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**MINNESOTA INSTITUTE FOR ADDICTION AND STRESS  
RESEARCH**

**PROGRESS REPORT AND OPERATIONS PLAN**

**SUBMITTED TO THE GOVERNOR  
AND THE STATE LEGISLATURE**

**JANUARY 1, 1989**

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## **I. EXECUTIVE SUMMARY**

This Report is the work of the Board of Directors of the Minnesota Institute for Addiction and Stress Research. The Board was created during the 1988 legislative session and was given the responsibility of defining and directing the scope and mission of the Institute. This Report is respectfully submitted to the Governor and the Legislature in accordance with the provisions of Minnesota Statutes 1988, Section 152A.04, Subdivision 1:

The board shall submit a progress report and an operations plan to the governor and the legislature by January 1, 1989. The plan must include the board's operating procedures, personnel procedures, investment procedures, and the rules of conduct and ethics.

This Report is the result of three-month's work by those citizens chosen to serve on the Board by the Governor. Although much work remains to be done, the Board believes that this Report provides the framework for a concerted effort to better understand, treat and prevent chemical abuse and dependency in Minnesota. In addition, the proposed plan for the Institute will support research into the contribution of stress in the development and persistence of addictive and other disorders. The Board welcomes the scrutiny of the Legislative and Executive branches as its recommendations are studied and debated in the months ahead.

### **I. Budget**

This Report recommends a Budget and Organizational Plan for Fiscal Years 1989, 1990 and 1991. The Board is recommending that the state appropriate approximately \$2 million to the Institute in F.Y. '90 and \$3 million in F.Y. '91. These sums will allow the establishment of strong programs in basic and applied research, clinical training and education, and contracted research. While these are large sums, the Board is mindful that the direct costs of chemical dependency services in Minnesota is upwards of \$125 million

annually, with about one-quarter of this sum paid by state and local governments.

## II. Research Plan

The Institute will enhance and support the prevention and treatment of chemical dependency and other stress-related disorders in Minnesota by:

- funding and conducting basic and applied research
- fostering technology transfer between and among institutions and individuals in the field, and
- encouraging and funding efforts to increase the effectiveness of prevention, intervention and treatment of Minnesotans with substance abuse disorders.

Central to the Institute's efforts is the recognition that stress, whether it be physiological, psychological or environmental in origin, is a major contributor to the development and persistence of addictive behavior. The understanding of various stress mechanisms will inform the treatment of chemical dependency and other chronic illnesses.

The Board and Committees of the Institute have identified several complementary areas of study for the Institute:

1. Basic biomedical and neurochemical research
2. Costs and effectiveness of prevention and treatment strategies
3. Recidivism and relapse prevention
4. Evaluative studies of treatment outcomes
5. Studies on the epidemiology of substance abuse.

## III. Legislative Program

The Board has identified a number of changes that will bring its enabling legislation into harmony with its vision of the Institute. A Draft Bill and summary are included in this Report. Basically, the recommended changes will accomplish the following:

- a. The size of the Board is increased to 15 members (from 9).
- b. The President of the Institute is made a member of both the Board and the Executive Committee of the Board.
- c. All staff are exempted from state civil service requirements
- d. Staff are authorized to take advantage of the state's benefit packages.
- e. The Institute is authorized to establish a tax-exempt charitable foundation.
- f. The Board is required to submit a detailed annual report and audit to the governor and the legislature.
- g. The 6/30/91 "sunset" (repealer) date in the enabling legislation is repealed.

## **II. INTRODUCTION**

There are large public and private costs associated with each failed treatment, each drug-related crime and each ineffective prevention effort. The Board views the Institute as an institution that can unify and inform the private and governmental forces that are working for a state free of the ravages of chemical dependency and other stress-related illnesses. Through research and education, the Institute can help Minnesota's prevention and treatment systems become more sophisticated, more knowledgeable, and more effective.

In its efforts to create an Institute which will serve the citizens of the state, the Board kept its focus on a few crucial points:

1. Upwards of \$125 million is spent every year in Minnesota on the direct costs of chemical dependency.
2. The state and local units of government spend about \$40 million annually to provide treatment to low income persons and people without insurance.
3. The total cost of alcoholism in Minnesota (including treatment, other medical difficulties, increased mortality, and lost productivity) has been estimated to be about \$1.5 to \$2.0 billion annually. Drug abuse adds at least \$100 million to this figure. Minnesotans are justifiably concerned about the growing social damage caused by cocaine and its derivatives.
4. Approximately 50 percent of the people receiving chemical dependency treatment in Minnesota relapse within 2 years.
5. Minnesota has an international reputation as a leader and innovator in the treatment of substance abuse disorders. Chemical dependency treatment in this state is a major component of a vital health care industry.
6. Despite the state's leadership in providing direct services to chemically dependent people, the state does not enjoy a comparable position in either basic or clinical research devoted to the causes, natural history, prevention and treatment of addiction.

7. The state's Treatment providers rarely have the resources to keep abreast of promising developments in basic science or clinical approaches. The field of chemical dependency does not yet possess the formal and informal mechanisms of technology transfer which characterize other medical specialties.

Treatment in Minnesota tends to (1) view the addictive disorder as a "disease", (2) recommend total abstinence as the basis for recovery, (3) utilize a variety of therapeutic strategies including group and individual counselling, medical management, family counselling, reading and spiritual concepts, and (4) emphasize the role of "peer counselling" or support groups (A.A., other 12 Step groups, etc.) in recovery. Although this approach to addiction treatment has been widely emulated as the "Minnesota Model," approximately half of the patients who are exposed to it fail to achieve the goal of abstinence over a two year period. About one-third of all persons in treatment for chemical dependency have had prior treatments.

Emerging models of addiction based on genetic, neuro-chemical, cellular and behavioral factors are beginning to inform our understanding of the development, persistence and alleviation of addictive behavior. The Board believes that the Institute can not only further our understanding of the underlying mechanisms of substance abuse disorders; but can help move this understanding from the laboratory to the clinician's repertoire.

In its efforts to move from the mandates of its enabling legislation to a practical institutional blueprint, the Board reached consensus on a number of issues basic to the mission and structure of the Institute:

1. "Addiction" encompasses the substance abuse and dependency disorders recognized by the American Psychiatric Association (*DSM III-R*). These include drugs, alcohol and nicotine; and exclude impulse control disorders (gambling, sex, eating, etc.).

2. "Stress" is seen to include psychological, physiological and environmental stressors which are precursors, co-factors,

contributors to, and the resulting effects of substance abuse disorders. The Board is especially interested in stress as a contributor to dependency and relapse (recidivism). Initially, the focus of the Institute will be on the linkages between stress and addiction. After its first programs are in place, the Institute will explore the relationship between stress and chronic illnesses.

