

## NOVEMBER MEETING, 2007

*The University of Michigan  
Ann Arbor  
November 15, 2007*

The Regents convened at 3:00 p.m. in the Founder's Room, Alumni Center, Ann Arbor campus. Present were President Coleman and Regents Darlow, Deitch, Maynard, McGowan, Newman, Richner, and Taylor. 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. Regent White arrived at 4:10 p.m.

### **Call to Order**

The meeting began with an address to the University community by President Coleman.

### **President's Address to the University Community**

*Five years ago, as I stood with the Regents to accept the position of president of the University of Michigan, I could not have imagined the journey that awaited me or the University.*

*We have seen our campus grow and prosper, with new academic programs at all levels of study, stunning new teaching and research facilities, and, most importantly, a stronger community committed to discovering new knowledge and applying it toward the betterment of society.*

*This fall, with the support and counsel of the Regents, I am beginning a second-five year term, and I am tremendously excited about the opportunities that lie before us as a public university in this rapidly changing world.*

*After all, universities exist to pave the way to tomorrow. We seek cures for diseases; we work to understand the dynamics of emerging economies; we study ways to protect our natural environment; and above all, we educate young people seeking to better themselves through knowledge and new perspectives.*

*The University of Michigan must continually change to meet – and to anticipate – the needs of an evolving society. To do so, we must be prepared to rethink what we do and how we do it, and to explore new paths that will lead us in entirely new directions.*

*One of our key strengths as a teaching and research institution – and one that positions us well for the challenges ahead – is our unique breadth and scale. With 19 schools and colleges, a thriving health system, and three campuses, the University of Michigan has an unparalleled richness of intellectual diversity that can be brought to bear on the challenges we face as a university and a society.*

*And with a community of students, faculty, and staff drawn from throughout Michigan, across the nation, and around the globe, we have a wealth of perspectives that critically inform our understanding of our complex world.*

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*All of us know the feeling of standing in Michigan Stadium and watching the Michigan Marching Band high-step onto the field. It is a remarkable display, and no matter how many games we attend, it's still something we soak up as part of the Michigan experience.*

*Most members of our marching band are not music students. They approach life as aspiring engineers, historians, scientists and teachers. They are students of different backgrounds and talents who come together to create something special.*

*They are also our most visible symbol of interdisciplinary work at Michigan.*

*No other university offers faculty and students our scope and scale of fields of study, and the opportunities to push their ideas in new directions. We have seen this for decades, beginning with the Institute for Social Research, the gold standard for academic collaboration.*

*The potential combinations are endless.*

*Consider Janet Smith and David Sherman. Dr. Smith is a structural biologist, specifically a crystallographer. Dr. Sherman is a professor of medicinal chemistry, with his roots in pharmacy.*

*Crystallographers and pharmacists generally work in separate worlds. But Professors Smith and Sherman have collaborated to attack the growing problem of drug-resistant infections brought on by superbugs. In fact, they are outsmarting these superbugs that put us all at risk.*

*This is groundbreaking work. I know, as a scientist and a university president, this achievement occurred only because of the interdisciplinary setting of the Life Sciences Institute and the interdisciplinary culture of Michigan.*

*This kind of work has never been more important. Great universities like Michigan must transcend disciplines to be truly effective in addressing societal needs.*

*Working with Provost Sullivan, I want to exploit this core strength by launching an innovative hiring program for faculty specifically committed to interdisciplinary collaboration.*

*Over the next five years, we will fund 100 tenure-track faculty positions, to expand interdisciplinary work and to increase faculty connections with undergraduates.*

*These 100 junior faculty positions will be centrally funded, meaning they will complement the regular faculty hiring in the schools and colleges, and will be awarded through competitive proposals to the provost.*

*Priority will be given to faculty positions that support our major initiatives, such as energy and environmental sustainability. I want to encourage cluster hiring, with groups of faculty focused on emerging areas of scholarship and creativity.*

*New hires require resources, so in addition to committing \$10 million for salaries and benefits, we will designate \$20 million for start-up costs.*

*This is a major commitment – financially and philosophically. And it requires a major commitment from our deans and department chairs to be truly effective.*

*As faculty evaluate scholarship, they must challenge each other to think differently about work that crosses boundaries. We have several deans with us today, and I encourage them to experiment with this new hiring program, to mentor and support these new hires, and to push the University in entirely new directions.*

*Our new professors will be a strong addition to the undergraduate experience. The latest National Survey of Student Engagement tells us U-M students find themselves far more engaged than their peers elsewhere. They are accustomed to working in groups, collaborating with students of different backgrounds, and organizing their ideas in new ways.*

*Michigan's academic excellence presents itself in a student experience that draws on a diversity of ideas, beliefs, ethnicities and personal backgrounds. Ours is an environment that shapes our students and is shaped by them.*

