

**Marion O'Neill**  
State Representative  
Wright County



# Minnesota House of Representatives

July 12, 2022

Board of Regents  
University of Minnesota

Delivered via email

Greetings Board of Regents:

It has come to our attention that on Wednesday, July 13, you will be voting on a contract to install an interim Chancellor at the University of Minnesota Duluth. One and only one candidate was interviewed by the internal search committee headed by UMN Senior VP of Finance and Operations Myron Frans, and that one and only one candidate is former Regent McMillan. After reviewing the series of events leading up to this vote, we believe that this appears to be a significant conflict of interest. It should be noted that Frans tripled his salary going from employment at the State of Minnesota to the University of Minnesota and directly reports to President Gabel. His contract was approved and voted for by McMillan.

According to national magazine *The Chronicle of Higher Education's* July 8, 2022 article "“Quid Pro Quo? A Former U. of Minnesota Regent Is the Sole Finalist for a Campus's Interim Chancellorship”",

“In response to a call for nominations on May 23, six people applied to be Duluth's interim chancellor, according to a memo sent to the regents on behalf of the search committee. McMillan submitted his resignation letter a day before the deadline to apply for the Duluth position. The committee interviewed just one candidate, McMillan,”

It is not lost on us that, prior to the interim chancellor search, an outside independent search firm was hired for \$166k but “no suitable chancellor candidate was found and moved forward”. In addition, current interim Vice-Chancellor for Academic Affairs Amy Hietapelto was not even given the courtesy of an interview for the interim chancellor job.

*The Chronicle* goes on to quote a national expert about the conflict of interest,

“One expert condemned McMillan's decision to resign as regent and seek the chancellorship. Armand Alacbay, vice president for trustee and government affairs at the American Council of Trustees and Alumni, said in a statement last week that members of



university governing boards' primary responsibility is to the public, which "requires that a regent avoid even the appearance of a conflict of interest in carrying out his or her fiduciary obligations. To do otherwise undermines public trust in our nation's institutions of higher education, which are vital to the long-term civic and economic health of this country."

Former Minnesota Gov. Arne Carlson told KSTP 5 EYEWITNESS NEWS on June 15, 2022, he was not in favor of the McMillan nomination because it has the appearance of **a conflict of interest**.

"I am stunned. Thoroughly stunned. I cannot believe anybody would be part of this kind of arrangement," said Carlson. "This appears to be a very shabby form of a quid-pro-quo. And it's given the university a black eye, and it has to be investigated. It appears to be **a very serious conflict of interest**."

Furthermore, in *The Chronicle's* article, it states that,

"[former Governor] Carlson, along with a retired state legislator, a law professor, and Darrin M. Rosha, a regent, made similar arguments in a June letter requesting a legislative audit of McMillan's application and other board issues."

Carlson's letter states,

"McMillan has been a strong supporter of the current Board Chair, played a lead role in funding the Maroon and Gold PAC, and was pivotal in gaining Board approval of the President's 2021 contract and raise. He and the President communicated about his candidacy for what appears a tailor-made position prior to his resignation from the Board and while he still served as one of the regents overseeing the President. A public campaign of support for McMillan's appointment is now underway despite his lack of academic or other relevant experience.

In summary, a few months after leading the effort for approval of a contract granting increased powers to the Board Chair and a generous pay increase for President Gabel, former regent McMillan now calls on the recipient of that generosity to grant him a chancellorship despite a lack of qualifications after dismissing candidates with impressive academic experience and a recommendation by the search firm retained by the President. McMillan has already provided the President the quid, and it remains to be seen whether the President and Board leadership reciprocate with the quo."

Hamline University law professor David Schultz said in an interview with KSTP 5 that the McMillan nomination raises questions about fairness in the search for a new UMD chancellor.

“It creates the possibility of a **conflict of interest** because McMillan has a relationship with President Gabel which other candidates might not have,” Schultz said. “And he also has a relationship with the Board of Regents which, put together, could give him an inside track on the job.”

According to the docket for the Board of Regents meeting on Wednesday, a draft employment agreement for McMillan is not available. If you vote to approve him, when will an employment agreement be available? Who will negotiate this employment agreement? Who will approve this employment agreement? Will it be President Gabel, whose own employment agreement was just dramatically increased to \$1.2 million with McMillan’s vote and strong support? We see another potential conflict of interest here as well.

We, members of the Legislature, implore you to vote NO on McMillan’s candidacy and go back to the drawing board, go back to the initial list of candidates from the search firm and the list of candidates that applied for the interim position. We implore you to hold yourselves to the highest moral and ethical standards, avoiding what appears to be a significant and serious conflict of interest.

With the greatest concern,



Representative Marion O’Neill  
House Minority Higher Education Lead



Senator David Osmeck  
President of the Senate



Senator Jason Rarick  
Senate Majority Higher Education Vice Chair



Representative Tony Albright  
Higher Education Member



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Higher Education Member



Representative Josh Heintzeman  
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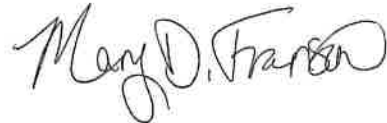
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Representative Shane Mekeland  
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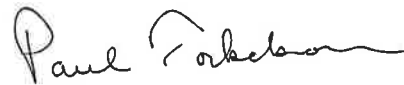
Representative Kristin Robbins



Representative Mary Franson



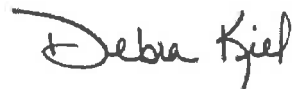
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Representative Paul Torkelson



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Representative Debra Kiel



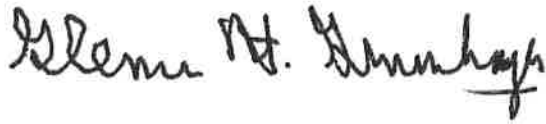
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