### 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

A work session of the Board of Regents of the University of Minnesota was held on Wednesday, March 30, 2016 at 9:45 a.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: @mfair Johnson introduced

the Academic Health Center (AHC) deans to provide context for a discussion about raising the national profile of the University's Academic Health Sciences: Brooks Jackson, Medical School and Vice President for Academic Health Sciences; Trevor Ames, College of Veterinary Medicine; Leon Assael, School of Dentistry; Connie Delaney, School of Nursing; John Finnegan, School of Public Health; and Marilyn Speedie, College of Pharmacy.

Delaney provided an overview of the School of Nursing, describing its vision, mission, enrollment opportunities, and challenges.

Regent Simmons asked how participation in the AHC benefits the School and how inclusion in the system advances its work. Delaney commented on the synergies and collaborative processes across all units in the AHC. She added that the University's system is unique, since it is one of only three in the country that includes a veterinary medicine program. Delaney summarized that the variety of academic opportunities and programs, as well as strong clinical programs, are some of the strongest benefits.

Regent Beeson asked about opportunities related to an integrated M Health system. Delaney noted additional opportunities for clinical placement for students as well as other possibilities for faculty hires across systems. Speedie agreed that clinical placement is one of the top advantages, as well as innovation in care delivery. She explained that the merger would allow for more dual-appointment hires across systems, noting only two faculty members hold dual appointments in M Health and Fairview currently.

In response to a question about facilities from Regent Hsu, Assael noted that the facilities in Moos Tower are some of the worst on campus. He reported several unexpected expenses this year due to poor plumbing and flooding in the building. He explained the difficulty of renovating a building built in the mid-1970s to current standards.

Ames provided an overview of the College of Veterinary Medicine, highlighting the strength of

# 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

repre sentatives have cultivated relationships with many campus leaders and administrators. She speculated that future representatives will conti nue the momentum on the

- 6. Value ethnic, social, economic, geographic diversity.
- 7. Support timely graduation
- 8. Adjust enrollment levels and tuition rates to provide rev enues.
- 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 tu ition. He voiced concern about the impact of tuition increases on the system c ampuses. He expressed his overall support for the re solution.

Regent Brod

Regent Omari commented that he would not support the resolution because it su ggests increase s 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 res ident 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

Pfutz enreuter 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.

Pfutzenr euter 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.

Pfutz enreuter discussed incremental framework costs, including variable costs due to facilities repair and replacement (R&R) and network upgrade s. Tonneson reported options for financial aid allocation, specifically the Promise Scholarship, and explained strategic cost pools. Tonneson explained the importance of the UniversityÕs 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, Pfutz enreuter replied that excess money would be set aside and uses for it discussed.

Regent McMillan thank ed the administration for the early budget discuss ion, noting that the additional time is appreciated and important. In response 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, Pfutz enreuter 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 option s are open for discussion. He explained 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 building s 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 clear er breakdown of the pool by employee group to better understand why the increase

reported that the title of the UniversityÕs chief academic officer would be changed from Senior Vice President and Provost to Executive Vice President and Provost. He shar ed an organizational chart that detail ed 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 BoardÕs input on that reporting relationship.

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

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 PresidentÕs responsibilities and accountability for developing, recommending, and administering the policies of the Board of Regents; and

WHEREAS, the Regents recognize and r eaffirm 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 assess ing 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, Univer sity of Minnesota Alumni Association (dotted line report)

BE IT FURTHER RESOLVED that the Board of Regents accepts the reorganization of the UniversityÕs operational leadership as described in this resolution, which shall become effective April 1, 2016, a nd 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 U niversity of Minnesota Morris (UM M) strategic planning process. Chancell or Johnson reported on the strategic planning process on the Morris campus , key elements in the plan , and t he connections between UMM and t he 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, t his 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 employeeÕs 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 B eeson opposed the resolution, reiterating his belief that the process is i ncorrect. He commented that he appreciate s 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 .