

MAY MEETING, 2005

*The University of Michigan
Ann Arbor
Thursday, May 19, 2005*

The Regents convened at 2:10 p.m. in the Fairlane Center South Building on the University of Michigan-Dearborn campus. Present were President Coleman and Regents Brandon, Deitch, Maynard, McGowan, Newman, Richner, Taylor, and White. Also present were Vice President Churchill, Provost Courant, Vice President Harper, Executive Vice President Kelch, Vice President Krislov, Chancellor Little, Vice President May, Chancellor Mestas, Vice President Rudgers, Executive Vice President Slottow, Vice President Ulaby, and Vice President Wilbanks.

Call to Order

President Coleman called the meeting to order, noting how pleased everyone was to be meeting on the Dearborn campus. She noted that leaders of the three campuses have been exploring ways in which the three campuses can leverage and build on each other's strengths for the benefit of all. This meeting on the Dearborn campus offers another opportunity to foster this type of dialog.

President Coleman noted that the University had recently announced the establishment of its new Detroit Center on Woodward Avenue in downtown Detroit. This center will house many of the University's long-standing programs in Detroit from both the Dearborn and Ann Arbor campuses, and will provide an opportunity for enhanced collaboration. She called attention to agenda items, including an addition to the Kelsey Museum that will be entirely funded by a generous gift from Edwin and Mary Meader and by a challenge grant from the National

Endowment for the Humanities, and the renovation of Mosher-Jordan Hall as part of the Residential Life Initiative.

President Coleman also noted with regret the recent passing of James Brinkerhoff, chief financial officer from 1977-1988, and former athletic director Don Canham.

Presentation: The “Metropolitan Vision” for the University of Michigan-Dearborn

Chancellor Little gave a presentation on the wide-ranging discussions that have been taking place regarding the role that the Dearborn campus can play both within the University of Michigan and within the metropolitan Detroit region. The vision that has emerged would fit the campus’s history and strengths, deepen its regional impact, and complement the University of Michigan as a whole. Concisely stated, the campus would aim to deliver the academic excellence of the University of Michigan in leadership and service to metropolitan Detroit.

Chancellor Little explained how the University of Michigan-Dearborn exemplifies an emerging category of American universities, the “metropolitan university.” The campus envisions becoming a nationally recognized leader as a selective metropolitan university, focusing on the needs of metropolitan Detroit; and becoming a leader in creating a successful future for southeast Michigan. To do this, it will focus on such issues as the future of manufacturing and global competitiveness; race and ethnicity issues; environmental issues; pre-K-12 education; and developing a regional leadership capacity. He noted that there are already a number of programs in place in these areas. Chancellor Little pointed out that enrollment growth is key to all of the strategies planned for the campus, and the goal is to achieve an enrollment of 12,000 students by 2014.

President Coleman asked Chancellor Little to comment on student retention issues. He noted that although the 6-year graduation rate appears to be unacceptably low, many of the

students have transferred to and graduated from other institutions. Nevertheless, campus leaders are working to achieve an increase in the number of students who remain and graduate from the University of Michigan-Dearborn.

Committee Reports

Finance, Audit and Investment Committee. Regent Brandon reported that he and committee members White and Taylor had met that morning and had focused primarily on the internal audit activities provided by the Office of University Audits. The committee received the regular bimonthly update and six-month report on audit activity and then shifted to a discussion with Carol Senneff, executive director of University audits, of risk assessment and the FY2006 audit plan. Ms. Senneff also reviewed her strategic vision and her organizational strategy for the Office of University Audits. The committee also received a regular update on the Life Sciences Institute.

Personnel, Compensation and Governance Committee. Regent Maynard reported that she, along with Regents Deitch, Richner, and McGowan, had met and received a report on staff employment from Laurita Thomas, associate vice president and chief human resource officer, and an update on dean searches from Provost Courant. The committee also discussed with Vice President Churchill plans for conducting the Board's upcoming presidential performance review.

