

May MEETING, 2008

*The University of Michigan
Ann Arbor
May 15, 2008*

The Regents convened at 3:20 p.m. in the Regents' Room. Present were President Coleman and Regents Darlow, Deitch, Maynard, McGowan, Newman, Richner, Taylor, and White. Also present were Vice President and Secretary Churchill, Vice President Forrest, Vice President Harper, Interim Chancellor Kay, Executive Vice President Kelch, Interim Vice President Hage, Vice President Lampe, Chancellor Little, Vice President May, Executive Vice President Slottow, Provost Sullivan, and Vice President Wilbanks.

Call to Order

President Coleman called the meeting to order and thanked Chancellor Little and the Dearborn campus for hosting the meeting. She congratulated Susan Martin, provost and vice chancellor for academic affairs at the UM-Dearborn, on her appointment as president of Eastern Michigan University, noting that she looks forward to working with her. President Coleman also pointed out that this would be the final meeting attended by Gloria Hage in her capacity as interim vice president and general counsel, and thanked her for the thoughtful and incisive counsel she had provided.

President Coleman complimented and thanked all of the staff members and volunteers who had been involved in planning and executing the recent, historic commencement for the Class of 2008 that had taken place on the Diag on the central campus in Ann Arbor campus, noting that it was a spectacular event.

Dean's Report: UM-Dearborn School of Management

Kim Schatzel, dean of the UM-Dearborn School of Management, gave a presentation describing the initiatives being undertaken by the school in service to the businesses and citizens of southeastern Michigan. The school's focus is in keeping with the campus's mission of having a significant and positive metropolitan impact, providing part-time undergraduate and graduate degree programs for working professionals. She gave examples of how the school's applied research centers partner with organizations in southeastern Michigan to help provide solutions to their most difficult challenges.

Financial Aid Overview

Provost Sullivan gave a presentation on the University's undergraduate financial aid program, pointing out that 70% of undergraduates (over 18,000 students) received some type of financial aid in 2007-2008, and that the average award for an undergraduate is over \$13,400. The average grant equaled about 70% of the tuition for a lower division undergraduate student. Forty-one percent of all financial aid to undergraduates is funded from University sources, 37% from federal sources, and the remainder from private and state sources. Grants and scholarships constitute 59% of all financial aid, loans are 40%, and work-study funding is 1%. During the 2007-08 academic year, central University funds provided \$66,573,699 in need-based financial aid.

Provost Sullivan said that the University's financial aid policy is to meet the full demonstrated financial need of all resident students who apply on time and accept the entire financial aid package, to maintain a good balance between grants and loans in the student's package, and to meet as much need as possible for nonresident students. She noted that the need-based aid

package makes it more affordable for low income students to go to the University of Michigan than any other public university in the state or in the Big Ten.

Provost Sullivan gave examples of financial aid packages for students in specific circumstances, pointing out that the University's packages for very low income students with expected family contributions of zero consist entirely of grants, with no expected family contribution. This is in contrast to packages offered by Ivy League institutions, which typically require about \$4,000 in student "self-help" contributions. For 2008-09, the maximum allowable gift aid in financial aid packages will increase by \$400 based on expected increases in federal Pell Grant funding, and the University's general fund financial aid budget is expected to be significantly higher than the tuition rate percentage rate increase.

Among the University's challenges are the fact that its competitors are not affected by the effects of Proposition 2 on financial aid packages directed to minorities. Other issues include the student loan burdens faced by graduate students, competing against the new financial aid programs offered by private peer institutions, and the current economic climate and lending environment.

Regent Darlow expressed how pleased she was that the financial aid programs reflect the increasing accessibility of the University to low income students, and she also pointed out also how successful the President's Challenge had been in increasing the amount of need-based financial aid available for undergraduate students. Vice President May commented that in addition to the \$70 million that had been raised by the President's Challenge, another such challenge is currently underway to increase the amount of aid for graduate and professional students.

North Campus Master Plan

Executive Vice President Slottow reported that a University planning advisory committee chaired by Professor Homer Neal, had undertaken a study, “North Campus Vision 2005-2025,” with the goal of developing a North Campus vision and set of planning principles. A subsequent committee, made up of students, faculty, and staff, worked with an external consultant to execute the concepts enumerated in the North Campus Vision, and the result was a new North Campus Master Plan.

