

FEBRUARY MEETING, 2010

Approved by the Regents
March 18, 2010

*The University of Michigan
Ann Arbor
February 18, 2010*

The regents convened at 3:10 p.m. in the Regents' Room. Present were President Coleman and Regents Deitch, Ilitch, Newman, Richner, Taylor, and White. Also present were Vice President and Secretary Churchill, Chancellor Little, Vice President Lampe, Vice President May, Chancellor Person, Executive Vice President Pescovitz, Vice President Scarnecchia, Executive Vice President Slottow, Provost Sullivan, and Vice President Wilbanks. Regent Maynard was absent; Regent Darlow participated via telephone.

Call to Order and President's Opening Remarks

President Coleman called the meeting to order. She commented on how honored the University is that President Obama has agreed to address the graduating class at the Spring 2010 commencement. She highlighted the request for approval of Vice Provost Phil Hanlon as provost and executive vice president for academic affairs, effective July 1, 2010. President Coleman also noted that four University of Michigan students would be competing in the 2010 Winter Olympics ice dancing competition.

Reaccreditation Self-Study Report

President Coleman introduced Professor Ben van der Pluijm, senior counselor to the provost for University accreditation, to give an overview of the upcoming reaccreditation review. Professor van der Pluijm gave a presentation in which he described the process of accreditation as set forth by the Higher Learning Commission. He noted that the commission encourages

institutions to conduct a customized “special-emphasis” study to explore areas of emphasis over the coming years. The University of Michigan chose to focus on internationalization.

The accreditation team engaged staff, students, and faculty from across campus, engaged graduating seniors, and alumni, collected and organized voluminous data, and created a both a printed report and a wide-ranging, robust web portal that touches every activity the University is involved in. He noted that the self-study began in 2007 and will culminate in the Higher Learning Commission site visit in March 2010. The formal report will be issued six weeks after the site visit.

Regent Newman praised the website that the self-study team created to present the results of the self-study, noting that it gives the most comprehensive overview of the University that she has ever seen.

Committee Reports

Finance, Audit and Investment Committee. Regent White reported that attendees at that morning’s meeting had included Regent Ilitch in person and Darlow by telephone, along with President Coleman and Executive Vice President Slottow. Regents Richner, Deitch and Taylor participated in the first two discussion topics along with FAI Committee members. The first topic was the FY 2011 general fund overview and outlook, with Provost Sullivan and Vice Provost Hanlon. The second topic was the Hospitals and Health Centers 10 year strategic capital plan update, presented by Executive Vice President Pescovitz, Douglas Strong, director and chief executive officer of the University of Michigan Hospitals and Health Centers, and David Morlock, chief financial officer of the University of Michigan Health System. The last item was an internal audit update by Carol Senneff, executive director of University audits.

Personnel, Compensation and Governance Committee. Regent Newman reported that the Personnel, Compensation and Governance Committee had received an update from Associate Vice President Laurita Thomas on child care services provided by the University. The committee reviewed proposed revisions to Bylaw 6.02, had an update from Provost Sullivan and Vice Provost Hanlon regarding dean searches and reviews, and after being joined by Regents Taylor and Deitch, received updates on LEO negotiations and ongoing search activities.

President Coleman then turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of January 21, 2010.

Reports. Executive Vice President Slottow submitted the Investment Report, the Plant Extension Report, and the University Human Resources Report.

Litigation Report. Vice President Scarnecchia submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Awards Established, January 1 – January 31, 2010.

University of Michigan Health System. There was no additional report from the University of Michigan Health System.

Division of Student Affairs. There was no additional report from the Division of Student Affairs.

University of Michigan-Flint. Chancellor Person reported that the provost search had been concluded and a recommendation would be forthcoming at the March 2010 meeting.

University of Michigan-Dearborn. Chancellor Little reported on an upcoming conference about urban farming and gardening that is one of the events celebrating the 50th anniversary of the Dearborn campus.

Michigan Student Assembly Report. Mr. Abhishek Mahanti commented on the excitement among students about the news that President Obama would be giving the address at the spring commencement. He also commented on recent activities and upcoming plans of the Michigan Student Assembly.

Voluntary Support. Vice President May submitted the report of voluntary support for January 2010.

Personnel Actions/Personnel Reports. Provost Sullivan submitted a number of personnel actions and personnel reports, including recommendations for five faculty appointments to Thurnau professorships.

