

JUNE MEETING, 1998

*The University of Michigan
Ann Arbor
Thursday, June 18, 1998*

The Regents convened at 1:45 p.m. in the Executive Board Room of the Public Museum of Grand Rapids. Present were President Bollinger and Regents Horning, Maynard, McFee, Newman, Power, and Taylor. Also present were Provost Cantor, Executive Vice President Kasdin, Vice President Feagin, Vice President Hartford, Vice President Neidhardt, Chancellor Nelms, Chancellor Renick, and Interim General Counsel Barry. Regents Deitch and McGowan arrived shortly after the start of the meeting; Executive Vice President Omenn arrived at about 3:00 p.m.

Welcome

President Bollinger called the meeting to order and said that the University was pleased to be holding a Regents' meeting in Grand Rapids for the first time. Mr. Tim Chester, director of the Public Museum, welcomed the board to the museum and briefly described the museum's mission and operations. President Bollinger noted that holding the meeting in Grand Rapids was a way for the University to honor the relationships it has with this part of the state.

Comments from Members of the University of Michigan Club of Grand Rapids

President Bollinger called on Bruce Courtade, president of the UM Club of Grand Rapids. Mr. Courtade welcomed the Regents and others to Grand Rapids, and introduced Mr. Kevin Krauss, former president of the UM Club of Grand Rapids. Mr. Krauss described the activities of the club, noting that a major focus of the club has been its scholarship program. He also reported that the club has been very active in recruiting students to the University.

Mr. Krauss reported that the club's scholarship fund currently exceeds \$1.7 million, which is the largest principal amount of any local alumni club fund in the United States. There are currently more than 50 students who receive these scholarships, each of whose value totals \$6,000 over four years. He said that the club takes great pride in helping to ensure that the area's finest high school students attend the University of Michigan.

President Bollinger thanked Mr. Krauss and observed that the University is very grateful for the efforts of the UM Club of Grand Rapids.

Report on the Grand Haven Aquatic Research and Education Center

Mr. Marvin Parnes, associate vice president for research, gave a presentation on the Lake Michigan Partnership and the Grand Haven Aquatic Research and Education Center.

Associate Vice President Parnes explained that the mission of the partnership is to provide interdisciplinary research, education, outreach facilities, and programs necessary to understand the Great Lakes, and to facilitate cooperation and coordination with other institutions and organizations conducting research and teaching related to the Great Lakes. Partners in this effort, besides the University of Michigan, include Grand Valley State University, the City of Grand Haven, and the federal NOAA/Great Lakes Environmental Research Laboratory (GLERL).

He reviewed potential issues to be addressed by the partnership and noted that the Grand Haven Aquatic Research and Education Center would serve as a launching site for research and teaching projects using the UM research vessel, the Laurentian. It would also be a teaching site for university students, teachers, and K-12 students, and a site for public education programs. He then displayed renderings and site plans for the preliminary design of the facility, which is to

be located in Grand Haven, on the site of the old city water plant. He reported that fundraising is underway for construction of the facility.

School of Social Work's Initiatives in Western Michigan

Dean Paula Allen-Meares introduced some of the local participants involved in the School of Social Work's Muskegon initiatives. She then reviewed the history of these initiatives, which began in 1993-94 from a desire by Muskegon community leaders to establish a relationship with the University of Michigan that would help the community resolve some of its pressing social problems. Out of that partnership, a number of projects have been established that have been funded by federal and state agencies, foundations, and local sources. The projects have also yielded opportunities for Michigan students to be placed in Muskegon, Grand Rapids, Holland, and Lansing.

Dean Meares then called on Professor Sandra Danziger, who described two collaborative initiatives involving the University of Michigan Program on Poverty and Social Welfare Policy and the Community Foundation of Muskegon's Family Coordinating Council, whose purpose is to study the impact of welfare reform in Michigan. Professor Danziger observed that the opportunities for learning for social work students involved in these projects are extraordinary because they offer a view of the impact of public policy on social services in the community.