Ms. Gott then gave a presentation on the new North Campus Master Plan. The Master Plan incorporates four major themes identified in the vision statement: 1) to create strong physical, functional, and psychological connections, internally within North Campus and between it and the other campuses and to the community at large; 2) to promote campus vitality, making North Campus more of a destination with a greater sense of place; 3) to optimize development capacity; and 4) to respect and incorporate environmental features into the built environment.

Ms. Gott used maps with overlays and photo illustrations to describe how all of the themes are incorporated into the new plan, and included the functional use framework with public goods, an open space framework, and a mobility framework. The plan includes selective clearing of the Northwoods area to increase transparency, and a possible realignment of the Bonisteel-Murfin intersection.

The framework plan indicates that there is a remaining development capacity on North Campus of 9,000,000 to 10,000,000 gross square feet. The presentation concluded with a depiction of how the Murfin-Plymouth Road “gateway” entrance would look when fully developed. Regent Maynard noted the importance of continued input by the campus community as the master plan is refined and implemented. Ms. Gott stated that the plan provides a very broad

vision and that input is continually being sought in a variety of settings. The principles incorporated into the plan will be used to guide any project proposal that arises.

Public Comments

The Regents heard comments from Ashley Londy, president of the Residence Halls Association, on the proposed rates for University Housing.

Committee Reports

Finance, Audit and Investment Committee. Regent McGowan, chair of this committee, reported that she, Regent Deitch, Regent Taylor, and Regent White had attended this meeting. The committee considered three agenda items: the proposed 2008-2009 Athletic Department budget (with Senior Associate Athletic Directors Jason Winters and Joe Parker); the proposed 2008-2009 University of Michigan Hospitals and Health Centers (UMHHC) budget (with Executive Vice President Kelch, UMHHC Director and CEO Doug Strong, Senior Associate Director and CFO Dave Morlock, and Senior Associate Director and COO Tony Denton); and the bi-monthly internal audit update (with Carol Senneff, executive director of university audits).

Personnel, Compensation and Governance Committee. Regent Richner, chair of this committee, reported that he, Regent Darlow, and Regent Newman attended the meeting. The agenda included a report from Chancellor Little on faculty recruitment and retention efforts on the Dearborn campus, an update from Dean Evan Caminker on the Law School, and an update from Provost Sullivan on ongoing searches for directors and deans.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of April 17, 2008.

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

Litigation Report. Interim Vice President Hage submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Projects Established, April 1 - April 30, 2008. He noted that an open house for the newly established Business Engagement Center, a collaboration between his office and the Office of University Development, was underway.

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

Division of Student Affairs. Vice President Harper called attention to the request for approval of the 2008-2009 University Housing rates. She noted that occupancy rates for 2007-2008 had been close to 100%, and said that in setting rates, the Housing Division attempts to keep rates as low as possible while providing a high quality residential experience and being thoughtful stewards of the facilities. The recommended rate increase is 4.9%, of which 2% is committed to funding previously-approved elements of the Residential Life Initiative and the remainder is allocated to cover increased costs for general operations, utilities, food, repairs, and furnishings. She said that Mosher Jordan Hall would be re-opening this fall after being closed for two years, as would the new Hill Dining Center. The proposed increase for Northwood Community Apartments is 3.1%.

University of Michigan-Dearborn. Chancellor Little welcomed the meeting participants to the Dearborn campus.

University of Michigan-Flint. Interim Chancellor Kay reported on the recent Flint campus commencement.

Michigan Student Assembly Report. Ms. Sabrina Shingwani, president of MSA, introduced Ali Beidoun, president of the UM-Dearborn student government, who described initiatives planned for the Dearborn campus. Ms. Shingwani then related activities underway and planned by MSA on the Ann Arbor campus.

Voluntary Support. Vice President May submitted the Report of Voluntary Support for April 2008.

Facilities Naming Policy and Guidelines. Vice President May also called attention to the information item in the agenda book on the Facilities Naming Policy and Guidelines, noting that it had been developed by a committee appointed by him and Executive Vice President Slottow. The resulting policy and guidelines clarify the levels of naming, designate which types of namings require Regental approval and which do not, and define clear steps in the naming process, both for honorific and donor namings. The policy, which governs all campuses, also creates the Facilities Naming Steering Committee, chaired by the vice president for development. He reviewed the types of namings that require Regental approval.

