

**Approved by the Regents
March 17, 2011**

FEBRUARY MEETING, 2011

*The University of Michigan
Ann Arbor
February 17, 2011*

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

Call to Order and President's Opening Remarks

President Coleman called the meeting to order. She commented on the governor's state budget proposal that had just been released, noting that, while it proposes a significant cut to higher education funding, the University had been preparing for continuing reductions for several years by making substantial cuts in expenditures. President Coleman also recognized Professor Michael Daugherty for having received three Grammy Awards for his composition "Deus Ex Machina," and University Musical Society director Ken Fischer, for having received the 2011 Fan Taylor Distinguished Service Award from the Association of Performing Arts Presenters. President Coleman concluded by announcing that the March 2011 board meeting would be held in Detroit, providing an opportunity to celebrate the many collaborations between the University of Michigan and Detroit, and to meet with community and business leaders and elected officials.

President Coleman introduced Professor Mark Tessler, vice provost for international affairs.

Presentation: “Dimensions of Internationalization at the University of Michigan”

Vice Provost Tessler discussed the presence and impact of international students at the University and the varying experiences of Michigan students who study abroad. He noted that enrollment of international students has increased by 34% since 2001, and that they currently account for 12.5% of the student body, mostly at the graduate level. Most international students come from Asian countries, especially China, India, and South Korea. He described various efforts being undertaken to increase international student enrollment.

Vice Provost Tessler pointed out that the number of Michigan students studying abroad has nearly doubled in the past five years. He said that the University is working to increase the array of opportunities available to students for international study and to discover and address obstacles to increased participation in study abroad programs.

Regent Newman asked why the University does not sponsor any programs in Israel. Vice Provost Tessler responded that University policy prohibits establishing ongoing programs in countries that are on the State Department’s travel advisory list. He pointed out that a number of students travel to Israel and other countries on the travel advisory list through programs offered by other institutions, and that students may sign a waiver and participate in experiential trips with other students and a faculty member. Provost Hanlon commented that the University’s current policy regarding travel to countries on the State Department’s travel advisory list will be re-examined to see if it still appropriate.

Noting the emphasis that has been placed recently on attracting highly educated immigrants to Michigan, Regents Richner and Deitch suggested that data be collected regarding

the number of international students who decide to settle in Michigan after completing their education.

Following this discussion, two students, Bianca Renee Lee and Grace van Velden, described how the international experiences they've participated in as University of Michigan students have broadened their horizons and transformed their world view.

Committee Reports

Finance, Audit and Investment Committee. Regent White, chair of the Finance, Audit and Investment Committee, reported that the committee, consisting of herself and Regent Taylor, had met that morning with Executive Vice President Slottow. President Coleman was also present. They considered the following agenda items: an update on FY2012 General Fund budget planning (with Provost Hanlon, Associate Provost Pollack, and Vice President Wilbanks); a bi-monthly internal audit update (with Carol Senneff, executive director of internal audits); and an update on the Hospitals and Health Centers 10-year strategic capital plan (with Executive Vice President Pescovitz, UM Hospitals and Health Centers Chief Executive Officer Doug Strong, and Dean Woolliscroft). The two other committees joined the Finance, Audit and Investment Committee for the latter session.

Personnel, Compensation and Governance Committee. Regent Richner, chair of the Personnel, Compensation and Governance Committee, reported that the committee, consisting of he and Regent Ilitch, had met with Ms. Senneff and Fiona Linn for an update on the new compliance website, which will consolidate information about compliance issues and regulations in one place. Provost Hanlon provided an update on dean and executive director searches.

Health Affairs Committee. Regent Deitch reported that he and Regents Darlow and Newman had met with Executive Vice President Pescovitz, other Health System and Medical School officials, and external consultants regarding strategic initiatives.

President Coleman then turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of January 20, 2011.

Reports. Executive Vice President Slottow submitted the Investment Report and the Plant Extension Report. There was no University Human Resources Report.

Litigation Report. Vice President Scarnecchia submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Awards Established, July 1 – January 31, 2011.