Michigan Student Assembly Financial Matters and 1998-99 Fee Assessments for Michigan Student Assembly (MSA), Student Legal Services (SLS), and School/College Governments

Vice President Hartford introduced Trent Thompson, president of Michigan Student Assembly. Mr. Thompson described the challenges facing students at the University of Michigan, noting that among the reasons why students leave the University are the high costs and the fact that large classes make them feel unwelcome and create a factory-like atmosphere. He

observed that learning takes place inside and outside of the classroom, and that the administration needs to foster both types of learning. He also suggested that MSA could assist in providing education outside the classroom through funding of student groups and MSA-initiated projects. Finally, he noted that students have voted in favor of student representation on the Board of Regents and described how a voting student regent would be beneficial to the Board.

Mr. Thompson noted that a referendum was passed by the student body that authorized collection of \$4.00 per student for three semesters for the purpose of collecting the necessary signatures to place a question on the state ballot of whether the state constitution should be amended so as to include a voting student regent on the Board of Regents. He said that he believes the issue is important enough to risk the negative consequences of opening up the state constitution to amendment.

Mr. Thompson noted that the University's general counsel had opined that it would be illegal for the University to collect the fee for the purpose approved in the student assembly, but that MSA had asked the Michigan Department of State for a declaratory ruling as to its legality. He urged the Regents to vote in favor of the fee increase, with the stipulation that it would only be imposed upon a favorable ruling by the Department of State.

Mr. Thompson observed that following discussions with University Regents and administrators, however, MSA realized that such a vote would be likely to fail. Therefore, as a substitute, MSA is now proposing the addition of an *ex officio* student member of the Board, without vote.

MSA vice president Sarah Chopp detailed why it would be important to have a voting student Regent on the Board and why MSA leadership is willing to compromise for the time being by supporting an *ex officio* student representative on the board, without vote.

Noting that MSA's proposal for an *ex officio* student member of the board had initially been received favorably by a number of executive officers and Regents, Mr. Thompson concluded by urging the Regents to place it on the July meeting agenda, even though it now appears that this proposal would not be supported by the administration.

Regent McFee observed that the draft of the current proposal for creation of an *ex officio* student regent evolved when the students realized that there would be no support among the Board for the proposed ballot issue fee increase. She commented that one month is not nearly enough time to allow full consideration of a proposal of this magnitude.

President Bollinger noted that the legal opinion obtained by the University stated that a constitutional amendment would be required for any change in the composition of the Board, including the addition of *ex officio* members. He stated that he is opposed to opening up any type of constitutional amendment process, due to the serious risks to the University that would be created by making it possible to revise the Constitution. President Bollinger said that it is impossible to overestimate importance of the principle of constitutional autonomy for the University of Michigan as set forth in the Michigan Constitution. To preserve that, he said, "we must be extremely wary of cavalierly or otherwise opening up that process even for what may seem like reasonable proposals." Therefore, he said that the discussion should center on ensuring that communication and discussion among the administration and the Regents and the students is as thorough and deep and open as possible.

Regent Newman said that she believes all Regents agree that students need to be heard, and that the Regents want to communicate with students. She suggested that individual meetings and informal communication by e-mail or telephone can often be more effective modes of communicating than formal presentations.

Mr. Thompson pointed out that the Michigan Compiled Laws grant the Regents authority to appoint any position they deem necessary, so it may not be necessary to open up the Constitution in order to have a student representative on the Board. He stated that while he appreciates the openness and willingness to communicate on the part of the current board, the board membership and administration will change over the years. The purpose of the MSA proposal is to ensure that open communication will occur no matter what the makeup of the board or administration.

Regent Taylor said he agreed with the president's comments. He noted that during his meetings with students he had said that he would be supportive of creating a process by which students can be heard, but that he would never support opening up the constitution with respect to the University. He also discounted the notion that Regents do not understand the student perspective, noting that all of the Regents had been students at one time. He believes that the notion that future Regents and future administrations would not be open to student input represents a rather pessimistic viewpoint.