Annual Promotions to the Ranks of Professor and Associate Professor

Provost Courant summarized the promotion review process, noting that this year, for the first time, many of the reviews were done electronically and next year the entire process will be conducted in this fashion through a secure server. He called attention to the following

individuals as examples of exemplary promotions on the Ann Arbor campus: Barbara L. Fredrickson, recommended for promotion to professor of psychology, with tenure, in the College of Literature, Science, and the Arts, and professor of management and organizations, without tenure, in the Stephen M. Ross School of Business; Sharon C. Glotzer, recommended for promotion to professor of chemical engineering with tenure, professor of materials science and engineering without tenure, and professor of macromolecular science and engineering without tenure in the College of Engineering, and professor of physics without tenure in the College of Literature, Science, and the Arts; Ifeoma C. Nwankwo, recommended for promotion to associate professor of English language and literature with tenure and associate professor of Afroamerican and African studies with tenure in the college of Literature, Science, and the Arts; Zhaohui Xu, recommended for promotion to associate professor of biological chemistry with tenure in the Medical School, and research associate professor in the Life Sciences Institute; Mary Hope Simoni, recommended for promotion to professor of music (music technology) with tenure in the School of Music; and Daniel J. Scheeres, recommended for the granting of tenure to be held with his title of associate professor of aerospace engineering in the College of Engineering.

Executive Vice President Kelch called attention to the portfolios of Dr. Kathleen L. Collins, recommended for promotion to associate professor of internal medicine with tenure and associate professor of microbiology and immunology without tenure in the Medical School; Akinlolu O. Ojo, recommended for promotion of internal medicine, with tenure; Dr. Phillip C. Hanna, recommended for promotion to associate professor of microbiology and immunology; Dr. Celina G. Kleer, recommended for promotion to associate professor of pathology with tenure; and Dr. Elisabeth H. Quint, recommended for promotion to professor of obstetrics and gynecology on the clinical track.

Chancellor Little described the rigorous tenure review process on the Dearborn campus and highlighted the portfolio of Suzanne L. Bergeron, recommended for promotion to associate professor of women's studies and associate professor of social sciences, with tenure, and Yi Zhang, recommended for promotion to professor of mechanical engineering, with tenure.

Chancellor Mestas noted that the nine University of Michigan-Flint faculty members being recommended for promotion have all demonstrated outstanding records in teaching, research, and service, although on the Flint campus the greatest emphasis is placed on quality of teaching. He highlighted the cases of Martin M. Kaufman, recommended for promotion to professor of earth and resource science, with tenure, and Robert W. Barnett, recommended for promotion to professor of English, with tenure.

The Regents then turned to the remainder of the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of April 21, 2005.

Reports. Executive Vice President Slottow submitted the Investment Report, the Plant Extension Report, and the Human Resources and Affirmative Action Report. He noted that, in addition to the previously announced American Institute of Architects (AIA) award received by the Hill Auditorium Renovation project, it had also received an award from the Michigan chapter of AIA and is to receive a construction and design award from the Engineering Society of Detroit. He also announced that the Dana Building renovation had been awarded the gold LEED rating from the U.S. Green Building Council.

Regarding the Human Resources and Affirmative Action Report, he noted that the classification study that will ultimately replace the current classification system is continuing and phase one implementation “go live” will occur in July.

Litigation Report. Vice President Krislov submitted the Litigation Report.

Research Report. Vice President Ulaby submitted the report of projects established, April 1-April 30, 2005. He commented that research awards through April 2005 are up \$65 million over the same period last year, an increase of 13.7%. Expenditures from federal sources are up 7.2%.

University of Michigan Health System. Executive Vice President Kelch reported that the University of Michigan Hospitals and Health Centers had received an award from Hospitals for a Healthy Environment, the premier national recognition of environmental innovation in health care, for its work in reducing waste, virtually eliminating mercury, and minimizing the use of toxic products.

Division of Student Affairs. Vice President Harper called attention to two action items, the Mosher-Jordan Hall Renovation Project and the request for approval of the 2005-2006 University Housing rates. She noted that Mosher-Jordan Hall was the campus’s first large residential facility and was viewed at the time as a model for excellence in residence halls. This project represents the first deep renovation of a heritage building being undertaken as part of the Residential Life Initiative and it is critical to ensuring its longevity. She described some of the features of the renovation.

Regent Newman inquired how long the annual incremental rate increases in student housing fees would be needed that provides funding for the renovations being done as part of the Residential Life Initiative. Vice President Harper noted that this facility renewal increase will be

needed each year at least until 2010 in order to fund all planned facilities renovations. The rate increase requested for 2005-2006 includes 1.9% for infrastructure renewal.

University of Michigan-Dearborn. Chancellor Little highlighted the recommended appointment of Bruce O. Bublitz as dean of the School of Management.

University of Michigan-Flint. Chancellor Mestas reported that the Flint campus is “healthy, vibrant, and bursting with creative energy.”

Michigan Student Assembly Report. Jesse Levine, president of MSA, informed the Regents of the steps MSA has taken to ensure it is providing proper stewardship of MSA funds. He noted that the organization is committed to fiscal responsibility and also to saving students money. He also reported on MSA priorities and event planning for the coming year.