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

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

University of Michigan-Dearborn. Chancellor Little reported that the Dearborn campus is beginning to prepare for the 10-year reaccreditation visit, which is being referred to as “Vision 2020.”

University of Michigan-Flint. Chancellor Person reported that the Flint campus has been selected as one of 12 institutions nationally to participate in the Tillman military scholars program to provide scholarships for veterans. She also noted that a UM-Flint student, Jeremy Glasstetter, had been elected president of the national Student Veterans of America.

Michigan Student Assembly Report. MSA president Chris Armstrong reported on recent activities, projects, and initiatives underway at Michigan Student Assembly.

Voluntary Support. Vice President May submitted the Report on Voluntary Support for January 31, 2011.

Personnel Actions/Personnel Reports. Provost Hanlon submitted a number of personnel actions and personnel reports. He highlighted the recommendations for appointment of six faculty members as Arthur F. Thurnau Professors, noting that this is the highest honor the University can bestow on its faculty in recognition of contributions to undergraduate teaching.

Retirement Memoirs. Vice President Churchill submitted one retirement memoir.

Memorials. Vice President Churchill submitted memorial statements for two recently deceased faculty members.

Degrees. Provost Hanlon submitted for approval final degree lists for December 2010 commencements and changes to previously approved degree lists.

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

Report of University Internal Audits, September through November 2010

Executive Vice President Slottow submitted the report of the Office of University Audits activities for the period September through November 2010.

Alternative Asset Commitments

Executive Vice President Slottow informed the board of recent follow-on commitments to two previously approved real estate partnerships: €25 million to NIAM Nordic Investment Fund V, L.P., and \$10 million to Shorenstein Realty Investors Ten REIT.

Absolute Return Investment

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved Golub Capital Premium Earnings Adjustable Rate Loans (PEARLS) Direct Lending Program, L.P., with initial funding of \$25 million from the University's investment pool for working capital.

Public Equity

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved an initial commitment of \$30 million from the Long Term Portfolio to Coliseum Capital Partners L.P., a fund that will make equity and equity-like investments.

Naming of Law School Commons Addition

On a motion by Regent Richner, seconded by Regent Ilitch, the regents unanimously approved formally designating the Law School Commons addition as the Robert B. Aikens Commons.

Alice Crocker Lloyd Hall Renovation

On a motion by Regent Ilitch, seconded by Regent Richner, the Regents unanimously approved issuing the Alice Crocker Lloyd Hall Renovation Project for bids and awarding construction contracts providing that bids are within the approved budget.

Clarence Cook Little Science Building Geological Sciences Laboratory Renovations

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the Clarence Cook Little Science Building Geological Sciences Laboratory Renovations Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

School of Social Work Building Atrium Level Renovations

On a motion by Regent Richner, seconded by Regent Darlow, the regents unanimously approved the School of Social Work Building Atrium Level Renovations Project as described, and authorized issuing the 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 5 conflict of interest items, each of which requires 6 votes for approval. On a motion by Regent Taylor, seconded by Regent Richner, the regents unanimously approved the following 5 items:

Contract between the University of Michigan and Gladwin Center

The regents approved a contract between the University of Michigan Purchasing Services Department and Gladwin Center. Because Thomas N. Gladwin, a University of Michigan employee, is also the owner of Gladwin Center, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the contract are the Regents of the University of Michigan and its Procurement Services Department and Gladwin Center.
2. The contract is for facility rentals as needed by University departments through 2013 not to exceed total payment of \$6,000 for the entire contract period.
3. The pecuniary interest arises from the fact that Thomas N. Gladwin, a University of Michigan employee, is the sole owner of Gladwin Center.

Option Agreement between the University of Michigan and Cardiavent, LLC

The regents approved an option agreement with Cardiavent, LLC, to place under option the following technologies from the University: UM File No. 3630, “Compositions and Methods for Tranquilizing Heart Muscle” and UM File No. 2625, “Screening Assays for Antagonists and Analyses of Cardiac Hypertrophy.” Because Robert Simpson, a University of Michigan

employee, is also partial owner of Cardiavent, LLC, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and Cardiavent LLC.
2. Agreement terms include giving Cardiavent an exclusive option to the above technologies. Cardiavent will pay an upfront fee and patent costs incurred during the term of the option agreement. 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 the 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 Dr. Simpson arise from his ownership interest in Cardiavent. Dr. Simpson is an inventor of the optioned technologies and will be considered for any share of revenue received by the University.