3. "Research" is seen to include efforts both in the laboratory and in the treatment center and community. There is agreement that the Institute should not attempt to underwrite the kinds of long-term, basic studies that receive on-going support from the Alcohol, Drug Abuse, and Mental Health Administration of the U.S. Public Health Service. Rather, the Institute will focus its research on those areas that appear most likely to inform and support the state's efforts in prevention, education, therapeutics and treatment in the near-term. Institute research will be closely tied to the Institute's education and training programs for treatment professionals and others in the field.

4. Role of Contracted Research. The opportunity to unite focused research, training and education under one roof is what makes the Institute so attractive when wrestling with the issues of addiction and stress in Minnesota. Nevertheless, the Board feels that a portion (approx. 25%) of its budget should be used for grants and contracts to support work that complements the Institute's efforts and can be performed more efficiently at other institutions.

The detailed descriptions of the Institute that follow reflect these basic considerations.



### **III. TWO-YEAR BUDGET, ORGANIZATION AND STAFFING PLAN**

The following budget balances a number of competing needs. It recognizes the necessities of establishing the Institute's own research program while it supports promising research at well-established centers of excellence in hospitals, universities and treatment centers. It supports the study of therapy and technique as well as more "basic" investigations into neurochemistry and biology. It includes an on-going program of therapist training and education.

The budget estimates were constructed as if Institute professional personnel all "fit" comfortably within existing civil service classifications. In fact, the system for fulfilling the personnel requirements of on-going and routine state functions is ill-suited for serving the needs of a scientific research institute. Institute personnel will generally have specialized academic backgrounds and may have on-going positions at hospitals or universities. Often, the Institute will be competing with compensation levels significantly higher than the state's existing scales for scientific or technical personnel. The tenure of many staff with the Institute will tend to be project-limited and less than full-time. The state job classification system was designed to serve the needs of relatively stable, long-term state functions. It is poorly suited to handle the recruitment, compensation and retention of the scientists, psychologists, doctors and statisticians that the Institute will need to employ on a full- or part-time basis. Hence, the Board is recommending that its enabling legislation be amended to specify that personnel of the Institute are not subject to the laws governing state employees. The exclusion of Institute employees from civil service will give the Institute much needed flexibility while allowing a continuing, close relationship with the legislative branch.

Structurally, the Institute is divided into two divisions:

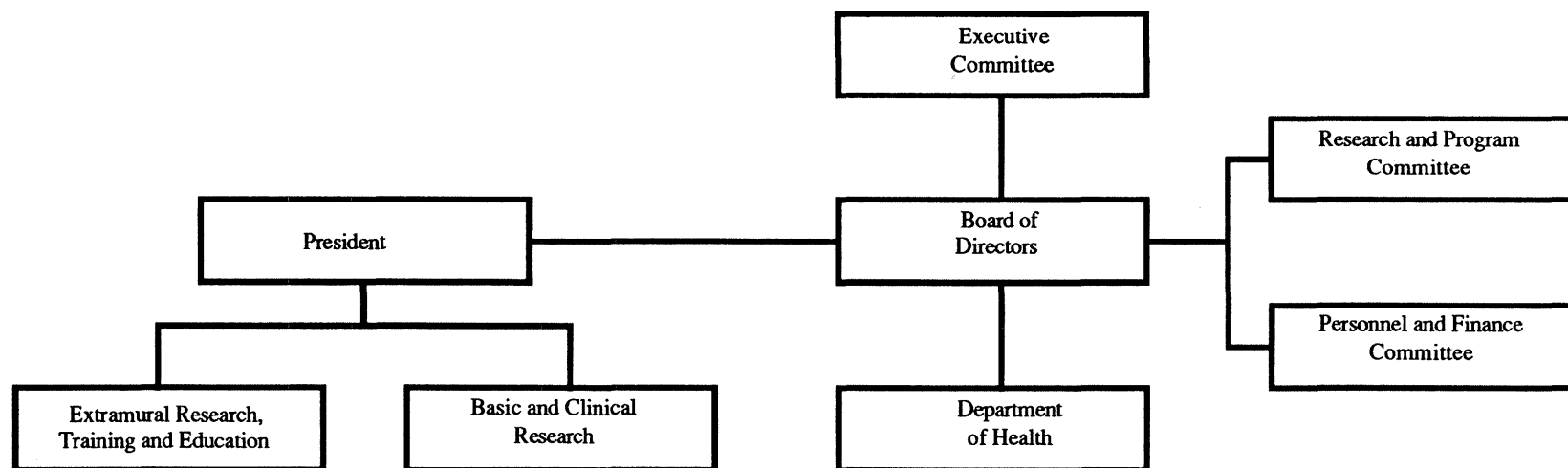
1. Division of Extramural Research, Training and Education
  - a. Grants/Contracts Program
  - b. Education and Training
2. Division of Institute Research
  - a. Basic Research
  - b. Clinical Research

Basic to this design is the integration of research and training as well as the transfer of promising therapeutic strategies from the clinical laboratory to the treatment community. The Board envisions cooperative relationships with the state's Regional Treatment Centers and other free-standing and hospital-based facilities to enable clinical populations to take part in promising advances in the field. Similarly, the Board hopes to build a significant training program that will utilize therapists-in-residence, workshops, symposia and conferences to assist the diffusion of knowledge and technique.