Regent Newman requested that the board be provided information about the current budget of MSA if the organization requests a fee increase.

He introduced Ms. Darla Williams, president of the Residence Hall Association (RHA), who expressed RHA’s support for the Mosher-Jordan renovation and the 2005-2006 student housing rates proposal.

Voluntary Support. Vice President May submitted the Report of Voluntary Support for April 2005. He reported that lead gifts and especially gifts from individuals continue to be very strong.

Personnel Actions/Personnel Reports. Provost Courant submitted a number of personnel actions and personnel reports. He highlighted the recommended appointments of Ronald Gibala as interim dean of the College of Engineering, Kenneth Warner as dean of the School of Public Health, and Christopher Kendall as dean of the School of Music. He noted the

recommendations regarding the return to the faculty of Edward Gramlich, who had been on leave while serving on the Federal Reserve Board.

Retirement Memoirs. Vice President Churchill submitted memoirs for 18 retiring faculty members. Provost Courant highlighted the careers of retiring faculty members George Haddad and Stephen Pollock. He also called attention to the retirement of Patricia (“Sandy”) Whitesell, noting her remarkable accomplishments as director and curator of the University of Michigan Detroit Observatory.

Memorials. No deaths of active faculty members were reported this month. Vice President Krislov called attention to the passing of John Ketelhut, former deputy general counsel who had served as acting general counsel for a period of time.

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

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

The Regents then turned to consideration of the regular agenda.

Alternative Asset Commitments (*Advent International Global Private Equity V, L.P.; Bain Capital Fund VIII, L.P.; CHS Private Equity V, L.P.; J.H. Whitney VI, L.P.; and Wind Point Partners VI, L.P.*)

Executive Vice President Slottow informed the Regents of follow-on investments that had been made with Advent International Global Private Equity V, L.P. (25.0 million); Bain Capital Fund VIII, L.P. (\$30.0 million); CHS Private Equity V, L.P. (\$30.0 million); J.H. Whitney VI, L.P. (\$25.0 million); and Wind Point Partners VI, L.P. (\$20.0 million).

Alternative Asset Commitment (*Kimpton Hospitality Partners, L.P.*)

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved commitment of \$20 million to Kimpton Hospitality Partners, L.P.

Biomedical Sciences Research Building Flow Cytometry Core and Microscopy and Image-Analysis Laboratory Relocation

On a motion by Regent McGowan, seconded by Regent Brandon, the Regents unanimously approved the Biomedical Sciences Research Building Flow Cytometry Core and Microscopy and Image-Analysis Laboratory Relocation Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Regent Brandon left the meeting at this point, at 3:25 p.m.

Newberry Hall Kelsey Museum Addition and Renovation

Executive Vice President Slottow introduced Dennis Rupert, principal with Hammond Beeby Rupert Ainge Architects. Mr. Rupert displayed photos of the site, the existing buildings, the site plan, and the streetscape. He noted that there is a major existing crosswalk that passes along one side of the site. He commented that the design approach calls for providing museum-quality gallery space by extending the existing gallery space and creating a visible entrance on Maynard Street. A covered outdoor walkway (loggia) would be created following the existing walkway, and there will be access to the museum from both Maynard and State Streets. A loading dock would also be created.

It was noted that 30 parking spaces would be lost as a result of this project, which will be accommodated by a new parking deck to be constructed on Division Street adjacent to the Thompson Street parking structure.

Mr. Rupert displayed building plans and schematics for all aspects of the project and noted that the exterior finish of the addition would be matched to the color of the existing exterior stones on Newberry Hall. He displayed a rendering of the proposed addition.

Following some discussion, Regent Deitch moved approval of the schematic design for the Newberry Hall Kelsey Museum Addition and Renovation Project as presented. Regent McGowan seconded the motion, and it was approved unanimously.

Biological Station and E.S. George Reserve

Executive Vice President Slottow explained the reasoning for the proposed exchange of two small slivers of land between the University and the Michigan Department of Natural Resources. Regent White moved that the Regents authorize the transfer of ownership of land at the Biological Station and approve acceptance of the land at the E.S. George Reserve, as described in the Regents Communication. Regent Maynard seconded the motion. Vice President Churchill provided further explanation of the necessity for this land exchange and confirmed that the land is not located on Douglas Lake. The vote was then taken and the motion was approved unanimously.

