

APRIL MEETING, 2010

*The University of Michigan
Ann Arbor
April 15, 2010*

The regents convened at 1:30 p.m. in the Gerald R. Ford Ballroom at the Amway Grand Plaza Hotel in Grand Rapids, Michigan. Present were President Coleman and Regents Darlow, Deitch, Ilitch, Maynard, 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.

Call to Order and President's Opening Remarks

President Coleman called the meeting to order. She noted how pleased the University's regents and other officials were to be spending time in Grand Rapids, and that the University had had the opportunity to participate in numerous partnerships within the city and across West Michigan. She mentioned that Thomas Haas, a University of Michigan alumnus and president of Grand Valley State University, was in attendance, and pointed out that the presidents of Calvin College, Davenport University, Kalamazoo Valley Community College, and Ferris State University are also Michigan alumni.

President Coleman mentioned that the upcoming spring commencement, at which President Obama and five others would be receiving honorary degrees, would be carried live on the Big Ten Network. She also announced that the University was establishing the Michigan College Advising Corps, a national program that would place University of Michigan graduates in underserved high schools throughout the state to serve as college advisors.

President Coleman called on Regent Richner, who said how pleased the Board of Regents was to be meeting in Grand Rapids, underscoring the strong connection and valued partnership between the city and the University. “Being here reminds us of the deep commitments that our alumni who live here feel to the University of Michigan, and we are grateful for their continued support.” He thanked all of the community members for their hospitality during their visit.

Welcome from Wayman Britt

Mr. Wayman Britt, assistant administrator, Kent County, welcomed the University of Michigan regents and administrators, noting that he is a Michigan alumnus and former basketball player. He said, “We’re hoping that the regents can see West Michigan as an opportunity to grow your enrollment. We need more students who graduate from the University of Michigan. We hope that you will come back, and make regular visits to Grand Rapids and Kent County.”

Signing of Pharmacy Preferred Admission Program Agreement between the University of Michigan and Grand Valley State University

Thomas Haas, president of Grand Valley State University (GVSU), pointed out that several partnerships have been established between GVSU and the University of Michigan, and more are planned that will fulfill the institutions’ missions for providing an educated citizenry for the state. President Haas, President Coleman, and other officials from both institutions then participated in a signing ceremony for an agreement that offers preferred admission into the University’s four-year PharmD doctoral program to up to eight GVSU freshmen who complete a rigorous undergraduate program of pre-pharmacy coursework and other requirements.

Comments from Athletic Director

President Coleman introduced David A. Brandon, Donald R. Shepherd Director of Intercollegiate Athletics, who gave an update on the athletics program. With respect to football,

Mr. Brandon noted that planning is underway for the dedication and opening of the newly renovated “Big House” on September 4 and that the annual spring football game was being held April 17. He also called attention to the “Big Chill,” a hockey game between the University of Michigan and Michigan State University to be held in Michigan Stadium on December 11, which aims to break the record for the largest crowd in the world ever to see a hockey game. He reviewed the status of the softball, baseball, gymnastics, water polo, and women’s tennis programs, noting that all these programs are thriving, with excellent records. He said that plans are underway for improving Crisler Arena. Mr. Brandon concluded by stating, “I am really thrilled to be in this position and to have this opportunity to lead the Athletic Department. I am excited about the future, and it is great to share some of our news with you today.”

Presentations

President Coleman announced that there would be four presentations describing projects involving partnerships between the University of Michigan and institutions in Grand Rapids or other western Michigan locations. The following presentations were made:

- Deborah Loewenberg Ball (dean, School of Education), “The Elementary Mathematics Laboratory: Improving Mathematics Learning and Teaching.” The presentation described this program, which focuses on improving mathematics teacher education in order to improve student underperformance in learning mathematics.
- Dale Ulrich (professor of kinesiology), “Meeting the Needs of Youth with Down Syndrome and Autism in Western Michigan: A Research Collaboration.” This presentation described a project that helps youth with Down Syndrome and autism learn how to ride two-wheeled bicycles.
- Dennis Assanis (director, Michigan Memorial Phoenix Energy Institute, UM) and Arnold Boezaart (director, Michigan Alternative and Renewable Energy Center, GVSU), “Assessing Great Lakes Offshore Wind Energy: A partnership between the University of Michigan and Grand Valley State University.” This presentation described a project whose goal is to gather data meant to advance the deployment of off-shore commercial wind development on the Great Lakes.

- John Billi, associate vice president for medical affairs and associate dean for clinical affairs, Medical School, “University of Michigan Health System and the Future of Health Care Collaborations.” This presentation described examples of statewide partnerships that enhance the provision and delivery of health care, and that demonstrate how improving health care in Michigan can be used as a model for improving health care nationally.