Regarding the 1998-99 fee assessments, Vice President Hartford reported that although the students had approved a \$4.00 per student per term fee increase to fund the student regent initiative, on advice of counsel that the fee would violate the Michigan Campaign Finance Act, she would not be bringing that fee increase forward. The proposed 1998-99 fee assessment for Michigan Student Assembly is the same as last year, at \$5.69 per student per term.

Student Health Care. Discussion then followed on the issue of private health insurance available to students, including coverage under parents' policies; MSA's connection to private health insurance providers; and the role of University Health Service and University Health System in providing health care to students. Regent Newman observed that the Regents need to

have a better understanding of all of the health care options available for students, noting that she is concerned about the amount of money being spent for the University Health Service fee in the context of the other available options. Vice President Hartford said that she would be happy to provide a briefing to the Regents on these issues. Provost Cantor noted that she is working with her staff and the director of the University Health Service to restructure the funding of the University Health Service.

Vice President Hartford noted that the only increase being proposed in the 1998-99 student fee assessments is an increase of 11 cents per student per term for Student Legal Services to provide for a merit salary program.

1998-99 University Health Service Fee

Vice President Hartford reported that the proposed increase for the University Health Service fee is 1.16 percent (\$1.25 per student per term) to cover a merit salary program.

Executive Session Motion

Regent Horning made the following motion:

Pursuant to Section 8(e) of the Open Meetings Act, as amended by 1984 PA 202 and 1996 PA 464, I move that the Board of Regents meet in closed session on June 18, 1998, for the purpose of consulting with our attorney regarding trial or settlement strategy in connection with specific pending litigation.

Regent Deitch seconded the motion, and it was approved unanimously.

The meeting continued in executive session beginning at 3:05 p.m.

Public Comments

The Regents reconvened at 4:05 p.m. and heard comments from the following people on the topics indicated: Brian Reich and Greg Lanier, students, spoke on the Speaker Initiative; and the following individuals spoke on the issue of student representation on the Board of Regents:

Julie Neenan, alumna; Bram Elias, student, Andrew L. Wright, MSA Student Regent Task Force co-chair; Andrew Schor, alumnus; Jada Wooten and Latecia Jones, UM-Flint students; and Sarah Chopp, student.

The meeting reconvened at 4:50 p.m.

Michigan Student Assembly (MSA) Financial Matters

The Regents received audited financial statements from Plante & Moran for MSA and the Ann Arbor Tenants Union, which state that “significant progress continues to be made in improving the fiscal management of the organizations.”

Michigan Student Assembly (MSA) Financial Controls

Vice President Hartford noted that in June 1989 the Regents approved the institution of multiple financial controls for MSA. These controls included a requirement for an annual audit by an external accounting firm. Vice President Hartford observed that since that time, a dramatic improvement has improved in MSA’s fiscal management. Because of this, and because adequate internal controls exist within the University, she believes that an external audit is no longer necessary for MSA.

Regent Power moved that the Regents change the action plan approved in 1989 by deleting the requirement of an annual audit with management letter for MSA, to be replaced by an annual financial report prepared by University staff. Regent McFee seconded the motion. Vice President Hartford and Executive Vice President Kasdin emphasized that an internal audit will still be conducted on a regular basis, and institutional oversight will still occur, as it does for all University units. Regent McFee requested that the Regents be alerted if there is anything that causes concern. Executive Vice President Kasdin said that at the first indication that a loss of control has occurred, he will request the reinstatement of a separate audit.

Regent Power observed that the reason for the institution of the external audit in 1989 was that people were literally stealing money from MSA. The vote was then taken, and the motion was approved unanimously.

1998-99 Fee Assessments for Michigan Student Assembly (MSA), Student Legal Services (SLS), and School/College Governments

Vice President Hartford reported that an increase of 2 percent in the Student Legal Services fee is being requested to support a staff salary program for 1998-99, and no increases are being requested in the MSA or school/college government fees.