Walgreen Drama Center

Executive Vice President Slottow commented that the possibility of accelerating the construction of a parking deck on North Campus in conjunction with this project is being examined. On a motion by Regent Maynard, seconded by Regent White, the Regents unanimously approved issuing the Walgreen Drama Center Project for bids and awarding construction contracts providing that bids are within the approved budget.

Mosher-Jordan Hall Renovation

Executive Vice President Slottow reported that following the appointment of Goody Clancy & Associates as architects for the Hill Dining Center Project in November 2004, a detailed programming effort and site study concluded that the best location for the new dining

center is in proximity to Mosher-Jordan Hall. Appointing the same architects to design the Mosher-Jordan Hall Renovation Project will allow planners to finalize the programming and begin the design for both projects at the same time.

On a motion by Regent Maynard, seconded by Regent Deitch, the Regents unanimously approved the Mosher-Jordan Hall Renovation Project as described and authorized commissioning Goody Clancy & Associates for its design.

Conflict of Interest Items

President Coleman announced that the agenda includes six conflict of interest items, each of which requires six votes for approval. On a motion by Regent White, seconded by Regent Deitch, the Regents unanimously approved each of the following items:

License Agreement with Cyclos, Inc.

The Regents approved a license agreement with Cyclos, Inc., for the following UM Files: 2270, 2299, 2300, 2802, 2803, 2833, 2926, 2927, 2928 and 2929. Because Dr. Marios Papaefthymiou, owner of Cyclos, Inc., is also a University of Michigan employee, 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 Cyclos, Inc.
2. The terms of the agreement include giving Cyclos an exclusive license with the right to grant sublicenses. Cyclos will pay a royalty on sales and will 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 review by the Conflict of Interest Review Committee will be done as appropriate.

3. The pecuniary interest arises from the fact that Dr. Marios Papaefthymiou, a University of Michigan employee, is owner of Cyclos, Inc. He has waived any personal participation in the sharing of revenue received by the University.

Subcontract Agreement between the University of Michigan and NeuroNexus

The Regents approved a subcontract agreement with NeuroNexus to support animal studies necessary for the project “Deep Brain Microelectrode Array for Functional Neurosurgery.” Because Drs. Daryl Kipke and David J. Anderson and Ms. Jamille Hetke, co-founders of NeuroNexus, are also University of Michigan employees, 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 NeuroNexus.
2. It is anticipated that the normal contract terms and conditions will be set forth in the award from the National Institutes of Health to NeuroNexus. The project is anticipated to cover the period of November 1, 2005, through April 30, 2006. Since research agreements are often amended, the agreement includes provisions for changes in 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. The subcontract terms are consistent with University policies and Regental bylaws.
3. The pecuniary interest arises from the fact that Drs. Daryl Kipke and David J. Anderson and Ms. Jamille Hetke, University of Michigan employees, are also co-founders of NeuroNexus.

License and Assignment Agreement with NextHop Technologies, Inc.

The Regents approved a license and assignment agreement in coordination with Merit Network, Inc., to assign all rights and title to the GateD software to NextHop Technologies, Inc. Because Maria Wells, who has ownership interest in NextHop, is also a University of Michigan employee, 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 NextHop Technologies, Inc.

2. The terms of the agreement include giving Merit Network and the University of Michigan a research and academic use license to the software. The University will assign its rights in the software to NextHop. Standard disclaimers of warranties and indemnification apply, and the contract may be amended by consent of the parties.
3. The pecuniary interest arises from the fact that Maria Wells, a University of Michigan employee, has an ownership interest in NextHop Technologies.

Subcontract Agreement between the University of Michigan and Michigan Critical Care Consultants, Inc.

The Regents approved a subcontract agreement with Michigan Critical Care Consultants, Inc., to assist with the development of “Implantable Glucose Sensors with Prolonged Accuracy.” Because Dr. Robert Bartlett, part owner of Michigan Critical Care Consultants, Inc., is also a University of Michigan employee, 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 Michigan Critical Care Consultants, Inc.
2. The terms of the agreement will conform to University policy. The period of performance for the project is six months and the amount of funding support is \$23,760. The agreement allows amendment by mutual agreement of the parties. University procedures for approval of these changes will be followed and additional review by the Conflict of Interest Review Committee will be done as appropriate.
3. The pecuniary interest arises from the fact that Dr. Robert Bartlett, a University of Michigan employee, is part owner of Michigan Critical Care Consultants, Inc.

Subcontract Agreement between the University of Michigan and NotABook, Inc.