Committee Reports

Finance, Audit and Investment Committee. Regent White reported that all of the regents had attended the Finance, Audit and Investment Committee meeting that morning. The first agenda item was the FY2011 general fund budget outlook for all three campuses. In addition to Executive Vice President Slottow and President Coleman, who were present for the entire session, participants included Provost Sullivan, Associate Provost Hanlon, Chancellors Little and Person, and Vice President Wilbanks. For the next agenda item, the endowment spending rule, participants included Chief Investment Officer Erik Lundberg, Provost Sullivan, and Associate Provost Hanlon.

Personnel, Compensation and Governance Committee. Regent Newman reported that this committee joined the Finance, Audit and Investment Committee meeting and thus did not meet separately.

President Coleman then turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of March 18, 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, March 1-March 31, 2010. He noted that the research enterprise is currently growing at a pace of 10% per year, building on a base of \$1 billion.

University of Michigan Health System. Executive Vice President Pescovitz announced that *U.S. News and World Report* has ranked the School of Nursing in 5th place and that the Medical School is tied at 6th place among research medical schools.

Division of Student Affairs. Vice President Harper noted that Abhishek Mahanti's tenure as president of the Michigan Student Assembly had come to an end, and thanked him for the leadership he had provided during the past year. A round of applause followed.

University of Michigan-Flint. Chancellor Person reported that several students had recently received awards from Michigan Campus Compact.

University of Michigan-Dearborn. Chancellor Little reported on an alumni event that had recently taken place as one of the final commemorations of the campus's 50th anniversary.

Michigan Student Assembly Report. Mr. Abhishek Mahanti reviewed the accomplishments of MSA during his tenure as president. He then introduced the newly elected president, Chris Armstrong, and vice president, Jason Raymond. Mr. Armstrong reported that his primary goals for the coming year include advocating for a Saturday night dining option for residence halls and a gender neutral housing option, and reforming the student organization funding process.

Voluntary Support. Vice President May submitted the report of voluntary support for March 2010. He thanked the regents for their participation in the events of the past few days in West Michigan.

Personnel Actions/Personnel Reports. Provost Sullivan submitted a number of personnel actions and personnel reports.

Retirement Memoirs. Vice President Churchill submitted one faculty retirement memoir.

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

Degrees. There were no actions with respect to degrees this month.

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

Report of University Internal Audits, February 2010

The regents received the report of the Office of University Audits activities for the month of February 2010.

Parking Permit Rate Increases for Fiscal Years 2011-2013

Executive Vice President Slottow informed the regents of parking permit rate increases of 3 percent per year for FY2011-2013 that are necessary to support the parking and transportation plan.

Appointment of Auditors for Fiscal 2010 through 2011

On a motion by Regent Ilitch, seconded by Regent Taylor, the regents unanimously approved the appointment of PricewaterhouseCoopers LLP as external auditors for fiscal years 2010 and 2011.

Institute for Social Research Addition

On a motion by Regent White, seconded by Regent Maynard, the regents unanimously approved the Institute for Social Research Addition Project as described in the regents communication, and authorized commissioning Lord, Aeck & Sargent, Inc. for its design.

University of Michigan Hospitals and Health Centers Multiple Buildings Pneumatic Tube System Upgrade

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved the University of Michigan Hospitals and Health Centers Multiple Buildings Pneumatic Tube System Upgrade Project as described, authorized commissioning the firm Swisslog Healthcare Solutions for its design, 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 White, the regents unanimously approved the following five agreements:

Agreement between the University of Michigan and the Society of Hospital Medicine

The Regents approved an agreement between the University of Michigan Medical School Department of Internal Medicine (“UMMS”) and the Society of Hospital Medicine (“SHM”) for personnel and operating expenses incurred by SHM physician mentors and administrators tasked with optimizing the transition of care process. Because Dr. Scott Flanders and Dr. Christopher Kim, University of Michigan employees, are also board president and project director, respectively, of SHM, 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, UMMS, and SHM.
2. The subcontract agreement is for personnel and operating expenses incurred by SHM physician mentors and administrators tasked with optimizing the transition of care process. This project is part of a funded program by Blue Cross Blue Shield of Michigan (“BCBS”) in support of physician group incentive programs on quality and safety. UMMS is a coordinating center for this project and pending additional funding from BCBS in the following years, UMMS plans for annual disbursements to SHM of approximately \$225,000 through 2012, not to exceed a total cost of \$680,000.
3. The pecuniary interest arises from the fact that Dr. Scott Flanders and Dr. Christopher Kim, UMMS employees, are board president and project director, respectively, of SHM.

Authorization to make payment and enter into an agreement with Equilibrium Ltd.

The regents approved the School of Music, Theatre & Dance (“SMTD”) making payments to and entering into an agreement with Equilibrium Ltd. (“Equilibrium”) for various services related to distribution of CDs. Because Michael W. Udow, a University of Michigan employee, is also president of Equilibrium, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties involved in the agreement are the Regents of the University of Michigan, SMTD, and Equilibrium.
2. The payments and agreement are for various services related to distribution of CDs through May 31, 2014, not to exceed a total cost of \$29,390.
3. The pecuniary interest arises from the fact that Michael W. Udow, a University of Michigan employee, is the artist of this original piece.