*Let's build upon that as we prepare students for life – and an interdisciplinary life at that.*

*An essential component of a Michigan education is our approach to the arts. The arts are a fundamental form of thinking that complements scientific approaches to the world and its challenges.*

*To appreciate the arts at Michigan, think about all we have seen unfold in recent years, especially on North Campus. We have the Walgreen Drama Center and the Arthur Miller Theatre. The Bentley Historical Library with its invaluable holdings has doubled in size. The Duderstadt Center is open 24 hours a day, seven days a week, for collaborations in multimedia. The Stamps Auditorium will soon come online to serve the campus.*

*And the deans of our North Campus schools and colleges have come together as no deans before them to lead the Arts on Earth initiative that explores the importance of the arts to creativity and innovation.*

*I propose we use the gathering momentum of Arts on Earth to further energize North Campus as an epicenter of creativity.*

*Is North Campus like Central Campus? No, and by design it never will be. It is its own distinctive place, with distinguished academic programs and beautiful natural surroundings.*

*To enhance this, I want us to explore creating a residential community on North Campus to nurture and strengthen creativity.*

*Throughout the University, we have living-learning communities that provide students a home and culture that feeds their interests.*

*Let's find a way to develop a dynamic setting that provides a unique living experience for students with a passion for the arts, possibly by transforming and renovating Baits Hall.*

*And let's complement that with a space on North Campus that serves as an inter-arts center – a nexus for research, outreach and curricular programs that draws on the countless ways in which the arts shape our thinking and our thinking shapes the arts. It might be a place where dancers gather to practice, where engineers and musicians collaborate with psychologists, and where architects and painters find studio space.*

*It should be a nexus for creativity, because creativity is essential to critical thinking and innovation.*

*I also want more of our students to see more of the world. Whether you view the world as getting flatter or smaller, the fact is we are more interconnected than ever.*

*As other nations emerge as economic powers and our society grows more international, so, too, must a student's education. There is so much to be learned from observing, from interacting, and from listening to people who live and work in different cultures than ours.*

*That is why I traveled to China in 2005 to establish partnerships with China's best universities. And it is why I will lead a University delegation to Ghana and South Africa next February.*

*Two years ago, a bipartisan congressional commission called for 1 million American students to be studying abroad by 2017. The year 2017 has special significance on our campus because it is our bicentennial, and I want U-M to be a leader in reaching this study abroad goal.*

*Just this week, as we hosted China's ambassador to the United States, we were named one of the top American research universities for having students study overseas. At least 1,800 U-M students take advantage of study abroad programs annually, and I want us to double that number in the next five years. I am intentionally setting the bar high because I believe this is critical to preparing tomorrow's students for a more culturally diverse and more cooperative world.*

*We must find ways to make the international study experience more flexible, creative and affordable. Our future and the future of our nation depend on it.*

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*The importance of international study is a perfect segue to the University's role in society and how we engage with the communities we serve.*

*This month marks a significant anniversary for our great state. Fifty years ago, the Mackinac Bridge opened, and Michigan was never the same. The Mighty Mac transformed commerce and tourism in Michigan and literally brought us closer together as a state.*

*The University of Michigan is just as vital a bridge to the future for our state. Our impact must be broad, because the future of American competitiveness depends vitally on transforming the Midwest.*

*That means being a university that helps shape a strong Michigan economy, provides the best health care possible to citizens, offers exceptional regional campuses, and works with the K-12 system to increase the number of college-educated citizens – students who will be tomorrow’s decision-makers.*

*Our work begins with expanding our leadership role in restructuring a state economy that is undergoing dramatic change.*

*For the past year, we have worked arm-in-arm with Michigan State University and Wayne State University to capitalize upon our combined research assets for the state’s benefit. As the University Research Corridor, our institutions bring in 95 percent of all the external R&D dollars that come into the state. And together we conduct well over \$1.3 billion in research activity.*

*It is probable that within five years, U-M will cross the threshold of \$1 billion annually in research, and the contributions of MSU and Wayne State will only add to the firepower of the URC.*

*And still, U-M can do more.*

*For our state to prosper, we absolutely must cultivate a stronger culture of innovation and entrepreneurship.*

*We should remember with pride that pioneers like Henry Ford, Herbert H. Dow and W.K. Kellogg shaped the 20th century and made our state a powerhouse of manufacturing and technology. And we must remind ourselves and our community that U-M was founded to improve the public welfare through engagement.*

*Drawing on this heritage, we are prepared to embark on a partnership with society that is a first for higher education.*

*Joining with Michigan’s other public universities and leading foundations across the state, we propose a collaboration to drive innovation and entrepreneurship for developing knowledge-based industries in Michigan.*

*The Michigan Innovation and Entrepreneurship Initiative, with at least \$100 million available in resources, will be funded by foundations and universities themselves. The Initiative will advance commercialization of university research, promote partnerships between higher education and industry, and propel the work of entrepreneurial students and faculty.*