Regent Maynard moved to reauthorize a fee of \$5.69 per student per term for MSA, to increase the fee for Student Legal Services to \$5.50 per student per term, and to retain the \$1.00 per student per term fee for school/college governments. Regent Horning seconded the motion, and it was approved unanimously.

1998-99 University Health Service Fee

Vice President Hartford said that the University Health Service (UHS) is requesting a fee increase of 1.16 percent (\$1.25) per student per term. This is the lowest increase being requested by any Big Ten institution.

Regent Power moved approval of a 1.16 percent increase per student per term in the UHS fee for 1998-99, yielding a total fee of \$108.75. Regent Horning seconded the motion, and it was approved unanimously.

The meeting then recessed at 5:00 p.m.

Friday, June 19, 1998

The Regents convened at 9:40 a.m. in the Executive Board Room of the Public Museum of Grand Rapids. Present were President Bollinger and Regents Deitch, Horning, Maynard,

McFee, McGowan, Power, and Taylor. Also present were Executive Vice President Kasdin, Executive Vice President Omenn, Vice President Feagin, Vice President Hartford, Vice President Neidhardt, Chancellor Nelms, Chancellor Renick, and Interim General Counsel Barry. Regent Newman arrived at 10:05 a.m.; Provost Cantor was absent.

Consent Agenda

Minutes. The minutes of the May 1998 meeting were submitted for approval.

Reports. Executive Vice President Kasdin submitted reports on Investment and Plant Extension. Interim General Counsel Barry submitted the Litigation Report.

Vice President Neidhardt submitted the report of projects established during May 1998. He called attention to a recent newspaper article describing the phenomenon of research centers on college campuses funded by and working at the behest of large corporations and industry groups. The article mentioned the University of Michigan Transportation Research Institute (UMTRI) as being the recipient of \$13 million in research funds, with 45 percent of that being funded by the auto industry. He noted that all of the funding received by UMTRI is derived from peer-reviewed grants, with no restrictions on publication, and is in complete accord with Regental policy on research funding.

Research Report. Vice President Neidhart noted the appointment of Patricia Whitesell as the first director and curator of the Detroit Observatory, which is the oldest building on campus and is currently undergoing a major historic renovation.

Voluntary Support. Vice President Feagin reported that private giving continues at a record pace, with May 1998 being the best May ever in the University's history.

Personnel Actions. A number of personnel actions were submitted for approval. President Bollinger highlighted the recommended appointments of Patricia Gurin as interim dean of

the College of Literature, Science, and the Arts, and Karen Wixson as interim dean of the School of Education. Vice President Feagin pointed out the appointment of Katherine Kurtz as associate vice president for development. Regent McGowan noted that Patricia Gurin has done a superlative job as chair of the psychology Department and congratulated the president and provost for convincing her to accept the appointment as interim dean.

Personnel Reports. A number of personnel reports were submitted.

Retirement Memoirs. Eight Retirement Memoirs were submitted for adoption. President Bollinger called attention to the retirements of his former Law School colleagues Theodore J. St. Antoine and Beverley J. Pooley. Executive Vice President Omenn pointed out the retirement of Wendell W. Weber, M.D.

On a motion by Regent McFee, seconded by Regent Maynard, the Regents unanimously approved the Consent Agenda.

Report of UM-Flint Committee on the Economic Status of the Faculty

Professor Mark Bolton, chair of the Committee on the Economic Status of the Faculty (CESF) at UM-Flint, presented that committee's annual report. Professor Bolton pointed out that faculty salaries at UM-Flint have been averaging below the rate of inflation, and that the average annual salary increase for the past five years at UM-Flint has ranked last among state peer institutions. In addition, average faculty salaries for the 1997-98 academic year are below the peer average for all ranks. Professor Bolton acknowledged that the UM-Flint administration has made faculty salaries a high priority over the past few years, and said that the report provides a justification for this policy. He reported that UM-Flint faculty appreciate the efforts made to focus attention on improving faculty salaries.