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

The regents approved an agreement with Wolverine Energy Solutions Technology, Inc. (the “Company” or “WEST”) to option the University’s rights associated with the following technology: UM File No. 3405, “Organic Branched and Hyperbranched Systems for High Dielectric and Capacitance Applications.” Because Professor Theodore Goodson and Dr. Stephanie Goodson, University of Michigan employees, are also partial owners of WEST, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and WEST.
2. Agreement terms include giving the Company an exclusive option to obtain an exclusive license with 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 the indemnification apply, and the agreement may be amended by consent of the parties, such as adding related technology. 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. Goodson and Goodson arise from their ownership interests in WEST.

License Agreement between the University of Michigan and Omni MedSci, Inc.

The regents approved a license agreement with Omni MedSci, Inc. (“Company”) which will allow the Company to license the University’s rights associated with the following technologies: UM OTT File No. 1521, “Method and system for generating a broadband spectral continuum, method of making the system and pulse-generating system utilizing same.” Because Dr. Mohammed Islam, a University of Michigan employee, is also 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 Omni MedSci, Inc.
2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay royalties 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 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 Dr. Islam arise from his ownership interest in Omni MedSci, Inc.

License Agreement between the University of Michigan and Atrial Innovations, Inc.

The regents approved a license agreement with Atrial Innovations, Inc. (“Company”) which will allow the Company to license the University’s rights associated with the following technologies: UM OTT File No. 4872, “Device for Left Atrial Appendage Closure for Prevention of Thromboembolic Events and ECG and Hemodynamic Monitoring.” Because Hakan Oral and Fred Morady, University of Michigan employees, are also 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 Atrial Innovations, Inc.
2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay royalties 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 agreement may be amended by consent of the parties, such as adding related technology. 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, Oral and Morady arise from their ownership interest in Atrial Innovations, Inc.

Establishment of Department of Afroamerican and African Studies

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved reorganization of the Center for Afroamerican and African Studies into a Department of Afroamerican and African Studies in the College of Literature, Science, and the Arts.

Proposed Regents' Bylaws Revisions

Vice President Churchill submitted for approval proposed revisions to Regents' Bylaws 7.01-7.05, 11.31, 11.54-11.56, and 11.61-11.64 to bring them into conformance with current practice. She noted that the proposed revisions had been reviewed by the Regents' Personnel, Compensation and Governance Committee and had been posted in the *University Record*, with no comments having been received. On a motion by Regent Darlow, seconded by Regent Richner, the Regents approved the following changes to the Regents' Bylaws (*additions are underlined; deletions are ~~crossed-out~~*):

Sec. 11.31: The College of Literature, Science, and the Arts: Laboratories and Museum Collections

All special laboratories and all working collections in the College of Literature, Science, and the Arts will be under the immediate direction of the chair of the departments of which they are a part, except for the collections maintained by ~~each of the following units: the Museum of Anthropology, the Kelsey Museum of Ancient and Medieval Archaeology, the University Herbarium, and the Museum of Paleontology, the Museum of Zoology, and such other units as may from time to time be added by the board.~~ Each of these units will be in the charge of a director appointed by the board, on recommendation by the president and responsible to the dean and the executive committee.

Chapter VII: Student Affairs (Delete entire chapter)

Sec. 7.01. The Committee on Communications

At any time the president of the University determines the need for a Committee on Communications for the purpose of providing visible channels of communication on any subject or for stimulating discussion of controversial subjects, or for the purpose of promoting discussions when disagreements arise among various segments of the University, the president may create such a committee, using the structure set out below, and may provide for such clerical assistance and facilities as seem appropriate. Should any segment of the University fail to select members in a reasonable time, the president may appoint such members.