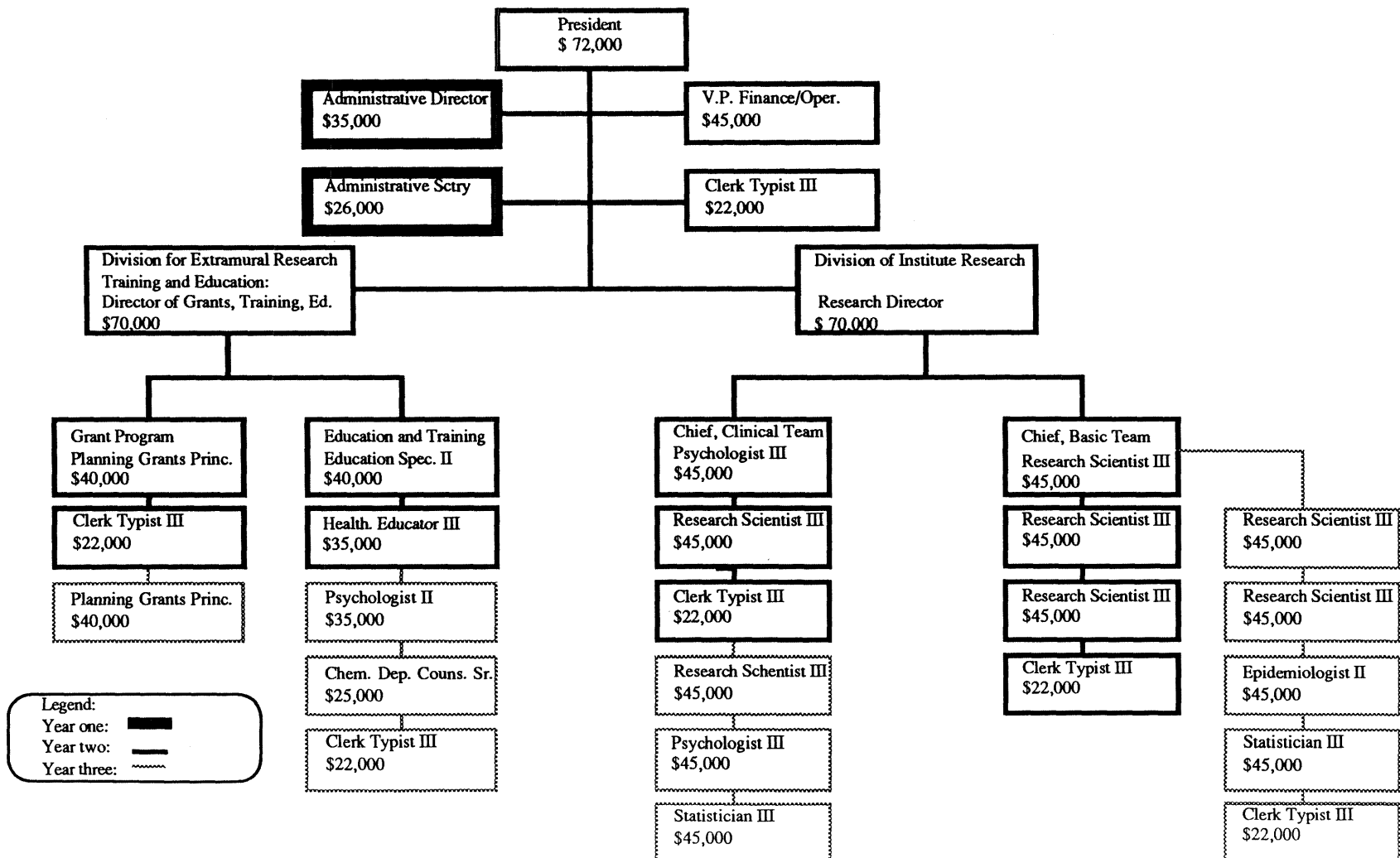
Both the Draft Budget and the Organizational Chart illustrate the anticipated growth of the Divisions of the Institute over the next two and one-half years.

| <u>EXPENSE CATEGORY</u>                              | <u>F.Y. 1989</u> | <u>F.Y. 1990</u>   |             |
|--|------------------|--------------------|-------------|
| <b>SALARIES</b>                                      |                  |                    |             |
| Administrative Office                                |                  |                    |             |
| President  | \$30,000         | \$72,000           |             |
| Administrative Director (Bus. Mgr. I)                | \$18,000         | \$36,000           |             |
| V.P. Finance-Operations (Bus. Mgr. II)               |                  | \$45,000           |             |
| Administrative Secretary                             | \$13,200         | \$26,000           |             |
| Clerk Typist III                                     |                  | \$22,000           |             |
| Extramural Research, Training, Education             |                  |                    |             |
| Director of Grants, Training, Education              |                  | \$70,000           |             |
| Planning Grants Principal (Grants Chief)             |                  | \$40,000           |             |
| Planning Grants Principal                            |                  |                    |             |
| Educational Specialist II (Training/Education Chief) |                  | \$40,000           |             |
| Health Educator III                                  |                  | \$35,000           |             |
| Chemical Dependency Counselor Sr.                    |                  |                    |             |
| Psychologist II                                      |                  |                    |             |
| Clerk Typist III                                     |                  | \$22,000           |             |
| Clerk Typist III                                     |                  |                    |             |
| Institute Research Programs                          |                  |                    |             |
| Clinical and Basic Research Director                 |                  | \$70,000           |             |
| Psychologist III (Clinical Chief)                    |                  | \$45,000           |             |
| Research Scientist III                               |                  | \$45,000           |             |
| Research Scientist III                               |                  |                    |             |
| Psychologist III                                     |                  |                    |             |
| Statistician III                                     |                  |                    |             |
| Clerk Typist III                                     |                  | \$22,000           |             |
| Research Scientist III (Basic Res. Chief)            |                  | \$45,000           |             |
| Research Scientist III                               |                  | \$45,000           |             |
| Research Scientist III                               |                  | \$45,000           |             |
| Research Scientist III                               |                  |                    |             |
| Research Scientist III                               |                  |                    |             |
| Epidemiologist II                                    |                  |                    |             |
| Statistician III                                     |                  |                    |             |
| Clerk Typist III                                     |                  | \$22,000           |             |
| Clerk Typist III                                     |                  |                    |             |
| <b>TOTAL SALARIES</b>                                | <b>\$61,200</b>  | <b>\$747,000</b>   | <b>\$</b>   |
| Benefits (@ 22%)                                     | \$12,240         | \$164,340          |             |
| <b>TOTAL SALARIES AND BENEFITS</b>                   | <b>\$73,440</b>  | <b>\$911,340</b>   | <b>\$</b>   |
| RENT   |                  |                    |             |
| 120 Sq. Ft. Per Person                               |                  |                    |             |
| \$14/sq. ft. net (\$50 for Labs)                     | \$3,000          | \$60,240           |             |
| SUPPLIES AND LABORATORY EQUIPMENT                    | \$16,000         | \$400,000          |             |
| RESEARCH GRANTS AND CONTRACTS                        | \$45,000         | \$500,000          |             |
| TRAVEL   | \$4,500          | \$9,000            |             |
| TELEPHONE  | \$1,200          | \$5,000            |             |
| FURNITURE AND SUPPLIES                               | \$10,000         | \$50,000           |             |
| CONTINGENCY  | \$4,000          | \$50,000           |             |
| <b>GRAND TOTALS</b>                                  | <b>\$157,140</b> | <b>\$1,985,580</b> | <b>\$3,</b> |

## Minnesota Institute for Addiction and Stress Research Organization Plan



# Minnesota Institute for Addiction and Stress Research Staffing Plan



#### **IV. RESEARCH PROGRAM AND PRIORITIES**

The Institute will enhance and inform the prevention and treatment of chemical dependency and other stress-related disorders in Minnesota by:

- funding and conducting basic and applied research,
- fostering technology transfer between and among institutions and individuals in the field, and
- encouraging and funding efforts to increase the effectiveness of prevention, intervention and treatment of Minnesotans with substance abuse and other stress-related disorders.

Central to the Institute's efforts is the recognition that stress, whether it be physiological, psychological or environmental in origin, is a major contributor to the development and persistence of addictive behavior. The understanding of various stress mechanisms will greatly inform the treatment of chemical dependency and other chronic illnesses.