Executive Vice President Slottow commented that the policy will be circulated to development officers across the university so that they can proactively identify naming opportunities and bring them to the committee well in advance.

Regent McGowan observed that the board has historically taken a great interest in this issue, and commented for the record, “The board takes these namings very seriously. It feels a

great sense of responsibility to the traditions and values of this university. One of the things we requested is that the board be given early notice of where these major namings are going.” She reiterated that “there is a great interest by this board in naming these amazing buildings, so the early notice of naming opportunities is important.”

Personnel Actions/Personnel Reports. Provost Sullivan submitted the recommended promotions to the ranks of professor and associate professor for 2008-2009, in addition to other personnel actions and personnel reports. She described the promotions process, noting that 205 cases had been reviewed, from which emerged recommendations of 158 instructional track cases for review and approval. She pointed out that for the first time, the entire process was handled electronically. It was noted that highlights of the tenure cases from all three campuses will be presented at the next meeting.

Retirement Memoirs. Vice President Churchill submitted 17 faculty retirement memoirs.

Memorials. Vice President Churchill submitted memorial statements for two faculty members, Michael Bretz, professor of physics, and Donald Ulysses Walden, associate professor of music (jazz studies).

Vice President Forrest commented on his long and personal relationship with Professor Bretz, who had been a mentor and colleague. It was noted that a transcript of these comments will be sent to his family.

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.

The Regents then turned to consideration of the regular agenda.

Alternative Asset Commitments

Executive Vice President Slottow informed the Regents of follow-on investments that had been made in the following partnerships: \$40 million to EI Fund IV, L.P.; \$25 million to HEI Hospitality Fund III, L.P.; \$50 million to Lubert-Adler Real Estate Fund VI, L.P.; \$30 million to Advent International Global Private Equity VI, L.P.; \$30 million to TPG Partners VI, L.P.; and €25 million to OCM European Credit Opportunities Fund L.P.

Alternative Asset Commitments (*Denham Commodity Partners Fund V, L.P.; SCF VII, L.P.*)

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved commitment of \$20 million from the Long Term Portfolio to Denham Commodity Partners Fund V, L.P.

Alternative Asset Commitment (*Hony Capital Fund 2008, L.P.*)

Executive Vice President Slottow withdrew this request from consideration because the University was not able to participate in this fund.

Sale of Commercial Paper by the University

On a motion by Regent Maynard, seconded by Regent White, the Regents unanimously approved replacing the existing Series G commercial paper program with a new Series H program, as described in the Regents Communication, and authorized a resolution for the issuance of up to \$150 million of commercial paper supported by a pledge of general revenues (see appendix); the increase of up to \$77.7 million in the commercial paper outstanding; and the executive vice president and chief financial officer, associate vice president for finance, or treasurer to execute all the documentation for the establishment and issuance of the Series H and

extension of Series E commercial paper and the rollover of the outstanding Series G into the proposed Series H program, and to negotiate a liquidity facility, if appropriate.

INCLUDE RESOLUTION IN PROCEEDINGS AS APPENDIX

East University Chiller Plant New Chiller

On a motion by Regent Richner, seconded by Regent White, the Regents unanimously approved the East University Chiller Plant New Chiller Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Engineering Programs Building First Floor Instructional Learning Center

On a motion by Regent Maynard, seconded by Regent Taylor, the Regents unanimously approved the Engineering Programs Building First Floor Instructional Learning Center Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

University of Michigan-Flint Kearsley Street Extension

Interim Chancellor Kay commented that this project, which is recommended in the Master Plan, will provide a direct link between the UM-Flint and other educational and cultural resources in the city of Flint, which is a vital component of the community's revitalization efforts. Executive Vice President Slottow pointed out that the street extension is in front of the new residence hall, and will be important in increasing the safety and visibility for pedestrians and drivers in that area. On a motion by Regent Taylor, seconded by Regent Deitch, the Regents unanimously approved the Kearsley Street Extension Project as described, and authorized

issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

University of Michigan Hospitals and Health Centers University Hospital High Dose Rate Radiation Suite

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved the University of Michigan Hospitals and Health Centers University Hospital High Dose Rate Radiation Suite Project as described, authorized commissioning the architectural firm of SSOE, Inc. for its design, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Michigan Wrestling Center

On a motion by Regent Maynard, seconded by Regent White, the Regents unanimously approved the Michigan Wrestling Center Project as described and authorized commissioning Jickling Lyman Powell Associates, Inc. for its design.