*This will evolve into a massive public-private partnership. It is, in effect, an investment in the people and ideas that emerge from our public universities as drivers of a knowledge-based economy.*

*We have received \$2 million in seed funding from the C.S. Mott Foundation for our initial planning. With supporters from the Council of Michigan Foundations and the foundation community at the table with us, we look forward to launching the Initiative in the months ahead.*

*There are many, many details to process, but this should not hinder us from finding ways to jumpstart the Michigan economy.*

*Equally vital to our commitment to the state are U-M’s regional campuses.*

*I consider myself extremely fortunate to lead a university with not one great campus, but three. Chancellor Dan Little of Dearborn, and Interim Chancellor Jack Kay and his predecessor, Juan Mestas, at Flint, have excelled at establishing their campuses as community anchors.*

*UM-Flint is a focal point for the growth of Genesee County, and its expansion as a residential campus solidifies its role in Flint’s rebirth.*

*UM-Dearborn is equally central to the vitality of southeast Michigan. As a valued partner in metropolitan Detroit’s growth, UM-Dearborn extends the University’s impact on a region that has been our home since 1817.*

*I anticipate our regional campuses growing significantly in enrollment in the coming years as they devote themselves to educating our citizens for the new Michigan economy.*

*We cannot talk about an engaged University of Michigan without devoting serious attention to our health care system and the exceptional work it performs.*

*Most Michigan citizens typically interact with U-M not as students, but as football fans or as patients – or relatives of patients. Where some 880,000 people will visit Michigan Stadium this year, the Health System will see twice as many, and for far more critical reasons.*

*In fact, just a single day in the life of our Health System means 10 babies will be born More than 4,300 people will walk into our clinics, some 170 patients will be in the hands of our surgeons, and more than 200 people will here for emergency care.*

*And we will be there for them. We will be there, and we will be more advanced and more efficient than ever.*

*Our university is growing the health industry of Michigan. And to succeed as a health system, we must expand in all directions: with our patient care, our research, and our training of tomorrow's doctors, nurses, pharmacists and dentists.*

*To be a health care leader, we absolutely must have optimal facilities for patients and the caregivers who treat them. Our plan calls for us to invest more than \$3 billion in the maintenance, renovation, and expansion of facilities and equipment over the next 10 years. We will increase the size and capabilities of the core Medical Campus, as well as East Ann Arbor and other ambulatory care sites.*

*As our Health System grows, we also must work harder and smarter to coordinate our activities to control costs, while providing the best care for our patients.*

*I am urging our clinical schools of Medicine, Nursing, Dentistry and Pharmacy to find more ways to coordinate their work, to avoid duplication and maximize their resources. By planning together, the health sciences at Michigan will become known as a distinct – and distinctive – entity of this university.*

*That same expertise, including Public Health, also plays a leadership role in shaping national health care discussions and solutions.*

*I am very proud of the contributions we make to reduce medical costs while also improving the health of our own employees. In particular, our Michigan Healthy Community initiative works to keep the well well and reach out to those at risk to improve their well-being.*

*Of course, in addition to providing first-rate health care, U-M provides a top-notch education that is a gateway to personal and professional success for qualified applicants. But our doorways will be empty if we do not engage more with the K-12 system, to expand the pipeline of students eager for a college education.*

*We opened the U-M Detroit Center a year ago to increase the community's access to our admissions office and other programs. I want to see us establish a similar presence in western Michigan, so students and their families can come face-to-face with representatives of the University and better understand what we offer.*

*Many have looked to us for guidance on improving our public schools by drawing on our strengths in education and social work. We recently inventoried our campus programs that partner with the K-12 system, and it is an impressive catalog of outreach designed to help raise students' performance and aspirations.*

*Yet like the University itself, our outreach programs are highly decentralized.*

*To give greater focus and impact to our K-12 programs, we will establish a Center for Outreach and Engagement to coordinate and elevate what U-M contributes to our public schools. The Center for Outreach was a recommendation of the Diversity Blueprints report that came out following the passage of Proposal 2.*

*I want to send a very clear message that the University of Michigan is here for the young people of our communities, students who will be future leaders in our state and beyond.*

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*One of our state's greatest leaders and perhaps this university's most respected alumnus was Gerald Ford, and we are learning more about him in a new book of off-the-record conversations. One passage shows President Ford in the months after leaving office, a period when he could have elected to lead the secluded life of an ex-president.*

*Instead, he relished what he called "his new life."*

*"I'm a pragmatist," he said. "I prefer thinking about the future."*

*I love that philosophy, because it exemplifies the mission of President Ford's alma mater. We are thinking, always, about the future, and that future must include a pragmatic approach to the financial underpinnings of this great university.*