Structure. The committee shall be composed of:

Two students, appointed by the Senate Assembly from a list of four nominees submitted by Michigan Student Assembly (hereinafter sometimes referred to in these bylaws as MSA) and representing at least three different colleges;

Two faculty members, appointed by MSA from a list of four nominees submitted by Senate Assembly and representing at least three different colleges;

Two administrators, appointed by the student and faculty members of the committee from a list of at least four nominees submitted by the president of the University and representing at least three different colleges or administrative units; and

Vacancies shall in all cases be filled in the manner prescribed above.

Sec. 7.03. Office of Student Affairs (revised April 1992)

The Office of Student Affairs (hereinafter referred to as OSA) shall provide programs relating to housing, counseling, student organizations, health, occupational information, religious affairs, student-community relations, the International Center, and such other programs as may from time to time be delegated to it.

Sec. 7.04. Vice President for Student Affairs (revised April 1992)

The vice president for student affairs shall be the chief administrative officer of the Office of Student Affairs, shall designate newly appointed heads of the various units of OSA with the advice of the Student Affairs Policy Board, and shall advise the Board of Regents, the president, the governing faculties, and other appropriate agencies concerning student affairs and student services in general.

Sec. 7.05. Student Participation in Decision-Making (revised April 1992)

Student participation in University decision making is important to the quality of student life at the University, and shall be encouraged. The vice president for student affairs shall assist students in promoting the establishment of effective mechanisms for such student participation.

A Student Affairs Policy Board is hereby created. The board shall have nine members, composed of students and faculty, there being one more student than faculty, with the vice president for student affairs serving as chair without vote.

- a. Student members shall be appointed by MSA, and no more than two shall come from any one school or college. Where school or college government exists, MSA shall consult them before appointing any student from that school or college.
- b. Faculty members shall be appointed by the Senate Assembly, and not more than two members shall come from any one school or college.
- c. The terms of office shall be staggered and shall be not less than one year nor more than three, and the procedures for selecting members shall, so long as they are consistent with (a) and (b) above, be determined by the appropriate appointing body.
- d. In the event the appointing bodies fail to act within a reasonable time, the Student Affairs Policy Board shall be empowered to name replacements.

The director of each student affairs unit shall be the chief administrative officer of the director's unit and shall report to the vice president for student affairs. Policy boards may be established by the vice president and the Student Affairs Policy Board for each administrative unit of OSA, in which case the unit director shall serve as chair without vote of the policy board.

Sec. 11.54. The Department of Intercollegiate Athletics: General Purposes (revised July 2008)

Responsibility for the development, maintenance, and administration of the University's programs in ~~recreational sports and~~ intercollegiate athletics on the Ann Arbor campus will rest in the Department of Intercollegiate Athletics. The term "athletics" includes all programs of intercollegiate competition.

~~The department will, subject to the ultimate authority of the president and the Board of Regents, have responsibility for a comprehensive program of recreation and physical development for students, faculty and staff, and for the necessary staff, facilities, and equipment. The term "recreational sports" will include intramural sports, club sports, informal, drop in and special interest recreational activities, to be offered as hereinafter provided. The term "athletics" will include all programs of intercollegiate competition. The department will promote wide participation by students in the activities of the department. Every effort will be made to coordinate the intercollegiate program with that in recreational sports.~~

The department will conduct its activities in accordance with the policies and procedures applicable to other university units.

Sec. 11.55. The Department of Intercollegiate Athletics: Organization of Department (revised July 2008)

~~The agencies through which the department will exercise its functions are: (1) the director of athletics; (2) associate directors for intercollegiate athletics and director of recreational sports; (3) the Advisory Board on Intercollegiate Athletics; and (4) the Advisory Committee on Recreational Sports.~~

Sec. 11.56. The Department of Intercollegiate Athletics: The Director (revised July 2008)

The executive functions of the department will be performed by a director of athletics. The director will be appointed by the Board of Regents upon recommendation by the president and will be responsible to the president. The director's salary will be determined by the president. The director will be responsible for the effective operation of the program in ~~recreational sports and~~ intercollegiate athletics.

