FY 2017 compensation pool, changes to national compensation policy, and considerations for FY 2018.

Pfutzenreuter discussed incremental framework costs, including variable costs due to facilities repair and replacement (R&R) and network upgrades. Tonneson reported options for financial aid allocation, specifically the Promise Scholarship, and explained strategic cost pools. Tonneson explained the importance of the University's resource drivers, detailing plans for repurposing funds through reallocations, and described several options for NRNR tuition rate increases.

In response to a question from Regent Devine about funds reserved for Bell Museum debt service, Pfutzenreuter replied that excess money would be set aside and uses for it discussed.

Regent McMillan thanked the administration for the early budget discussion, noting that the additional time is appreciated and important. In response to his question about allocations, Tonneson noted that academic initiatives on the Twin Cities campus are funded from specific allocation pools that draw funds only from units on that campus. She clarified that other campuses are not supporting UMTC-specific programs.

In response to a question from Regent Beeson, Pfutzenreuter noted that utility costs will be noticeably reduced once the new combined heat and power plant is fully operational. He clarified that the plant was not yet online.

In response to comments from Regent Brod about NRNR tuition, President Kaler reported that options are open for discussion. He explained that if NRNR tuition is increased, buffers would be established to minimize the impact on currently enrolled students.

Regent Brod expressed disappointment that the armory, one of the oldest buildings on campus, was not listed in the R&R portion of the capital budget. Vice President Wheelock responded that older facilities are a particular challenge given other infrastructure needs. She noted that funding sources have been investigated, such as from the military, but that those funds are complicated by the more contemporary uses of the building.

In response to a question from Regent Rosha about the compensation pool, Pfutzenreuter replied that the 2.5 percent pool for FY 2017 would be uniformly allocated depending on the employee class. It is a general pool issued across all units and groups. Rosha requested a clearer breakdown of the pool by employee group to better understand why the increase

reported that the title of the University's chief academic officer would be changed from Senior Vice President and Provost to Executive Vice President and Provost. He shared an organizational chart that detailed the new and changed reporting relationships. Kaler highlighted a dotted line between the Athletic Director (AD) and his chief of staff and explained that he would like the Board's input on that reporting relationship.

A motion was made and seconded to adopt the Resolution on Restructuring System -Wide Operations Leadership.

Several Regents voiced concern over the dotted -line relationship between the AD and the chief of staff. President Kaler reiterated that he would like a small group of Regents to review that specific relationship. He explained the rationale for an additional reporting line to the chief of staff and provided detail about how the relationship works day to day. Kaler clarified that the resolution and the organizational chart are separate and that approving the resolution does not bind the Board to the proposed organizational chart.

The Board of Regents voted unanimously to approve the Resolution on Restructuring System -Wide Operations Leadership 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

Vice President for Research

Vice President for Equity and Diversity

Crookston, Duluth, Morris, and Rochester Chancellors

Chief of Staff

Athletics Director, Twin Cities Campus

Special Assistant for Government and Community Relations

General Counsel (also reports to the Board of Regents)

Associate Vice President for Internal Audit (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 operational leadership as described in this resolution, which shall become effective April 1, 2016, and directs the Secretary to make any necessary revisions to Board policy.

SYSTEM -WIDE STRATEGIC PLANNING: UMM

Chair Johnson invited Chancellor Jacqueline Johnson to report on the University of Minnesota Morris (UMM) strategic planning process. Chancellor Johnson reported on the strategic planning process on the Morris campus, key elements in the plan, and the connections between UMM and the Twin Cities strategic plans.

Several Regents expressed their thanks to Johnson for her dedication to the University during her tenure.

PRIMER ON MINNESOTA GOVERNMENT DATA PRACTICES ACT

Due to time constraints, this item was deferred to a later date.

NEW BUSINESS

Resolution Related to Specification of Appointment Authority

Regent Hsu proposed a resolution that would require Board approval for any initial appointment where an employee's annual salary exceeds \$250,000, or any employment agreement with a total cost of \$600,000 or more.

A motion was made and seconded to adopt the Resolution Related to Specification of Appointment Authority.

Regent Beeson opposed the resolution, reiterating his belief that the process is incorrect. He commented that he appreciates the ideas but that now is not the time.

Regent Brod

Regent Rosha clarified that he does not believe that this re solution would impede the work of the search committee .