*Everyone knows that public financing of our universities is on a slow, steady decline. We will continue to make the case that Michigan's system of higher education is among our state's greatest assets, and more public investment is essential to our competitiveness as a state, and a nation.*

*I have devoted my entire career to public universities. Thirty-five years and six state universities have shown me over and over again the impact of public universities on the greater good of society.*

*The University of Michigan will never stray from its public mission. It is our birthright, and one we treasure. As long as we receive one dollar from the state, we will be a public university, and an exceptional one at that.*

*However, this decline of public support poses a severe challenge to our ability to meet our obligations to the state. We are addressing this challenge through aggressive fundraising with alumni and friends who believe in our value to future generations. I cannot say enough about the support of the Michigan Difference campaign. We met our goal of \$2.5 billion, and if we sustain our momentum through to the 2008 deadline, we may well reach \$3 billion in support of financial aid for our students, professorships for our faculty, and programs that lead to new knowledge.*

*And when our campaign is complete, we will continue to emphasize private support as fundamental to the future of the University.*

*We also adjust to the fiscal realities of the day through exceptional stewardship of our resources, building an endowment that assures our stability and growth for the long term.*

*A strong and growing endowment such as ours guarantees – in perpetuity – our ability to carry out our mission and adapt to change.*

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*In two days, the Michigan football team will face Ohio State in one of the most storied rivalries in college athletics. Saturday also marks the one-year anniversary of the passing of Bo Schembechler.*

*We all know Bo's mantra: The team, the team, the team! That comes through loud and clear in a new book about his leadership principles. Bo advises that to lead, you need goals. And those goals must come from the people responsible for achieving them.*

*I have great aspirations for our university, goals I could not set without the strong counsel and support of our Regents, executive officers and deans, and through them dedicated faculty and staff. We set high standards for ourselves at Michigan, because we strive to be the best.*

*Ours is a university unlike any other. The University of Michigan has helped cure polio, sent men to the moon, and deepened our understanding of human existence through the humanities and social sciences. Today, we are working to digitize and share the wonders of our massive library. We are pursuing the promise of stem cells and biotechnologies. And we are committed to the principle that a great public university embraces a diversity of people and ideas.*

*As we prepare for tomorrow, the University of Michigan will change, adapt and grow to meet the needs of society. We will always keep an eye on the horizon, because we are in this forever.*

*It has been a privilege to serve this university for the last five years, and I am grateful for the support of the regents and so many others. I look forward to joining with all of you as we work together to carry this great university to even greater heights.*

*Thank you.*

A standing ovation followed. Regent Maynard thanked President Coleman for her service during the last five years, and said that she looks forward to the challenge ahead. "There are going to be some exciting challenges, including some you didn't even mention which we will face together." She also thanked President Coleman for recognizing the value that the regional

campuses add to the University's quality and for recognizing the value of diversity in our University community.

### **Committee Reports**

**Finance, Audit and Investment Committee.** Regent McGowan, chair of this committee, reported that she, Regent Maynard, and Regent Deitch, along with President Coleman, had met with Vice President Forrest for a financial and operational overview of the technology transfer operation. The committee also met with Associate Vice President Peggy Norgren for its annual review of the president's travel and hosting expenses, and they reviewed the draft committee calendar for 2008.

**Personnel, Compensation and Governance Committee.** Regent Richner, chair of this committee, reported that he, Regent Darlow, and Regent Taylor had participated in this committee meeting. The committee first met with Charles Smith, chair of SACUA, to review SACUA's annual report. The next session was a briefing from Provost Sullivan regarding faculty recruitment and retention efforts. Next, the committee met with Associate Provost Lori Pierce regarding faculty gender equity issues.

The Regents then turned to the consent agenda.

### **Consent Agenda**

**Minutes.** Vice President Churchill submitted for approval the minutes of the meeting of October 25, 2007.

**Reports.** Executive Vice President Slottow submitted the Investment Report, the Plant Extension Report, and the University Human Resources Report. He made note of a national award that had recently been received by the University's Plant Building and Ground Services Division.

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

**Research Report.** Vice President Forrest submitted the Report of Projects Established, October 1 - October 31, 2007.

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

**Division of Student Affairs.** Vice President Harper noted that the agenda includes a proposed schematic design for renovation of Madelon Louisa Stockwell Hall, and commented on how the renovated hall, in conjunction with the ongoing renovations of Mosher Jordan Hall and the new Hill Dining Center, will contribute to an enriched residential living-learning experience as part of the Residential Life Initiative in the “Hill” neighborhood. She thanked President Coleman for her leadership on the Residential Life Initiative throughout her term.

**University of Michigan-Dearborn.** Chancellor Little expressed his appreciation to President Coleman for noting in her campus address her continuing support for the mission of the Dearborn campus.