Conflict of Interest Items

President Coleman announced that the agenda includes 9 conflict of interest items, each of which requires 5 votes for approval. These would be considered as a block, in one vote.

On a motion by Regent White, seconded by Regent Taylor, the Regents unanimously approved the following agreements:

Payment to Paul E. Schneider Enterprises

The Regents approved a payment by the UM-Dearborn Physical Education, Recreation and Athletics Department (“Athletics Department”) to Paul E. Schneider Enterprises (“Schneider”) for eleven awards plaques. Because Denise Sombati, a University employee, is

also the owner of Schneider, this purchase falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with the statutory requirements:

1. The parties to the contract are the Regents of the University of Michigan and its Athletic Department on the Dearborn campus and Schneider.
2. The products provided are eleven 7" x 10" engraved, mahogany plaques for a total amount of \$330.
3. The pecuniary interest arises from the fact that Denise Sombati, a University of Michigan-Dearborn employee, is owner of Schneider.

Payment to Optiprise, Inc.

The Regents approved a payment by the College of Engineering Center for Professional Development Interdisciplinary and Professional Engineering (InterPro) to Optiprise, Inc. (Optiprise) for an instructor to lead a program about lean product process development. Because Jeffrey Liker, a University of Michigan employee, is also a minority partner in Optiprise, this contract falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties involved in the transaction are the Regents of the University of Michigan and its College of Engineering InterPro and Optiprise.
2. The payment is for lead instruction of five professional short courses on Lean Product Process Development by Dr. John Drogosz, senior lean consultant with Optiprise. This non-credit program offering through InterPro ranges from two to five days, is offered publicly or customized from January through June of 2008, and is held in Ann Arbor or on location. The cost in fees is \$47,500 with estimated travel expenses of \$8,000 for a total of \$55,500.
3. The pecuniary interest arises from the fact that Jeffrey Liker, University of Michigan employee as professor of industrial and operations engineering in the College of Engineering, is a minority partner in Optiprise.

Consulting Agreement with Cielo MedSolutions LLC

The Regents approved a consulting agreement between the Department of Family Medicine (DFM-UM) and Cielo MedSolutions LLC (Cielo) to provide technical support for the Cielo Clinic software program. Because Dr. Lee Green, Dr. Michael Klinkman, Dr. Donald

Nease, Jr., and James D. Price, University of Michigan employees, are also members of Cielo, 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 contract are the Regents of the University of Michigan and its Department of Family Medicine and Cielo.
2. The fixed fee consulting agreement is to provide the technical support in extending the existing linkage between DFM-UM's Colorectal Web and Cielo Clinic to include the integrated St. John Health System's laboratory and clinical information systems for a fixed cost of \$2,500.
3. The pecuniary interest arises from the fact that Dr. Lee Green, Dr. Michael Klinkman, Dr. Donald Nease, Jr., and James D. Price, University of Michigan employees, are members of Cielo.

Payment to Roundabout LLC

The Regents approved a payment by the College of LSA Development, Marketing, and Communications Department to Roundabout LLC for five limited edition art prints given to distinguished alumni in Korea during a delegation visit in 2007. Because Young-Shik David Chung, a University of Michigan employee, is also a partner of Roundabout LLC, this contract 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 LSA Development, Marketing and Communications Department and Roundabout LLC.
2. The payment is for five custom-framed limited edition 30" by 20" art prints for a total of \$8,000.
3. The pecuniary interest arises from the fact that Young-Shik David Chung, a University of Michigan employee, is a partner of Roundabout LLC.

Option Agreement between the University of Michigan and Histosonics

The Regents approved an option agreement with Histosonics for commercializing the following technologies owned by the University: UM File No. 1103, "An Ultrasound Phased Array Noninvasive Cardiac Ablation System;" UM File No. 1218, "High Power Phased Array Therapy System;" UM File No. 1329, "Novel Methods for Ultrasound Surgery Using Cavitation:

Microbubble Applications for Lesion Localization and Threshold Stabilization;” UM File No. 1329p1, “Method and Assembly for Performing Ultrasound Surgery Using Cavitation;” UM File No. 3207, “Feedback Methods and Systems for Determining Therapy Beam Positioning and Therapeutic Efficacy Before, During and After Ultrasound Cavitational Therapy;” UM File No. 3294, “Ultrasound Assisted Drug Delivery;” UM File No. 3343, “Apparatus and Methods for Performing Noninvasive Vasectomies;” UM File No. 3767, “Minimally Invasive Therapeutic Methods;” and UM File No. 3916, “Histotrypsy for Thrombolysis.”