The director will be responsible for the coaching, training, and well-being of athletes in the intercollegiate athletics program, for the scheduling of intercollegiate competition, and schedule making and for all business matters included in the ~~business administration incidental to all recognized and proper forms of~~ the intercollegiate athletics program. The director will perform such other duties as may be directed by the president.

Sec. 11.61. The Department of Intercollegiate Athletics: Funds (revised July 2008)

Separate accounting and financial statements will be made for department funds. Any surplus funds from intercollegiate operations will be devoted (1) to the further support of the various programs and activities carried on within the department, and (2) so far as possible, to permanent university improvements, particularly to the building and improvement of facilities, ~~for participation in all forms of physical exercise.~~

Sec. 11.62. The Department of Intercollegiate Athletics: Facilities (revised July 2008)

The Department of Intercollegiate Athletics will establish policies on the use of athletic facilities and properties that are managed by the Athletic Department. Every effort will be made to coordinate the use of athletic facilities between the intercollegiate program and the recreational sports program, which is administered by the vice president for student affairs.

Sec. 11.63. The Department of Intercollegiate Athletics: Advisory Committee on Recreational Sports (revised July 2008)

~~The Advisory Committee on Recreational Sports will be constituted as follows: (1) the director of recreational sports, ex officio; (2) four members of the University Senate, to be appointed by the president from a panel of senate members chosen by the Senate Advisory Committee on University Affairs, subject to the approval of the Board of Regents. The appointed members will hold office for two years but in no event will any member of the senate serve more than two terms, except that if a member be appointed to fill an unexpired term of one year or less that member will also be eligible for two full terms. The terms of the members will be staggered so that two terms will expire each year. The panel from which the appointments are made each year will be unranked and contain twice the number of names as there are vacancies. If a vacancy in the appointive senate membership will occur from causes other than the completion of the appointive term, the president is authorized to make an interim appointment from the most recent panel of names submitted by the Senate Advisory Committee on University Affairs, or, if the president so requests,~~

~~from a new panel of names submitted by the Senate Advisory Committee on University Affairs; (3) a staff representative from the Office of Student Affairs selected by the vice president for student affairs; (4) four students of the university to be appointed by the president from a panel of students chosen by Michigan Student Assembly, subject to approval by the Board of Regents. The student members will serve two year terms which will be staggered so that two students are appointed each year. In no event will any student member serve more than two terms consecutively, except that if a member be appointed to fill an unexpired term of one year or less, that member will also be eligible for two full terms. The panel from which the appointments are made will be unranked and will contain twice the number of names as there are vacancies. If a vacancy in the appointive student membership occurs from causes other than the completion of the appointive term, the president is authorized to make an interim appointment from the most recent panel of names submitted by Michigan Student Assembly, or, if the president so requests, from a new panel of names chosen by Michigan Student Assembly.~~

Sec. 11.64. The Department of Interecollegiate Athletics: Advisory Committee on Recreational Sports: Organization and Functions (revised July 2008)

~~The director of recreational sports will serve as chair of the committee. The committee will function as advisor to the director of recreational sports concerning the needs of the university with respect to the development and maintenance of the facilities for and programs in informal, drop-in, special interest recreation, club sports, and intramural competition, and the policies applicable to such facilities and programs.~~

New Undergraduate Degree Program, College of Arts and Sciences, University of Michigan-Flint (“Bachelor of Science Degree in Economics”)

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved a new undergraduate degree program at the University of Michigan Flint, “Bachelor of Science Degree in Economics.”

Public Comments

The regents heard comments from the following people, on the topics indicated: Dr. Timothy R. B. Johnson, Dr. John Carethers, Dr. Toby C. Lewis, Dr. Carol R. Bradford, and Dr. Susan Goold, faculty, regarding the flexible tenure clock proposal; Chelsea Del Rio, student, on GEO contract bargaining; Alix Gould-Werth, staff, on graduate student research assistants; Daniel Marcin, student, on economic issues affecting graduate students; and Denise Bailey, student, on issues affecting nontraditional students.

Adjournment

There being no further business, the meeting was adjourned at 4:55 p.m. The next meeting will take place March 17, 2011.