**University of Michigan-Flint.** Interim Chancellor Kay also expressed his appreciation and support to President Coleman for all of her efforts on behalf of the Flint campus.

**Faculty Senate Report.** Professor Charles Smith, chair of SACUA, updated the Board on the need-based undergraduate scholarship fund that had been established last spring by the Faculty Senate. The fund will be administered by faculty members, who will select and mentor scholarship recipients. Professor Smith noted that in order to meet the scholarship’s fundraising goals, the faculty is required to raise an additional \$90,000 by December 31, 2007, and is appealing for donations.

**Michigan Student Assembly Report.** Mr. Zachary Yost, president of MSA, updated the Regents on activities of MSA during the past month. He then introduced Abdullateef Muhiuddin, president of the UM-Dearborn student government, who updated the Regents on the group's activities on the Dearborn campus.

**Voluntary Support.** Vice President May submitted the Report of Voluntary Support for October 2007.

**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 McGowan, seconded by Regent Taylor, the Regents unanimously approved the Consent Agenda.

The Regents then turned to consideration of the regular agenda.

### **Report of University Internal Audits, July 2007 - September 2007**

Executive Vice President Slottow submitted the report of the Office of University Audits activities for the period July 2, 2007 through September 30, 2007.

### **Alternative Asset Commitments**

Executive Vice President Slottow informed the Regents about follow-on commitments that have been made with the following previously-approved partnerships: \$15 million to

Ceyuan Ventures II, L.P.; \$22 million to ChrysCapital V, L.P.; and \$60 million to Ashmore Global Special Situations Fund 4, L.P.

### **Request for Nomination of Trustee for the William W. Cook Trust**

On a motion by Regent McGowan, seconded by Regent Taylor, the Regents unanimously approved the appointment of Michael J. Levitt as co-trustee of the William W. Cook Trust.

### **Art and Architecture Building Addition**

Executive Vice President Slottow introduced Robert Hull, principal of the architectural firm The Miller|Hull Partnership, LLP. Mr. Hull commented that this addition, for the A. Alfred Taubman College of Architecture and Urban Planning, is meant to address three issues: extending the existing, strong, programmatic approach to architecture and urban planning; sending a strong environmental and sustainability message; and providing a new architectural face for the building. He displayed a photograph of the existing building and drawings and schematics illustrating the various features of the addition, which is to be placed on top of the existing building. He noted that the addition will be oriented so as to make maximum use of solar energy, and displayed a rendering of the exterior.

On a motion by Regent McGowan, seconded by Regent Deitch, the Regents unanimously approved the schematic design for the Art and Architecture Building Addition Project, as presented at the meeting.

### **Madelon Louisa Stockwell Hall Renovation**

Executive Vice President Slottow introduced Jean Carroon, principal with Goody Clancy, to present the schematic design for the Madelon Louisa Stockwell Hall Renovation. Ms. Carroon gave a presentation describing the project, noting that 90% of the budget is allocated

toward addressing infrastructure repairs, maintenance, and upgrades. Because the existing kitchen and dining areas on the lower levels are being vacated due to construction of the new dining center, this space will be available to address programmatic needs. She displayed a model of how this two-story space will be transformed by creation of a new, covered, central courtyard space that will be available to all Hill residents and that is expected to become the heart of the building.

On a motion by Regent Newman, seconded by Regent Deitch, the Regents unanimously approved the schematic design for the Madelon Louisa Stockwell Hall Renovation Project as presented at the meeting.

#### **Clarence Cook Little Science Building Third Floor Geology Laboratory Renovation**

On a motion by Regent Maynard, seconded by Regent Darlow, the Regents unanimously approved the Clarence Cook Little Science Building Third Floor Geology Laboratory Renovation Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

#### **Central Power Plant Water Treatment System Improvements**

On a motion by Regent Taylor, seconded by Regent Newman, the Regents unanimously approved the Central Power Plant Water Treatment System Improvements Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

#### **Medical Science Unit II Microbiology and Immunology Departments Renovations**

On a motion by Regent Maynard, seconded by Regent McGowan, the Regents unanimously approved the Medical Science Unit II Microbiology and Immunology Departments

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 11 conflict of interest items, each of which requires 6 votes for approval. These would be considered as a block, in one vote.

On a motion by Regent Taylor, seconded by Regent Deitch, the Regents unanimously approved the following agreements.

### **Approval of Purchase from Michigan Aerospace Corporation**

The Regents approved a purchase of consultation services from Michigan Aerospace Corporation (MAC) by the Kellogg Eye Center. Because Lennard Fisk, a University of Michigan employee, is also co-founder, major stockholder, and chair of the board of directors of MAC, this purchase 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 Kellogg Eye Center and Michigan Aerospace Corporation.
2. The purchase is optical evaluation and development of the University's RRI, including requirements refinement and trade studies, safety assessment, optical design, assessment of intellectual property status and optical system preliminary design review. The total proposed cost is \$68,252.
3. The pecuniary interest arises from the fact that Professor Lennard Fisk, a University of Michigan employee, is co-founder, major stockholder and chair of the board of directors of Michigan Aerospace Corporation.