The Regents approved a subcontract agreement with NotABook, Inc., to support research designed in helping clinicians meet the tobacco standard of care. Because Drs. Lewis Kleinsmith and Eric Rabkin, who have equity interests in NotABook, are also University of Michigan employees, 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 NotABook, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is 17 months, and the amount of funding support is \$18,500. The agreement may be amended by mutual agreement of the parties. University procedures for approval of these changes will be followed, and additional review by the Conflict of Interest Review Board will be done as appropriate.
3. The pecuniary interest arises from the fact that Drs. Lewis Kleinsmith and Eric Rabkin, University of Michigan employees, also have equity interests in NotABook, Inc.

Option Agreement between the University of Michigan and Incept Biosystems

The Regents approved an option agreement with Incept Biosystems for the following UM Files: 2284, 2498, 2935, 2945, 2362, and 3092. Because Drs. Shuichi Takayama and Gary Smith, part owners of Incept Biosystems, are also University of Michigan employees, 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 Incept Biosystems.
2. Option terms include giving Incept Biosystems an exclusive option to obtain an exclusive license in certain fields of use. 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 review by the Conflict of Interest Committee will be done as appropriate.
3. The pecuniary interest arises from the fact that Drs. Shuichi Takayama and Gary Smith, University of Michigan employees, are also part owners of Incept Biosystems.

2005-2006 University Housing Residence Hall and Family Housing and Undergraduate Apartment Rates

Vice President Harper noted that the components of the proposed rate increases include inflationary increases in the cost of operations, including utilities and insurance, and funding for the next phase of facilities renewal. On a motion by Regent Richner, seconded by Regent

Maynard, the Regents unanimously approved the recommended University Housing rates for 2005-2006, including proposed average rate increases of 4.9% for residence hall room and board and 5.0% for family housing and undergraduate apartment rentals. Detailed rate information is included with the Regents Communication.

Residency Classification Guidelines

Provost Courant noted that revisions to the Residency Classification Guidelines are being proposed in response to repeated requests from the Board that the guidelines be simplified and provide a broader, more common-sense standard for eligibility in certain circumstances. The modifications would permit students whose parents and/or parents in-law are permanently domiciled in Michigan to be immediately eligible for resident classification; allow dependent children of Michigan families who have been sent on temporary work assignment to a foreign country to return as Michigan residents under certain circumstances; allow individuals independently domiciled in Michigan under the guidelines to be temporarily absent from the state for up to one year and return as residents; and clarify the various immigration visa classifications that a person may hold to be considered eligible for resident classification under the guidelines. Language in the guidelines would also be simplified to be made more straightforward.

Regent Taylor moved approval of the revised Residency Classification Guidelines, as shown in the document accompanying the Regents Communication. Regent Maynard seconded the motion. It was noted that the guidelines would be effective beginning with the current Spring term, 2005.

Regent Deitch commented that although the University will continue being vigilant to ensure that only true residents of Michigan receive the benefit of in-state tuition rates, the revised guidelines eliminate requirements that were perceived to be unfair and illogical. He

requested wide dissemination of the revised guidelines, which, he noted, are fair and based on common sense. Several Regents pointed out that these changes came about largely due to the Regents responding to the concerns that had expressed repeatedly at Public Comments, and the revised guidelines illustrate that the Regents do consider the opinions expressed at Public Comments.

The vote was then taken, and the motion was approved unanimously. The revised guidelines are included in the appendix, on p. X.

INCLUDE REVISED GUIDELINES IN REGENTS PROCEEDINGS APPENDIX

Establishment of the Department of Screen Arts and Cultures

On a motion by Regent Maynard, seconded by Regent Taylor, the Regents unanimously approved reorganization of the Program in Film and Video Studies into the Department of Screen Arts and Cultures.

New Graduate Degree Program in the College of Arts and Sciences at the University of Michigan-Flint (“Master of Arts in Social Sciences”)

On a motion by Regent Maynard, seconded by Regent White, the Regents unanimously approved establishment of a new degree program, “Master of Arts in Social Sciences,” to be offered by the College of Arts and Sciences at the University of Michigan-Flint.

Public Comments

The Regents heard comments from the following people, all on the topic of amending the Regents Bylaws to include a nondiscrimination statement regarding gender identity and expression: Stephen Rassi, student and member of Wolverine Coalition for Human Rights, the Rainbow Network, and the Queer Visibility Caucus; Jaiden Charlton, student; and Andre Wilson, Student and co-chair of Transforum.

There being no further business, the meeting was adjourned at 4:00 p.m. The next meeting is scheduled for June 16, 2005.