The Board and Committees of the Institute have identified several complementary areas of study for the Institute:

1. Basic biomedical and neurochemical research.
  - Basic research into the effects of psychoactive substances on biological systems, especially as it relates to the phenomena of craving, tolerance and withdrawal.
  - Biomedical and neurochemical factors which mediate relapse and recovery.
  - Biochemical and genetic markers which indicate persons at risk for substance abuse.
  - Neurochemical changes mediated by substance abuse and/or abstinence.
  - Stress-mediated changes in neurochemical functioning
  - Biochemical, genetic and neurochemical differences in children of substance abusers.
2. Costs and effectiveness of prevention and treatment strategies.
  - Clinical trials of promising treatment techniques, such as  
Acupuncture

Behavioral conditioning

Pharmacological interventions

- Development of measures to allow the evaluation of different prevention, intervention and treatment strategies.
- Development of clinical criteria for matching patients with treatment programs.
- Estimation of private and public costs and benefits of various treatment strategies.

3. Relapse and recidivism treatment and prevention.

- Underlying mechanisms of relapse and new approaches to supporting recovery post-treatment.
- Relapse prevention methods.
- Criteria for identifying relapse-prone patients.

4. Evaluative studies of treatment outcomes.

- Evaluation of the basic assumptions, costs, risks and effectiveness of psychotherapeutic, behavioral and pharmacologic treatment interventions.
- Study of those factors which contribute to entry into and retention in treatment.

5. Studies on the epidemiology of substance abuse.

- Incidence and prevalence of abuse and dependency of psychoactive substances.
- Natural history and sociology of chemical abuse within geographic areas and populations that are at risk.

## **V. GRANTS, TRAINING AND EDUCATION**

The Institute will maintain a strong training and education component to assist in the transfer of clinical technology and technique among the various state institutions dealing with addictive disorders. Eventually, the Institute intends to manage a modest clinical site. This capability would assist both the training of clinicians in promising approaches and the evaluation of new clinical approaches. Initially, the Institute will utilize existing institutions for much of its clinical work. Through collaborative efforts with the Regional Treatment Centers, the Department of Corrections, and hospital-based and other facilities, the Institute will have access to many suitable environments to pursue clinical studies.

### **I. Grant Programs**

The Board's plan for the Institute anticipates major efforts in securing grants and contracts to support Institute activities. The Institute will seek funding from the National Institute on Drug Abuse (NIDA), the National Institute on Alcoholism and Alcohol Abuse (NIAAA) and other federal and foundation sources. The Institute's ability to compete in a crowded grant market will depend on the stature of the principal investigators on the staff, the strength of the Institute's affiliations with reputable research institutions, and the timeliness and strength of the submitted proposals. The staffing plan authorized by the Board anticipates one full time person to work on grant submissions. Grant awards will enable the Institute to undertake research which complements and expands state-funded efforts.

The Board anticipates that approximately 25 percent of the Institute's budget will be set aside for grants to research and clinical organizations for work which supports the Institute's mission. Institute grants will allow the Institute to pursue investigations which can be most efficiently managed at other institutions. This grant making activity recognizes the significant pool of talent and experience already in place at Minnesota universities, hospitals and treatment facilities. By carefully specifying the thrust of solicited research, the Board will be able to examine areas of interest which it cannot efficiently pursue with Institute staff.



In addition, the Institute will be in a position to support unsolicited research which appears promising.

## II. Training and Education

The Board views training and education as major roles for the Institute. The field of chemical dependency suffers from a lack of mechanisms which foster the transfer of information between and among clinicians, researchers, program directors and the public. Promising developments in prevention, diagnosis or treatment are often known only by those most directly associated with them. Innovative therapeutic approaches like acupuncture or behavioral conditioning for relapse avoidance face funding constraints as well as the absence of institutional settings which are prepared to support clinical trials. The Board anticipates that the Institute will have strong education and training programs in the following areas:

- Clinical Training. The Institute will fund "mini-fellowships" to allow clinicians to work and learn both at the Institute and at other facilities. These fellowships will reimburse the clinician's employer for the costs of losing the employee during the period of the fellowship. This program will foster the transfer of knowledge of technique within the field at many levels: prevention, diagnosis, treatment, psychotherapy, pharmacology, neuroscience, etc.
- Conferences and Symposia. The Institute will sponsor conferences and symposia to communicate not only the Institute's findings, but to bring together experts in the field to share their results in areas which are relevant to Minnesota.
- Workshops. The Institute will host workshops which focus on relative narrow areas of interest. Workshops will combine elements of training and symposia and offer an intensive examination of a subject over a few days.

- **Public and Professional Communication.** The Institute, through a series of newsletters and reports, will disseminate its findings as well as promising work by others to both professional and lay audiences.

## **VI. LEGISLATIVE RECOMMENDATIONS**

This section of the Report discusses the legislative changes recommended by the Board of the Institute. The Board believes that its recommendations are crucial to the Institute's ability to carry out its mission. A copy of the suggested statutory language is included in Appendix D.

- a. The business of the Institute is exempted from the general laws governing state agencies.

Existing: The enabling legislation creates an Institute that is basically a state agency.

Proposed: The proposed language gives the Institute flexibility in the areas of contracting and personnel while requiring open meetings, annual audits, and regular reporting to the executive and legislative branches.

- b. The Board is increased to 15 members (from 9).

Existing: The enabling legislation specifies a Board of 9 members.

Proposed: The proposed change increases the size of the Board to 15. This will bring a greater variety of experience and expertise to the governance of the Institute. The Board would be able to choose its own successor members.

- c. The President is made a member of the Board and the Executive Committee of the Board.

Existing: The enabling legislation gives the President of the Institute no formal role on the Board or Executive Committee. It also names the vice president for finance and operations as an ex-officio member of the Executive Committee and specifies that one Board member is a member of the medical or scientific team of the Institute.

Proposed: The proposed legislation specifies that the President is a formal member of both the Board and the Executive Committee. This change recognizes the President's role as chief executive of the Institute and manager of its personnel.

- d. All staff are exempted from civil service.

Existing: The enabling legislation includes all Institute employees under the provisions of Chapter 43A (state personnel system) and Chapter 179A (state employee collective bargaining).

Proposed: The proposed language exempts all staff from these provisions.

- e. Institute staff are allowed to take advantage of the state's benefit packages.
- f. The Institute is allowed to establish a tax-exempt charitable foundation.

This recommendation gives the Institute the authority to create or become a 501(c)(3) foundation in order to be a recipient of funding from institutions which want to take advantages of the benefits accorded charitable donations under the Federal Income Tax Code.

- g. Institute reporting requirements are expanded and auditing requirements are added.

Existing: The Institute submits quarterly reports to the Department of Finance and the Department of health.

Proposed: The Institute is directed to contract with an accounting firm and annually submit detailed compliance audits and financial reports to the governor and legislature. The Legislative Auditor may audit the Institute at any time.

h. The 6/30/91 "sunset" (repealer) date is repealed.

This recommendation removes the sunset provision of the current law.

## **VII. ACCOUNTING, PERSONNEL AND INVESTMENT PROCEDURES**

### **I. Accounting and Budgetary Procedures**

The Minnesota Institute for Addiction and Stress Research is presently a State Agency. As such, it is subject to the same accounting, personnel and investment rules and procedures as apply to any agency in the Executive Branch of state government. As a practical matter, the Institute operates in a manner similar to the various health boards which are associated with the Department of Health.