### **Use Agreement with Michigan Information Technology Center**

The Regents approved a use agreement authorizing the College of Engineering Office of Interdisciplinary Professional Programs (InterPro) to enter into a one-time conference center use agreement with Michigan Information Technology Center (MITC). Because John L. King, Douglas E. Van Houweling, Donald J. Welch, and Barbara S. Nanzig are all University of

Michigan employees and also board members of MITC, 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 College of Engineering Office of Interdisciplinary Professional Programs (InterPro) and Michigan Information Technology Center.
2. The one-time use consists of room fees, set-up and catering for November 12-14, 2007. The quoted cost of \$5,329.66 does not include a security deposit of \$1,332.42.
3. The pecuniary interest arises from the fact that John L. King, Douglas E. Van Houweling, Donald J. Welch, and Barbara S. Nanzig, University of Michigan employees, are members of the board of directors of Michigan Information Technology Center.

### **Purchasing Contract with Michigan Information Technology Center**

The Regents approved a purchasing contract authorizing the University's Information Technology Central Services (ITCS) and Information Technology Communications (ITCom) to lease fiber optic cable strands from Michigan Information Technology Center (MITC) through 2007. Because John L. King, Douglas E. Van Houweling, Donald J. Welch, and Barbara S. Nanzig are all University of Michigan employees and also board members of MITC, and Betty J. Burke, a University of Michigan employee, is facilities and special projects manager for MITC, 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 ITCS and ITCom departments and Michigan Information Technology Center.
2. The purchase is month-to-month leasing of 8 to 16 fiber optic cable strands. The anticipated cost for past usage and through 2007 is estimated to be \$48,000.
3. The pecuniary interest arises from the fact that John L. King, Douglas E. Van Houweling, Donald J. Welch, and Barbara S. Nanzig, University of Michigan employees, are members of the board of directors of Michigan Information Technology Center.

### **Master Agreement between the University of Michigan and Universal Display Corporation**

The Regents approved a master agreement with Universal Display Corporation (UDC) that would enable UDC to fund research projects at the University from time to time. Because

Stephen R. Forrest, a University of Michigan employee, is the partial owner of UDC, 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 Universal Display Corporation.
2. The University will enter into a master agreement with UDC 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 \$1,000,000. 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 UDC 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. Stephen Forrest's pecuniary interest arises from his status as partial owner of UDC. His role in each project will be described in a project statement and a conflict of interest management plan.

#### **Master Agreement between the University of Michigan and NeuroNexus Technologies, Inc.**

The Regents approved a master agreement with NeuroNexus Technologies, Inc. ("Company"), which will allow the University to participate in various projects that the Company will support independently, or from grants from federal agencies related to technology licensed or optioned to the Company by the University. Because Daryl R. Kipke, a University of Michigan employee, is also founder, owner, and president of NeuroNexus Technologies, Inc., 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 NeuroNexus Technologies, Inc.
2. The University will enter into a master agreement with the Company 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 \$500,000. 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 Company has supported two projects at the University since its inception, and is ready to support two additional projects starting immediately. The master agreement will allow the University and the Company to specify projects that the University will conduct under the terms of the master agreement. Since research 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. Daryl Kipke's pecuniary interest arises from his status as founder, owner, and president of NeuroNexus Technologies, Inc.

### **Master Agreement between the University of Michigan and Michigan Critical Care Consultants, Inc.**

The Regents approved a master agreement with Michigan Critical Care Consultants, Inc. ("Company") which will allow the Company to have the University participate in various projects which it will support independently or from grants from federal agencies. Because Robert Bartlett, a University of Michigan employee, is also part-owner and scientific advisory board member of Michigan Critical Care Consultants, Inc., 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 Michigan Critical Care Consultants, Inc.
2. The University will enter into a master agreement with the Company 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 \$500,000. 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 Company has supported sixteen projects at the University since its inception. The master agreement will allow the University and the Company to specify projects that the University will conduct under the terms of the master agreement. Since research 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 review by the Medical School Conflict of Interest Board will be done on a project-by-project basis.

3. Dr. Bartlett's pecuniary interest arises from his partial ownership interest in Michigan Critical Care Consultants, Inc.

### **Subcontract Agreement between the University of Michigan and UP Technologies, Inc.**

The Regents approved a subcontract agreement with UP Technologies, for funding a research project in the College of Engineering under the direction of Dr. Joerge Lahann, a University of Michigan employee. Because Dr. Lahann is also a part-owner of UP Technologies, 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 UP Technologies, Inc.
2. The terms of the agreement conform to University policy. The period of performance is one year at an estimated cost of \$80,000. The agreement contains a provision allowing amendment by mutual agreement by 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. Lahann's pecuniary interest arises from his status as part-owner of UP Technologies, Inc. His involvement in this project will only be in his capacity as a University employee.