Retirement Memoirs. Vice President Churchill submitted memoirs for 2 retiring faculty members.

Memorials. No deaths of active faculty members were reported to the regents this month.

Degrees. Provost Sullivan submitted for approval final degree lists for the December 2009 commencements and changes to previously approved degree lists.

Approval of Consent Agenda. On a motion by Regent Newman, seconded by Regent White, the regents unanimously approved the consent agenda.

Report of University Internal Audits, October through November 2009

Executive Vice President Slottow submitted the report of Office of University Audits activities for the period October through November 2009.

Alternative Asset Commitment

Executive Vice President Slottow informed the regents of a follow-on investment that has been made with Ashmore Global Special Situations Fund 5, L.P., a previously approved absolute return partnership.

Central Campus Transit Center

Executive Vice President Slottow commented that this project, to provide bus shelters and resurface North University Avenue between Fletcher and Church Streets, would increase pedestrian safety and improve pedestrian flow and general safety and mobility in the area. It will also create an accessible entrance into the Alexander G. Ruthven Museums Building.

Associate Vice President Hank Baier gave a presentation describing the project, displaying photos of existing conditions at the site, followed by schematic drawings of the project and a rendering of the completed project. He described the pedestrian and vehicular safety and mobility improvements that will result when the project is completed. Funding will be provided from federal transportation funds and federal American Recovery and Rehabilitation Act of 2009 funds via the Ann Arbor Transportation Authority, with the University providing matching funding from business and finance resources, parking resources, and utility resources.

On a motion by Regent Newman, seconded by Regent Richner, the regents unanimously approved the Central Campus Transit Center Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Varsity Drive Building and Alexander G. Ruthven Museums Building Museum of Zoology Collection Relocation and Renovations

On a motion by Regent Taylor, seconded by Regent White, the regents unanimously approved issuing the Varsity Drive Building and Alexander G. Ruthven Museums Building Museum of Zoology Collection Relocation and Renovations Project for bids and awarding construction contracts providing that bids are within the approved budget.

Conflict of Interest Items

President Coleman announced that the agenda includes 8 conflict of interest items, each of which requires 6 votes for approval. On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the following eight agreements:

Agreement between the University of Michigan and Handoff Solutions, LLC

The Regents approved an agreement between the University of Michigan Health System (“UMHS”) and Handoff Solutions, LLC (“Handoff”) for access to radiological images via a proprietary web-based software service. Because Jeffrey E. Terrell, James J. Law and Adrian Weyhing, University of Michigan employees, are also chief executive manager, chief technology manager, and chief operations manager, respectively, of Handoff, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan, UMHS, and Handoff Solutions, LLC
2. The agreement is for web access services at www.MeAndMyDocs.com to manage and share patients’ radiological images at a discounted rate of \$3 per study. The contract for Handoff’s services will be prepared upon approval through 2014 and is not to exceed a total amount of \$300,000.
3. The pecuniary interest arises from the fact that Dr. Jeffrey E. Terrell, James I. Law, and Adrian Weyhing, University of Michigan employees, are each principal members of Handoff.

Subcontract Agreement between the University of Michigan and Wolverine Energy Solutions and Technology Inc.

The regents approved a subcontract agreement with Wolverine Energy Solutions and Technology, Inc. (“Company”) allowing the Company to subcontract a portion of the work on an award it has received from the Department of Defense to support research entitled “Development of Strategic Organic Energy Storage Capacitor Devices” (to be performed by Dr. Theodore Goodson). Because Theodore Goodson and his spouse, Stephanie Goodson, both University of Michigan employees, are also part-owners and officers of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Wolverine Energy Solutions and Technology Inc.
2. The total subcontract to the University will be \$40,000 for a one-year period (approximately January 1, 2010 through December 31, 2010). Since research agreements are often amended, the agreement includes provisions for changes in the time, amount, and scope. University procedures for approval of these changes will be followed and additional review by the Conflict of Interest Committee will be done as appropriate.
3. The pecuniary interests of Theodore Goodson and Stephanie Goodson arise from their status as part-owners and officers of Wolverine Energy Solutions and Technology, Inc.

Option Agreement between the University of Michigan and Reveal Design Automation, Inc.