The Institute's initial budget is composed of \$160,000 appropriated to the Commissioner of Health and statutorily designated for a grant to the Institute. This sum was transferred from the Health Department to an account specifically designated for the Institute when a Memorandum of Agreement between the Institute and the Department was executed on December 5, 1988.

All subsequent Institute expenditures from this fund will follow a budget or disbursement plan adopted by the Institute and monitored by the Financial Management activity of the Department of Health. All of the Institute's expenditures, whether for equipment, supplies, travel, salaries, grants or contracts, must be approved by the accounting staff of the Department once they have been approved by the Institute Board. This process is no different than that for any activity of the Health Department.

### **II. Personnel Procedures**

The legislation creating the Minnesota Institute for Addiction and Stress Research specifies that all Institute personnel are state employees and subject to the personnel procedures of the Department of Employee Relations as well as applicable collective bargaining agreements. The enabling legislation

creates an exception for the President of the Institute by allowing the Board of the Institute to set the terms of his/her compensation . The compensation for other Institute employees depends on the specifics of their position descriptions as interpreted by the Department of Employee Relations.

At this point in the Institute's development, staffing needs are small . The Board has decided to employ one professional staff person and one clerical assistant to assist them in their work. Filling the position of President has been postponed until the Institute's future is both more clearly defined and more secure.

Unless and until the legislature adopts the Board's recommendations on exempting Institute staff from the state's civil service system, the personnel management activities of the Board will continue to operate within the confines of the state's system.

### III. Investment Policies

The Institute has no statutory authority to either invest or direct the investment of its unencumbered or unspent appropriation. Such authority could be granted in statute and would allow the Institute to utilize any interest income from investment proceeds. In addition, if the Legislature gives the Institute the authority to establish or act as a tax-exempt foundation, foundation resources would not revert to the general fund at the end of each budget period.

## VIII. OPERATING PROCEDURES

### PURPOSE

The principal purpose of the Minnesota Institute for Addiction and Stress Research (hereinafter "Institute") is clinical and basic scientific investigation of addictive disorders and stress-related diseases.

### ARTICLE I BOARD OF DIRECTORS

Section 1. General Powers. The affairs, property and business of the Institute shall be managed by its board of directors.

Section 2. Number, Tenure and Qualifications. The number of directors of the Institute shall be nine. The Governor of the State of Minnesota shall appoint the initial board of directors of the Institute for the following terms: three board members for three-year terms, three for two-year terms, and three for one-year terms. Subsequent appointments will be made by the Governor and will be for three-year terms. Each director of the Institute shall hold office until his or her successor shall have been appointed and qualified.

The board of directors must include representatives from the Minnesota Department of Health, the medical and scientific teams of the Institute, established health organizations, private citizens and corporate representatives. The president and the vice president for finance and operations of the Institute shall serve as ex-officio members of the board of directors.

Section 3. Meetings. Meetings of the board of directors may be called by the chairperson of the board of directors or the executive committee of the board of directors. All board meetings are subject to the provisions of Minnesota Statutes, Section 471.705. The board of directors of the Institute shall meet at least four times annually.

Notice of any meeting shall be given at least 72 hours in advance by written notice delivered personally or mailed to each director at his or her address. Any director may waive any notice of any meeting.

The attendance of a director at a meeting, in person or by telephone as provided by law, shall constitute a waiver of notice of the meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. At any meeting of the board of directors, a majority of the directors then in office shall constitute a quorum for the transaction of business. If at any time after the beginning of a meeting less than a quorum is present, a majority of the directors present may adjourn the meeting.



Section 5. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors. No member of the board of directors may give proxy for him or herself or vote by proxy.

Section 6. Vacancies. Any vacancy occurring on the board of directors shall be filled under the provisions of Minnesota Statutes, Section 15.0597. If the predecessor of the newly appointed director did not serve out his or her full term in office, the newly appointed director shall serve for the unexpired term of his or her predecessor. In all other cases, the appointed director shall serve for the three-year term set forth in Section 2 of this Article.

Section 7. Compensation. Directors shall be compensated for their direct costs of serving on the board.

Section 8. Prescription of Intent. A director of the Institute who is present at a meeting of the board of directors at which action on any Institute matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the chairperson of the board of directors within 72 hours after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 9. Fiscal Year. The fiscal year of the Institute shall begin on the first day of July and end on the thirtieth day of the following June.

## ARTICLE II CHAIRPERSON AND VICE CHAIRPERSON OF THE BOARD; PRESIDENT AND VICE PRESIDENT OF THE INSTITUTE

Section 1. Chairperson and Vice Chairperson: Generally. The chairperson and the vice chairperson of the board of directors shall be elected by the board of directors. The chairperson of the board of directors may appoint such officers of the board of directors as he or she deems necessary, subject to the approval of the board of directors. Any person may hold more than one office at a time.

Section 2. Chairperson of the Board of Directors. The chairperson of the board of directors shall preside at all meetings of the board of directors and the executive committee of the board of directors and shall have such other duties as may be prescribed by the board of directors. The chairperson of the board of directors shall be a member of the executive committee of the board of directors and shall be an ex-officio member of all committees established by the board of directors. The chairperson of the board of directors shall appoint the chairpersons of all committees of the board of directors from among the members serving on the board of directors

Section 3. Vice Chairperson of the Board of Directors. The vice chairperson shall be elected by the board of directors, serve on the executive committee of the board of directors, and have such power and perform such duties as may be assigned by the board of directors or the chairperson. If the chairperson of the board of directors is absent or disabled, or during the period of vacancy in the office of the chairperson of the board of directors, the vice chairperson of the board of directors shall perform the duties of the chairperson of the board of directors.

Section 4. President of the Institute. The board shall appoint and set the compensation of the president of the Institute. The president shall serve at the pleasure of the board of directors.

The president shall be the chief executive officer of the Institute. Subject to the Provisions of Minnesota Statutes, Section 152A.02, these Operating Procedures, and the actions of the board of directors, the president shall be charged with the responsibility of managing the business of the Institute and seeing that the orders and resolutions of the board of directors are carried into effect.

The president shall submit a code of ethics for employees of the Institute to the board of directors of the Institute. This code of ethics shall be compatible with article IV of these Operating Procedures. The president shall also perform such other duties as may be assigned by the board of directors. The president shall be an ex-officio member of the board of directors.

Subject to the control of the board of directors of the Institute, the president may appoint subordinate employees and agents.

Section 5. Vice President for Finance and Operations. The vice president for finance and operations of the Institute shall have charge and custody and be responsible for all funds and securities of the Institute, receive and give receipts for monies due and payable to the Institute from any source whatsoever, and in general perform all of the duties incident to this office and such other duties as may be assigned by the president of the Institute.

The vice president for finance and operations shall serve as an ex-officio member of the board of directors.