### **Subcontract Agreement between the University of Michigan and ElectroDynamic Applications, Inc.**

The Regents approved a subcontract agreement with ElectroDynamic Applications, Inc. ("Company") that will enable the University to participate in a research grant the Company has received from the U.S. Air Force. Because Alec Gallimore and Brian Gilchrist, University of Michigan employees, are also both co-owners of the Company and president and treasurer (Gilchrist) and chief executive officer and secretary (Gallimore), this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties the agreement are the University of Michigan and ElectroDynamic Applications, Inc.

2. The period of performance for the project is nine (9) months and the amount of funding support is \$50,104.
3. Alec Gallimore's and Brian Gilchrist's pecuniary interest arises from the status as co-owners and officers of the Company.

### **Master Agreement between the University of Michigan and Incept Biosystems, Inc.**

The Regents approved a master agreement with Incept Biosystems, Inc. ("Incept"). Because Shuichi Takayama and Gary D. Smith, University of Michigan employees, are also founding owners of Incept and members of its scientific advisory board and board of directors, 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 Incept Biosystems, Inc.
2. The University will enter into the Agreement with Incept 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 agreement will cover an initial five-year period with a total authorization not to exceed \$500,000. 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 agreement will allow the University and Incept to specify projects that the University will conduct under the terms of the agreement. Since research projects are often amended, the 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 review by the OVPR Conflict of Interest Review Committee and/or the Medical School Conflict of Interest Board will be done on a project-by-project basis.
3. Shuichi Takayama's and Gary D. Smith's pecuniary interest arises from their status as founding owners and members of the scientific advisory board and board of directors for Incept.

### **Research Agreement between the University of Michigan and the Mousetrap Foundation**

The Regents approved a research agreement with the Mousetrap Foundation for support of the Placencia Project. Because Rosina Bierbaum, a University of Michigan employee, is also a board member of the Mousetrap 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 University of Michigan and the Mousetrap Foundation.
2. The terms of the proposed agreement are acceptable and conform to University policy. The amount of the award to the University is \$15,000. The period of performance is May 1, 2007 to April 30, 2008.
3. Rosina Bierbaum has no pecuniary interest in the project.

### **Master Agreement between the University of Michigan and Oncomed Pharmaceuticals, Inc.**

The Regents approved a master agreement between the University of Michigan and Oncomed Pharmaceuticals, Inc. (“Oncomed”) that will allow the University to participate in various projects that Oncomed will support. Because Max Wicha and Sean Morrison, University of Michigan employees, are also partial owners of Oncomed (and Max Wicha is a member of its scientific advisory board), 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 Oncomed Pharmaceuticals, Inc.
2. The University will enter into a master agreement with Oncomed 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 \$1,000,000. 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 Oncomed to specify projects that the University will conduct under the terms of the master agreement. Since research 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 review by the Medical School Conflict of Interest Board will be done on a project-by-project basis.

3. Max Wicha’s and Sean Morrison’s pecuniary interest arises from their status as partial owners of Oncomed. Their roles, if any, in each project will be described in a project statement and a conflict of interest management plan.

### **Approval of University of Michigan-Flint 2008-2009 Housing Residence Hall Rates**

On a motion by Regent Newman, seconded by Regent Maynard, the Regents approved the University of Michigan-Flint 2008-2009 housing residence hall rates of \$5,300 for Unit Type A and \$4,200 for Unit Type B, as described in the Regents Communication.

## University of Michigan Press Distribution Agreement with Pluto Press

Regent Deitch observed that typically during the public comments session, Regents do not respond to comments. However, today, he, along with Regent Newman and Regent Richner, “feel compelled to offer our views on a topic that we think is of immense importance, and we felt in a free speech environment our views ought to be heard.”

Regent Deitch said the topic they would be commenting on is the decision of the faculty executive board of the University of Michigan Press to not terminate the Press’s contract with Pluto Press. He stated that “we have only the deepest respect for the committee and for the faculty and for its decision-making process, and we would assume that the ultimate decision on the relationship would be made consistent with that process.” He said that the three Regents decided the most efficient way for them to make their views known to the committee would be to provide a letter to the committee which would be read today and offered into the record.

Regent Deitch emphasized that “at the University of Michigan we welcome full debate on all controversial topics, and the letter that will be read reflects words inserted by Regent Newman, Regent Richner, and myself.”