The regents approved an option agreement with Reveal Design Automation, Inc. (“Company”) to enable the Company to option the following technology from the University: UM File No. 4434, “Automatic Scalable Verification for Hardware Designs at the Register Transfer Level.” Because Karem Sakallah and Zaher Andraus, University of Michigan employees, are also partial owners of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Reveal Design Automation, Inc.
2. Agreement terms include granting the Company an option to an exclusive license without the right to grant sublicenses. The Company will pay a royalty on sales and reimburse patent costs. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the contract may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Drs. Sakallah and Andraus arise from their ownership interest in Reveal Design Automation, Inc..

Option Agreement between the University of Michigan and Phoenix LPP, Inc.

The regents approved an option agreement with Phoenix LPP, Inc. (“Company”) to option from the University of Michigan the University’s rights associated with the following technologies: UM File No. 4051, “Pico-Power Reference Voltage Generator” and UM File No. 4608, “Low Power Reference Current Generator with Tunable Temperature Sensitivity.” Because Dennis Sylvester and David Blaauw, University of Michigan employees, are also partial owners of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Phoenix LPP, Inc.
2. Agreement terms include granting the Company an option to an exclusive license with the right to grant sublicenses. The Company will pay an option fee and reimburse patent costs. The University will retain ownership of the optioned technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Dennis Sylvester and David Blaauw arise from their ownership interest in Phoenix LPP, Inc.

Research Agreement between the University of Michigan and OcuSciences, Inc.

The Regents approved a research agreement with OcuSciences, Inc. (“Company”) to enable research to be conducted at the University that will evaluate technologies the Company has previously licensed from the University. Because Howard Petty and Victor Elner, University of Michigan employees, are also partial owners and officers of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and OcuSciences, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is one (1) year and the amount of funding support is \$24,000. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Drs. Petty and Elner arise from their ownership interest in OcuSciences, Inc.

Non-Disclosure Agreement between the University of Michigan and Nanocerox, Inc.

The regents approved a non-disclosure agreement with Nanocerox, Inc. (“Company”) that will enable the company to evaluate the technology “Magneto-Electric Process for Conversion of Optical to Electrical Energy (OTT File Number 4531) while maintaining the information provided to them as confidential. Because Richard Laine, a University of Michigan employee, is also a partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Nanocerox, Inc.
2. The agreement terms provide for how the information is disclosed to the parties, who may review the information at both parties and for what purposes the information may be used.

3. The pecuniary interest of Dr. Richard Laine arises from his ownership interest in Nanocerox, Inc.

Option Agreement between the University of Michigan and Baker-Calling, Inc.

The Regents approved an option agreement with Baker-Calling, Inc. (“Company”) to option from the University its rights associated with the technology “Piezoelectric MEMS Microphone” (UM File No. 3990). Because Karl Grosh, a University of Michigan employee, is also a partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the University of Michigan and Baker-Calling, Inc.
2. Agreement terms include granting the Company an option to obtain an exclusive license with the right to grant sublicenses. The Company will obtain evaluation rights during the option period and reimburse patent costs. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the Agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest of Dr. Karl Grosh arises his ownership interest in Baker-Calling, Inc.

Subcontract Agreement between the University of Michigan and Quantis Eointesys-Life Cycle Systems

The regents approved a subcontract agreement with Quantis Eointesys-Life Cycle Systems (“Company”), to enable the Company to subcontract a portion of the work to be done through a grant it has received from Dairy Management Inc. (“DMI”) to the University. Because Olivier Jolliet, a University of Michigan employee and the principal investigator for the project, is also a shareholder, member of the scientific advisory board, and consultant to the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the University of Michigan and Quantis Ecosystems-Life Cycle Systems.
2. The proposed project will be between DMI and the Regents of the University of Michigan to fund a research project at UM with a subcontract from the University to Quantis Ecosystems-Life Cycle Systems. Professor Olivier Jolliet will be the principal investigator for the project. The agreement is to be funded over a two-year period with the total costs not to exceed six hundred thousand dollars. The agreement includes a provision for extensions of the time and scope of work. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. Olivier Jolliet's pecuniary interest arises from his status as a shareholder, member of the scientific advisory board, and consultant to Quantis Ecosystems-Life Cycle Systems.

Regents' Meeting Schedule for 2011

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved the following meeting schedule of the Board of Regents for 2011:

January 20
February 17
March 17
April 21
May 19 (Dearborn campus)
June 16
July 21
September 15
October 13 (Flint campus)
November 17
December 15

Public Comments

The regents heard comments from Haley Weinger, student, regarding her treatment at the School of Art and Design.

There being no further business, the meeting was adjourned at 4:00 p.m. The next meeting will be held March 18, 2010.