### ARTICLE III COMMITTEES OF THE BOARD OF DIRECTORS

Section 1. Committees of the Board: Generally. All committees of the board of directors of the Institute shall follow the general provisions of this section unless otherwise specified:

(a) A quorum for the transaction of business at any committee meeting shall consist of one half of the entire membership of the committee, excluding any ex-officio members. The act of a majority of the members present at the meeting at which a quorum is present shall be the act of the committee. No committee member may give a proxy for him or herself or vote by proxy;

(b) Vacancies in the committees created under the provisions of this article shall be filled by the chairperson of the board of directors. Committees

shall fix their own rules of procedure. Committees of the board of directors shall meet as provided by their own rules or by resolution of the board of directors;

(c) Members of committees created under the provisions of this article shall serve until replaced or reappointed by the chairperson of the board of directors; and

(d) Members of committees shall be compensated for their direct costs of serving the Institute.

Section 2. Executive Committee. The executive committee of the board of directors of the Institute shall be composed of four members of the board of directors. The executive committee shall meet at the call of the chairperson of the board of directors or the call of any of its members. The executive committee shall include the chairperson of the board of directors, the chairperson of the personnel and finance committee created in Section 3 of this article, the chairperson of the research and program committee created in Section 4 of this article, and the vice chairperson of the board of directors. A majority of the members of the executive committee shall constitute a quorum.

During intervals between meetings of the board of directors, the executive committee shall advise and aid in all matters concerning the business and affairs of the Institute and, generally, perform such duties and exercise such powers as may be directed or delegated by the board of directors. The board of directors may, by a majority vote of the entire board, delegate to the executive committee such specific powers as the board of directors may designate, except the power to amend these Operating Procedures and elect a chairperson of the board of directors.

The executive committee shall:

(a) oversee the regular activities of the board of directors of the Institute and keep them informed of progress and new developments at the Institute;

(b) prepare an agenda for each meeting of the board of directors;

(c) prepare positions and recommendations for board action based on the recommendations of the committees of the board of directors and the president of the Institute; and

(d) report all of its actions to the board of directors of the Institute for ratification.

Section 3. Personnel and Finance Committee. The personnel and finance committee of the board shall be composed of members of the board of directors designated by the chairperson of the board of directors. The chairperson of the personnel and finance committee shall be a member of the board of directors of the Institute chosen by the chairperson of the board of directors of the Institute. The chairperson of the board of directors may also appoint such other persons to the personnel and finance committee as he or she judges would be helpful to the work of this committee.

The personnel and finance committee shall:

(a) review Institute budgets, investments, fiscal performance and other financial matters and make recommendations to the board of directors;

(b) insure that the Institute is in compliance with all applicable State of Minnesota accounting, investing, and purchasing standards and regulations;

(c) insure that the Institute is in compliance with the applicable provisions of Minnesota Statutes, Chapters 43A and 179A;

(d) prepare and review the quarterly financial report required by Minnesota Statutes, Section 152A.04, Subdivision 2;

(e) consult and work with the Institute's auditor to insure that the annual accounting of assets, liabilities, income and expenses are an accurate representation of the Institute's financial position; and

(f) undertake activities as directed by the board of directors or the chairperson of the board of directors.

Section 4. Research and Program Committee. The research and program committee of the board of directors shall be composed of members of the board of directors designated by the chairperson of the board of directors. The chairperson of the research and program committee shall be a member of the board of directors of the Institute chosen by the chairperson of the board of directors of the Institute. The chairperson of the board of directors may also appoint such other persons to the research and program committee as he or she judges would be helpful to the work of this committee.

The research and program committee shall:

(a) prepare an annual research plan for the Institute, including recommendations on specific areas of research or study for approval by the board of directors of the Institute;

(b) recommend methods whereby peer review is utilized to evaluate research either funded or performed by the Institute in accordance with Minnesota Statutes, Section 116J.971;

(d) recommend a process for soliciting research funding from the federal government and other sources;

(e) recommend a process for awarding research grants and contracts to appropriate institutions;

(f) prepare and review the quarterly report to the Commissioner of Health required by Minnesota Statutes, Section 152A.04, Subdivision 2; and

(g) undertake activities as directed by the board of directors or the chairperson of the board of directors.

Section 5. Other Committees. The board of directors may establish and specify duties and procedures for any other committees it deems necessary or appropriate.

#### ARTICLE IV CODE OF ETHICS: INSTITUTE DIRECTORS AND OFFICIALS

Section 1. Definitions. For the purpose of this article the following definitions shall apply:

(a) "Business" means any corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, self-employed individual or any other legal entity which engages either in nonprofit or profit making activities.

(b) "Confidential information" means any information obtained by the Institute which has not become part of the body of public information and which,

if released prematurely or in nonsummary form, may provide unfair economic advantage or adversely affect the competitive position of an individual or a business.

(c) "Institute officials" means the board of directors, officers, non-board members appointed to serve on committees of the board of directors under the provisions of article III, and the president and the vice president for finance and operations of the Institute.

(d) "Private interest" means any interest, including but not limited to a financial interest, which pertains to a person or business whereby the person or business would gain a benefit, privilege, exemption or advantage from the action of the Institute or employee thereof that is not available to the general public.

Section 2. Acceptance of Gifts, Favors. Institute officials in the course of or in relation to their official duties shall not directly or indirectly receive or agree to receive any payment or expense, compensation, gift, reward, gratuity, favor, service or promise of future employment or future benefit from any source except the Institute for any activity related to the duties of the Institute unless otherwise provided by law. However, the acceptance of any of the following shall not be a violation of this section.

(a) Gifts of nominal value;

(b) Plaques of similar mementos recognizing individual services in a field of specialty or to a charitable cause;

(c) Payment or reimbursement of expenses for travel or meals, not to exceed actual expenses incurred, which are not reimbursed by the Institute and which have been approved by the chairperson of the board of directors of the Institute; and

(d) Honoraria or expenses paid for papers, talks, demonstrations or appearances made by Institute officials on their own time.

Section 3. Use of Confidential Information. An Institute official shall not use confidential information to further the Institute official's private interest, and shall not accept outside employment or involvement in a business or activity that will require the Institute official to disclose or use confidential information.

Section 4. Use of Institute Property. An Institute official shall not use or allow the use of Institute time, supplies, or Institute owned or leased property and equipment for the Institute official's private interests or any other use not in the interest of the Institute, except as provided by law.

Section 5. Conflicts of Interest. The following actions by an Institute official shall be deemed a conflict of interest:

(a) use or attempted use of the Institute official's position to secure benefits, privileges, exemptions or advantages for the Institute official or the Institute official's immediate family or an organization with which the Institute official is associated which are different from those available to the general public;

(b) acceptance of other employment or contractual relationship that will affect the Institute official's independence of judgement in the exercise of official duties;

(c) the solicitation of a financial agreement for the Institute official or entity other than the Institute when the Institute is currently engaged in the provision of the services which are the subject of the agreement or where the Institute has expressed an intention to engage in competition for the provision of the services; unless the Institute waives this clause.