Regent Newman then read the following letter, addressed to the University of Michigan Press Faculty Executive Board:

*Ladies and Gentlemen:*

*We are writing to express our grave disappointment over the decision of the Faculty Executive Board of the University of Michigan Press (the “Press”) to continue the Distribution Agreement with Pluto Press. We urge reconsideration of that decision prior to the upcoming November 30 deadline for a termination effective June 30, 2008. We believe the Press should exit all of its distribution arrangements with publishers unaffiliated with the University on an orderly basis for reasons explained below. Alternatively, we provide you our thoughts on policy guidelines for distribution agreements between the Press and various publishers as we understand that it is the Faculty Executive Board’s present intent to adopt such guidelines.*

*We note that “The Regents of the University of Michigan” are the contracting party on all University contracts. Therefore, the Board has the power to terminate such contracts. We have elected not to do so out of respect for your committee. Nevertheless, we feel so strongly about this decision and its negative*

ramifications for the University that we felt obligated to write lest the public conclude that our silence reflects agreement with the decision.

We believe that the Press ought to exit all of its distribution arrangements with unaffiliated publishers because of the Press' complete lack of authority over the content of distributed books while the University retains complete responsibility for negative public reaction to such books. The University and Pluto Press are linked whether or not the words "University of Michigan" are on the books. The books are on the University Press' distribution list which sets forth that Pluto Press is located in "London and Ann Arbor" and the public record contains the enthusiastic endorsement of Pluto Press books generally by the University Press' Director, Philip Pochoda.

We note that many members of the University community are deeply offended by the recently published book "Overcoming Zionism: Creating a Single Democratic State in Israel/Palestine" by Joel Kovel which has been perceived as anti-Semitic and poorly researched. Indeed, Mr. Pochoda himself has stated that the book raised issues of hate speech, calling it a reckless, vicious, and unmodulated attack on Zionism and all Zionists." We acknowledge that some may have found the book thought provoking and/or agreed with its thesis. To us, the merits of the book are irrelevant to our central concern.

We simply assert that the money which the Press receives from distributing Pluto Press books is outweighed by the reputational damage to the University from publishing books over which University faculty or staff has no editorial control. In our judgment, that is what has happened here and we believe this result must be avoided in the future. At a recent meeting, Mr. Pochoda informed the Board of Regents that based on an informal survey that he did 75% of all University presses do not distribute the books of others for a fee. In our judgment, the University Press should join that super majority of University presses immediately.

To scale the economics of the situation, in fiscal years 2005, 2006 and 2007 the net Pluto Press revenue was 4% to 5% of the Press' total net revenue. We simply do not believe that this small amount of revenue warrants the potential for profound reputational damage and concomitant disaffection and lack of support for the University among people who find books like Mr. Kovel's to be poorly reasoned, biased and deeply offensive. In asking for termination of all distribution agreements with unaffiliated publishers, we affirm our staunch support for the Press. A great university like ours should have a press to publish books that would not find a home among commercial trade publishers.

Further, we wish to make it clear that, in our considered judgment, this is not a freedom of speech or academic freedom issue. We affirm our commitment to those principles. We are not suggesting Kovel's book be "banned." We believe that our faculty, students and staff should feel free to express whatever views they have without fear of censorship. However, we do not believe freedom of speech principles should be used as a guise to require the University to use its resources to sell and distribute commercially every book deal that comes its way. In a news release, the Press, with your approval, stated that the Board "would not have recommended publication" of Kovel's manuscript had it "gone through the standard review process used by the University of Michigan Press." Sound judgment should lead thoughtful people to conclude that the Press should not disseminate books unworthy of its own imprint. To do otherwise, only debases the Press' franchise and leaves the Press and the University open to damage. This is a commercial and policy issue, not a free speech issue. We firmly believe that the University of Michigan should not make money from books that do not meet our own scholarship standards.

Should your Board elect not to end all of its distribution agreements, we urge that you adopt a policy requiring that the Press only enter into distribution agreements with publishers whose standards of review for publication are no less rigorous than that of the Press itself. Moreover, we insist that the Press itself, or an appropriate scholarly peer review panel, review works of potential authors prior to being accepted for publication to ensure the academic quality, integrity, and contribution of an individual's work.

Thank you for considering these views. We will continue to monitor this situation through the office of the Provost.

Laurence B. Deitch

Andrea Fischer Newman

Andrew C. Richner

## **Public Comments**

The Regents heard comments by the following individuals, on the topics indicated: Jonathan Harris, director of StandWithUs-Michigan, Donald Cohen, director, Great Lakes Region, B'nai B'rith International, Betsy Kellman, executive director, Anti-Defamation League, and Nick Israel, alumnus, all on the topic of University of Michigan Pluto Press contract; Tom Wall, citizen, on "putting up fences;" and Sam Kim, student, and Matt Orians, student, on needed improvements in benefits for students who are veterans.

There being no further business, the meeting was adjourned at 4:55 p.m. The next meeting is scheduled for December 13, 2007.