Because Charles Cain, J. Brian Fowlkes, William Roberts, Zhen Xu, and Timothy L. Hall, University of Michigan employees, are also partial owners of Histosonics, 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 Histosonics.
2. Option terms include giving Histosonics an option to obtain an exclusive license with the right to grant sublicenses. Histosonics 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 contract may be amended by consent of the parties. University procedures for approvals of the changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Drs. Cain, Fowlkes, Roberts, Xu, and Hall arise from their ownership interest in Histosonics.

License Agreement between the University of Michigan and Tissue Regenerative Systems, Inc.

The Regents approved a license agreement with Tissue Regenerative Systems, Inc. (“TRS”) for commercializing the following University-owned technology: UM File No. 2129, “Design Methodology for Tissue Engineering Scaffolds and Biomaterial Implants;” UM File No. 1704, “Rapid Vascularization of Bioengineered Tissues;” UM File No. 1704d1, “Mineralization and Biological Modification of Biomaterial Surfaces;” UM File No. 3361, “Engineered Scaffolds

for Intervertebral Disc Repair and Regeneration;” UM File No. 3360, “Designed Degradable Cage Coated with Mineral Layers for Spine Interbody Fusion;” UM File No. 2954, “A Biodegradable Implant for Intertransverse Process Fusion;” and UM File No. 2130, “Controlled Micro/Macro porous 3D Plastic Polymer and Ceramic/Cement Composite Scaffold Fabrication and Applications Thereof.”

Because Scott Hollister, Frank La Marca, Stephen Feinberg, Suman Das, and Chia-Ying Lin, University of Michigan employees, are also partial owners of TRS, 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 Tissue Regenerative Systems, Inc.
2. License terms include giving TRS an exclusive license with the right to grant sublicenses. Terms of the license agreement will include an upfront payment, royalty on sales, milestones for development, and annual fees. 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 approvals of the changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Drs. Scott Hollister, Frank LaMarca, Stephen Feinberg, Suman Das, and Chia-Ying Lin arise from their ownership interest in TRS.

Master Agreement between the University of Michigan and Tissue Regeneration Systems, Inc.

The Regents approved a master agreement with Tissue Regeneration Systems, Inc. (TRS), for funding research projects at the University from time to time. Because Scott Hollister, Frank LaMarca, Stephen Feinberg, Suman Das, and Chia-Ying Lin, University of Michigan employees, are also partial owners of TRS, 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 Tissue Regeneration Systems, Inc. (TRS).
2. The University will enter into a master agreement with TRS that will cover standard procedures for performance of projects as well as provisions implementing University and federal policies related to intellectual property and publication. The master agreement will cover an initial five-year period with a total authorization not to exceed \$2,000,000. The University will use standard sponsored project accounting procedures to determine the cost of each project. Budgets will be reviewed and approved by authorized representatives of each department and school/college where projects are to be performed. The master agreement will allow the University and TRS to specify projects that the University will conduct under the terms of the master agreement. Since projects are often amended, the master agreement includes provisions for changes in time, amount, and scope of each supported project. University procedures for approval of each project will be followed and additional conflict of interest review will be done on a project-by-project basis.
3. The pecuniary interests of Scott Hollister, Frank LaMarca, Stephen Feinberg, Suman Das, and Chia-Ying Lin arise from their partial ownership of TRS.

Subcontract Agreement between the University of Michigan and MKP Structural Design Associates, Inc.