Section 6. Determination of Conflicts of Interest. A conflict of interest shall be deemed to exist when a review of the situation by the chairperson of the board of directors of the Institute determines any one of the following conditions to be present:

(a) the use for private gain or advantage of Institute time, facilities, equipment or supplies, prestige or influence of the Institute;

(b) receipt or acceptance by the Institute official of any money or other thing of value from anyone other than the Institute for the performance of an act which the Institute official would be required or expected to perform in the regular course or hours of Institute employment or as part of the duties as an Institute official;

(c) employment by a business which is subject to the direct or indirect control, inspection, review, audit or oversight by the Institute official;

(d) the performance of an act in other than the Institute official's official capacity which may later be subject directly or indirectly to the control, inspection, review, audit or enforcement by the Institute official.

Section 7. Resolution of Conflict of Interest. If the chairperson of the board of directors of the Institute determines that a conflict of interest exists, the matter shall be resolved as appropriate, including assigning the matter to another Institute official who does not have a conflict of interest. When an Institute official believes the potential for a conflict of interest exists, it is the Institute official's duty to avoid or withdraw from the situation.

## ARTICLE V INDEMNITY

To the extent permitted by Minnesota Statutes, Section 3.732 et seq., the Institute shall indemnify any member of the board of directors, any person serving on a committee of the board of directors, or any employee of the Institute.

## ARTICLE VI AMENDMENTS

These Operating Procedures may be amended or altered by a vote of two-thirds of the entire membership of the board of directors at any meeting of the board of directors of the Institute, provided that notice of the proposed amendment shall have been given to all members of the board of directors at least 7 days prior to the meeting.

## **APPENDIX A: BOARD MEMBERS**

Margaret Peake Raymond, Chairperson\*  
Executive Director  
Indian Women's Resource Center  
Minneapolis, MN

Sister Mary Madonna Ashton\*  
Commissioner of Health  
Minnesota Department of Health  
Minneapolis, MN

Peter Bell  
Executive Director  
Institute on Black Chemical Abuse  
Minneapolis, MN

Judy Basso  
President, MN Chronic Epstein-  
Barr Virus Association  
Apple Valley, MN

Irena Brus, M.D.  
Assistant Professor of Clinical Medicine  
Mt. Sinai School of Medicine  
New York, NY

Elizabeth Craig, M.D.\*  
Board of Regents,  
University of Minnesota  
President, Smoke Free Coalition 2000  
Minneapolis, MN

Mark Kleinschmidt\*, Vice-chairperson  
Director of Marketing,  
CDI Management Corp  
Minneapolis, MN

Edward Phillips  
Chairman and Chief Executive Officer  
Phillips Beverage Company  
Minneapolis, MN

\* Also on Executive Committee of the Board of Directors

## **APPENDIX B: COMMITTEE MEMBERS**

### **Personnel and Finance Committee Members**

Mark Kleinschmidt, Chairperson  
Director of Marketing,  
CDI Management Corp.  
Minneapolis, MN

Dan Anderson, Ph.D.  
President Emeritus  
Hazelden Foundation  
Center City, MN

Wally Arntzen  
Executive Director  
H.E.A.R.T.  
Helping Enable Alcoholics Receive Treatment  
St. Paul, MN

Sister Mary Madonna Ashton  
Commissioner of Health  
Minnesota Department of Health  
Minneapolis, MN

Peter Bell  
Executive Director  
Institute on Black Chemical Abuse  
Minneapolis, MN

Edward Phillips  
Chairman and Chief Executive Officer  
Phillips Beverage Company  
Minneapolis, MN

Margaret Peake Raymond, ex-officio  
Executive Director  
Indian Women's Resource Center  
Minneapolis, MN



## Research and Program Committee Members

Elizabeth Craig, M.D., Chairperson  
Board of Regents University of Minnesota  
President, Smoke Free Coalition 2000  
Minneapolis, MN

Judy Basso  
President, MN Chronic Epstein-  
Barr Virus Association  
Apple Valley, MN

Elwin J. Benton  
Executive Director  
Mash-Ka-Wisen Treatment Center  
Sawyer, MN

Milton Bullock, M.D.  
Director, Clinical Pharmacology/  
Toxicology Division  
Hennepin County Medical Center  
Minneapolis, MN

George Mann, M.D.  
Medical Director, Chemquest  
Retired Medical Director  
St. Mary's Chemical Dependency Services  
St. Mary's Hospital  
Minneapolis, MN

Cynthia Turnure, Ph.D.  
Director, Chemical Dependency Programs  
State Department of Human Services  
St. Paul, MN

Joseph Westermeyer, M.D., Ph.D.  
Department of Psychiatry  
University of Minnesota Hospitals  
Minneapolis, MN

Mark Willenbring, M.D.  
Veterans Administration Medical Center  
Minneapolis, MN

Margaret Peake Raymond, ex-officio  
Executive Director  
Indian Women's Resource Center  
Minneapolis, MN

## **APPENDIX C: CHRONOLOGY OF BOARD AND COMMITTEE MEETINGS**

|                    |   |
|--------------------|---|
| September 29, 1988 | First Board Meeting                                     |
| October 12, 1988   | Meeting of Board Chairperson and Commissioner of Health |
| October 18, 1988   | Meeting of Board Chairperson and Commissioner of Health |
| November 1, 1988   | Executive Committee                                     |
| November 9, 1988   | Research and Program Committee                          |
| November 10, 1988  | Personnel and Finance Committee                         |
| November 14, 1988  | Research and Program Subcommittee                       |
| November 21, 1988  | Research and Program Committee                          |
| November 22, 1988  | Personnel and Finance Committee                         |
| November 28, 1988  | Executive Committee                                     |
| December 1, 1988   | Board of Directors                                      |
| December 14, 1988  | Board "Retreat"   |
| January 4, 1989    | Personnel and Finance Committee                         |
| January 10, 1989   | Research and Program Committee                          |



## APPENDIX D: PROPOSED LEGISLATION

### PROPOSED LEGISLATION

Note: This illustrates proposed changes to Chapter 152A (Institute For Addiction and Stress Research) and includes sections which are not amended. The Statement of legislative intent passed with the original bill in 1988 is not codified in Chapter 152A of the 1988 Statutes. The legislative proposal also would eliminate the 7/1/1991 repealer in the original bill (Laws 1988, chapter 689, article 2, section 269, subdivision 5).

#### CHAPTER 152A INSTITUTE FOR ADDICTION AND STRESS RESEARCH

##### 152A.01 [INSTITUTE ESTABLISHED; STRUCTURE, BOARD OF DIRECTORS. ]

Subdivision 1. [INSTITUTE ESTABLISHED; NAME. ] The Minnesota Institute for Addiction and Stress Research is established. For purposes of sections 152A.01 to 152A.05, "institute" means the Minnesota Institute for Addiction and Stress Research. All business of the institute must be conducted under the name "Minnesota Institute for Addiction and Stress Research." The Institute is funded by a grant from the commissioner of health. The business of the institute is not subject to the laws governing a state agency except as provided in this chapter.