Master Subrecipient Agreement between the Regents of the University of Michigan and the Hope Foundation

The regents approved a master subrecipient agreement with the Hope Foundation that will enable research projects involving the foundation to be performed in a timely manner and that provides a stable and ongoing support mechanism to support collaboration between the Medical School and the other institutions participating in the Southwest Oncology Group. Because Larry Baker and Anne Schott, University of Michigan employees, are also directors and

officers of the Hope Foundation (“Foundation”), and other non-faculty University employees are both employees of the University and serve functions related to the operation of the Foundation, 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 the Hope Foundation.
2. The University will enter into an agreement with the Foundation that will cover standard procedures for performance of projects as well as provisions implementing University and federal or other sponsor required policies. The agreement will cover an initial six-year period with a total authorization not to exceed \$25,000,000. The University will use standard procedures to justify the placement of projects with the Foundation and will review the cost of each project. Budgets will be reviewed and approved by authorized representatives of the requisitioning unit and the Office of Contract Administration. The agreement includes provisions for changes in time, amount, and scope of each supported project and the master agreement itself. University procedures for approval of each project will be followed and additional review by the Medical School Conflict of Interest Board will be done on a project-by-project basis.
3. Drs. Larry Baker and Anne Schott receive no compensation from the Foundation and have no financial interest in the Foundation.

Subcontract agreement between the University of Michigan and Arbor Photonics, Inc.

The regents approved a subcontract agreement with Arbor Photonics, Inc. (“Company”) to allow the Company personnel with unique skills to have access to and use existing experimental setups and equipment at the University that will enable characterization of optical properties of Chirally-Coupled-Core fiber samples previously fabricated and owned by the University, and thus move them closer to commercialization. Because Almantas Galvanauskas, a University of Michigan employee, is also co-owner and member of the board of directors 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 subcontract agreement are the Regents of the University of Michigan and Arbor Photonics, Inc.
2. Under the project, a total contract of \$7,081 is anticipated to cover a period of eight months. The terms of the proposed agreement will conform to University policy. In the

event of an amendment, 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. Almantas Galvanauskas arises from the fact that he is part-owner and a member of the board of directors of Arbor Photonics, Inc.

Amendment to Agreement between the University of Michigan and Arbor Research Collaborative for Health

The regents approved an amendment to an agreement with Arbor Research Collaborative for Health (“ARCH”) involving the research project “International Dialysis Outcomes and Practice Patterns” (I-DOPPS). Because Drs. Robert Merion and Robert Wolfe, University of Michigan employees, are also employees of ARCH, 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 Arbor Research Collaborative for Health.
2. The amendment adds \$149,740 of funding to the I-DOPPS project, bringing the total funding to \$2,675,316 and extends the period of performance to December 31, 2010. The University’s standard contract provisions continue to apply. Since research agreements are often amended, the agreement as amended continues to include provisions for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional conflict of interest reviews will be done as appropriate.
3. The pecuniary interest arises from the fact that Robert Merion and Robert Wolfe are employees of both the University of Michigan and Arbor Research Collaborative for Health.

University of Michigan-Dearborn Henry Ford Estate-Fair Lane

Executive Vice President Slottow commented that the University has an opportunity to transfer the Henry Ford Estate to the Edsel and Eleanor Ford House (“Ford House”), a tax-exempt, non-profit private operating foundation that would assume stewardship responsibilities for the estate. The Ford House is committed to raising sufficient funds to enhance the stewardship of the property and to achieve the highest level of museum practice in its operation.

Regent Taylor moved that the executive vice president and chief financial officer be given authority to execute a quit claim deed for the real property and execute agreements and

other actions as necessary to consummate the transfer of Henry Ford Estate real estate, property and University funds currently restricted to estate use to the Ford House, or affiliated tax-exempt entity created for the purpose of owning and operating the Henry Ford Estate. Regent Richner seconded the motion. Regent Deitch recused himself from voting due to a conflict of interest. The vote was then taken and the motion was approved unanimously by all seven regents who participated in the vote. Regent Newman pointed out that it is unusual for the University to give back property, and that this transaction was arrived at as the result of a long, carefully considered process.

University of Michigan Health System (UMHS) Washtenaw Community Health Organization (WCHO) Reappointments to the WCHO Board of Directors

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved the reappointments of Gene Brown and Michael Dabbs to the WCHO Board of Directors.

Public Comments

The regents heard comments from Elizabeth Axelson, faculty, and Catherine Daligga (on behalf of Kristen Herold), faculty, regarding the Lecturers' Employee Organization.

There being no further business, the meeting was adjourned at 4:00 p.m. The next meeting will be held May 20, 2010.