The Regents approved a subcontract agreement with MKP Structural Design Associates, Inc., to allow Dr. Anthony Waas to participate in research. Because Dr. Zheng-Dong Ma, a University of Michigan employee, is also co-founder, co-owner, and president of MKP Structural Design Associates, Inc. (“MKP”), 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 MKP Structural Design Associates, Inc.
2. The terms of the agreement conform to University policy. Dr. Anthony Waas, professor and associate chair of the Department of Aerospace Engineering in the College of Engineering will be principal investigator for the project at the University. The period of performance for the project is eight (8) months and the amount of funding support is \$42,656. The agreement contains a provision allowing amendment by mutual agreement by the parties. University procedures for approval of these amendments will be followed and additional conflict of interest review will be done as appropriate.
3. Dr. Zheng-Dong Ma’s pecuniary interest arises from his status as co-founder, co-owner, and president of MKP Structural Design Associates, Inc.

Option Agreement between the University of Michigan and Alluvium Bioscience, Inc.

The Regents approved an option agreement with Alluvium Bioscience, Inc. for developing the following technology from the University: UM File No. 2863, “Nucleic Acids and Polypeptides Involved in the Production of Cryptophycin;” UM File No. 3851, “Solid Phase Synthesis of Cryptophycins;” and UM File No. 3487, “Cryptophycin Biosynthetic Cluster DNA and Cryptophycin Epoxidase.” Because David Sherman, a University of Michigan employee, is also a partial owner of Alluvium Bioscience, Inc. (“Alluvium”), 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 Alluvium Bioscience, Inc.
2. Option terms include giving Alluvium an exclusive license with the right to grant sublicenses. Alluvium 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 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. Dr. Sherman’s pecuniary interests arise from his ownership interest in Alluvium.

Policy and Guidelines for Naming of Facilities, Spaces and Streets

Executive Vice President Slottow and Vice President May submitted for the Regents’ information the newly adopted “Policy for Naming of Facilities, Spaces and Streets” and the “Guidelines for Naming of Facilities, Spaces and Streets.” The policy and guidelines can be found in the Appendix, on page X.

INCLUDE POLICY AND GUIDELINES IN APPENDIX

Approval of the 2008-2009 University Housing Residence Hall and Northwood Community Apartments Rates

On a motion by Regent Deitch, seconded by Regent Taylor, the Regents unanimously approved the proposed University Housing rate of 4.9% for residence hall room and board and 3.1% for Northwood Community Apartments rentals, as detailed in the Regents Communication.

Reorganization of the Department of Electrical Engineering and Computer Science in the College of Engineering

On a motion by Regent Taylor, seconded by Regent White, the Regents unanimously approved reorganization of the Department of Electrical Engineering and Computer Science into two divisions: the Computer Science and Engineering Division and the Electrical and Computer Engineering Division, as described in the Regents Communication.

New Undergraduate Degree Program in the Department of Communication and Visual Arts, College of Arts and Sciences, University of Michigan-Flint

Interim Chancellor Kay observed that there is currently no undergraduate degree program in journalism on any of the University of Michigan campuses. This program will focus on local and regional journalism and has the support of local media outlets. On a motion by Regent White, seconded by Regent Deitch, the Regents unanimously approved a new undergraduate degree program, "Bachelor of Arts Degree in Journalism," in the College of Arts and Sciences at the University of Michigan-Flint.

Proton Beam Radiation Therapy Center

Executive Vice President Kelch described this request for approval of the University of Michigan Health System to participate in a consortium to develop a proton beam radiation therapy center, according to the guidelines recently approved by the Certificate of Need Commission on April 30, 2008. He explained that proton beam therapy is a promising, but not yet proven, therapy for many types of cancers, which has the potential to benefit a subset of

cancer patients, most likely children and possibly young adults. It may also be of benefit for some ocular and skull-based tumors; however, the benefit of this therapy over the standard photon radiotherapy for prostate cancer has not been established. Therefore, given the rising cost of health care and the tremendous investment that a photon beam radiation therapy center will require, the most prudent approach would be to develop a consortium approach among leading area nonprofit hospitals.

Regent Taylor moved approval of participation of the University of Michigan Health System in the proposed consortium of non-profit, Michigan hospitals to develop a proton beam radiation therapy center in the state of Michigan. Regent Darlow seconded the motion. Regent Deitch commended Dr. Kelch for his leadership on this issue, and said that on behalf of his Regent colleagues, "You have our full support in pushing this idea forward because it's the right thing for Michigan. This is an important initiative, and I think the public should understand that." The vote was then taken, and the motion was approved unanimously.

There being no further business, the meeting was adjourned at 4:45 p.m. The next meeting is scheduled for June 19, 2008.