Subd. 2. [BOARD OF DIRECTORS. ] The institute must be governed by a board of ~~nine~~ 15 directors appointed by the governor. Terms are for three years. ~~Three of the initial directors must be appointed for three-year terms, three for two-year terms, and three for one-year terms.~~ Vacancies on the board are filled by appointment of the board. Appointments to the board shall insure that one-third of the board members have terms that expire each year.

##### Subd. 3. [BOARD COMPOSITION; EXECUTIVE COMMITTEE.]

(a) The board must include representatives from the Minnesota department of health, ~~the medical and scientific teams of the institute, established health organization, private citizens, and corporate representatives~~ as well as persons who are knowledgeable about medicine, the prevention and treatment of addictive disorders, the organization and management of research institutions, the organization and management of health care organizations, and the corporate sector. ~~The vice president for finance and~~

~~operations president~~ of the institute shall serve ~~as an ex-officio member of~~ on the board.

(b) An executive committee of four members of the board and the ~~vice president for finance and operations president~~ of the institute shall oversee the regular activities of the institute and keep the board informed of progress and new developments at the institute.

Subd. 4. [OPERATING PROCEDURES. ] The board shall adopt operating procedures necessary to conduct the business of the institute consistent with sections 152A.01 to 152A.05. Adoption of operating procedures under this subdivision is not subject to the administrative procedure act under chapter 14.

Subd. 5. [PLACE OF BUSINESS. ] The board shall locate and maintain the institute's places of business within the state.

Subd. 6. [MEETINGS AND ACTIONS OF THE BOARD. ] The board shall hold meetings as determined necessary by the executive committee upon giving notice as determined in the operating procedures adopted by the board. Board meetings are subject to section 471.705 except when data described in subdivision 8 is discussed.

Subd. 7. [CLOSED MEETINGS; RECORDING. ] The board may by a majority vote in a public meeting decide to hold a closed meeting authorized under subdivision 6. The time and place of the closed meeting must be announced at the public meeting. A written roll of members present at the closed meeting must be made available to the public after the closed meeting. The proceedings of a closed meeting must be tape recorded at the expense of the board and must be preserved by the board for two years. The data on the tape is nonpublic data under section 13.02, subdivision 9.

Subd. 8. [APPLICATION AND INVESTIGATIVE DATA. ] The following data is classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever is applicable:

(1) financial data, statistics, and information furnished in connection with assistance under section 152A.03, including credit reports, financial statements, statements of net worth, income tax returns, either personal or corporate, and any other business and personal financial records; or

(2) security information, trade secret information, or labor relations information, as defined in section 13.37, subdivision 1, disclosed to members of the board or employees of the institute.

152A.02 [INSTITUTE PERSONNEL. ]

Subdivision 1. [PRESIDENT. ] The board shall appoint and set the compensation for a president, who serves as chief executive officer of the institute. Subject to the control of the board, the president may appoint and set the compensation of subordinate employees and agents.

Subd. 2. [STATUS OF EMPLOYEES. ] ~~The president serves in the unclassified state civil service and is excluded from collective bargaining. All other employees of the board are subject to chapters 43A and 79A.~~ Employees, officers and directors of the institute are not state employees but, at the option of the board, may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service and an insurance plan administered by the commissioner of employee relations.

152A.03 [POWERS OF THE INSTITUTE. ]

In addition to other powers granted by sections 152A.01 to 152A.05, the institute may:

- (1) sue, and be sued;
- (2) have a seal and alter it at will;
- (3) acquire and dispose of personal property, including inchoate and intellectual property, royalties, stock and stock warrants;
- (4) enter into contracts or agreements with a federal or state agency, person, business, or other organization;
- (5) acquire and dispose of real property or an interest in real property;
- (6) purchase insurance;
- (7) sell, at public or private sale, any note, mortgage, or other instrument or obligation;
- (8) consent to the modification of a contract or agreement to which the institute is a party;
- (9) borrow money to carry out its purposes and issue negotiable notes, which it may refund, guarantee, or insure in whole or in part with money from the fund, other assets of the institute, or an account created by the institute for that purpose;

(10) develop, buy, and possess financial and technical information, including credit reports and financial statements;

(11) accept gifts, grants, and bequests and use or dispose of them for its purposes; ~~and~~

(12) receive payments in the form of royalties, dividends, or other proceeds in connection with the ownership, license, or lease of products or businesses; and

(13) establish or act as a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest or devise for educational and research purposes and hold, manage, invest and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance.

#### 152A.04 [OPERATIONS PLAN; REPORTS; AUDITS. ]

Subdivision 1. [OPERATIONS PLAN. ] The board shall ~~submit a progress report and adopt and maintain an operations plan to the governor and the legislature by January 1, 1989.~~ The plan must include the board's operating procedures, accounting procedures, personnel procedures, investment procedures, and rules of conduct and ethics.

Subd. 2. [REPORTS. ] The board shall, by October 1 of each year, report quarterly to the commissioner of finance, on forms provided by the commissioner of finance, information about fiscal performance and status governor and legislature on the activities of the institute for the previous fiscal year. The board shall also report quarterly to the commissioner of health, on forms provided by the commissioner of health, information about the institute's status, research and clinical projects and findings, and performance. The report must include a description of:

(1) projects supported or undertaken by the institute, their findings or results, and the amount of funding allocated to each project;

(2) the source and amount of all money collected and distributed by the institute;

(3) the institute's assets and liabilities;

(4) an explanation of administrative expenses; and

(5) any amendments to the operations plan.

Subd. 3. [AUDITS. ] The board shall contract with a certified public accountant to do an annual financial and compliance audit of the institute and

any subsidiary in accordance with generally accepted accounting practices. The books and records of the institute and any subsidiary, fund, or entity to be administered or governed by the institute are subject to audit without prior notice by the legislative auditor.

152A.05 [MONITORING; TERMINATION. ]

Subdivision 1. [MONITORING. ] All relevant records and the performance of the institute shall be monitored by the commissioner of health to assure that the institute continues to demonstrate the following:

(1) the ability to carry out task-oriented basic and clinical neurobiological research on addictive disorders and the commitment to develop an integrated, comprehensive program of basic and clinical research;

(2) the institute's involvement in basic and clinical research of stress, especially as it relates to addictive disorders and chronic viral infections;

(3) the ability to work with other research and education programs;

(4) the ability to cooperate with interested health professionals throughout the state to implement the research findings;

(5) the ability to seek and receive outside funding;

(6) a significant ongoing treatment program based on a medical model capable of statewide application;

(7) the relatively close proximity to a major medical educational institution; and

(8) the commitment to develop a program to educate the public about addictive and stress-related medical disorders and also to train therapists in Minnesota.

Subd. 2. [TERMINATION. ] If the commissioner of health finds that the institute is not continuing to meet the requirements in subdivision 1, the commissioner of health may terminate the grant to the institute upon 90 days' notice to the board.