Chancellor Nelms observed that in a growing institution, there are always stresses on priorities for limited funds. He noted that for the past two years the campus has had a 4 percent salary package, but that is insufficient to make up for years of low salary increases. To him, the message of this report is to not forget the need to attract and retain a strong faculty.

State Auditor General Report and Response--Selected State Universities' Reporting of Enrollment and Other Higher Educational Institutional Data Inventory (HEIDI) Data--For Fiscal Year 1996-97

On a motion by Regent McFee, seconded by Regent McGowan, the Regents unanimously accepted the State Auditor General Report--Selected State Universities' Reporting of Enrollment and Other Higher Educational Institutional Data Inventory (HEIDI) Data--For Fiscal Year 1996-97, and approved the response.

Authorization for Expenditures in 1998-99

On a motion by Regent Taylor, seconded by Regent Maynard, the Regents unanimously authorized temporary expenditures in the 1998-99 fiscal year, as described in the Regents Communication.

Authorization for Expenditures in 1998-99 for the University of Michigan Health System

On a motion by Regent McFee, seconded by Regent Horning, the Regents unanimously authorized temporary expenditures in the 1998-99 fiscal year for the University of Michigan Health System, as described in the Regents Communication.

Expenditure of the Julian A. Wolfson and the Marguerite Wolfson Endowment Funds for the fiscal year 1998-99

On a motion by Regent Taylor, seconded by Regent Horning, the Regents unanimously approved the uses of the Wolfson Endowment Funds for the fiscal year 1998-99, as denoted in the Regents Communication.

Maintenance Projects

On a motion by Regent Newman, seconded by Regent Taylor, the Regents unanimously approved the following maintenance projects: Roofing system replacement for the Food Stores and Chemistry Stores Building, and boiler feed water system replacement at the Central Heating Plant.

University of Michigan Hospitals (UMH) Wayfinding Improvement Project

Executive Vice President Omenn said that the purpose of this project is to improve the UMH wayfinding system to help patients and visitors find their way more easily through the Hospitals complex. He noted that one improvement will be to more clearly identify and differentiate directions to the pediatric and adult emergency rooms.

Regent McGowan observed that signage is needed within the city in addition to the immediate vicinity of the Medical Center to assist parents who are driving their children to the emergency room at Mott Children's Hospital. Regent Power suggested that the signage be field-tested by a panel of local residents before it is implemented.

Regent Newman expressed strong agreement with these comments. She also noted that the parking situation at the Emergency entrance is confusing, and that once inside the Emergency area, it is unclear where to go and what to do in situations involving children.

Regent Power moved approval of the Wayfinding Improvement Project, as described in the Regents Communication. Regent Horning seconded the motion, and it was approved unanimously.

UMH Radiology CT Scanner Upgrade

On a motion by Regent Horning, seconded by Regent Maynard, the Regents unanimously approved submission of a Certificate of Need application to the Michigan Department of

Consumer and Industry Services for upgrade of one Radiology CT scanning system, as described in the Regents Communication.

University of Michigan-Dearborn Environmental Interpretive Center

On a motion by Regent Taylor, seconded by Regent McGowan, the Regents unanimously approved the budget for the UM-Dearborn Environmental Interpretive Center and authorized issuing the project for bids and awarding a construction contract, providing the project is within budget.

Purchasing Contract with Dan Vaassen Farm

On a motion by Regent Maynard, seconded by Regent Taylor, the Regents unanimously approved a purchasing contract with Dan Vaassen Farm. Because Sharon L. Vaassen is both an employee of the University of Michigan and 50% owner of Dan Vaassen Farm, this purchasing contract falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the purchasing contract will be the Regents of the University of Michigan, University of Michigan Health System, and Dan Vaassen Farm.
2. The terms of the contract are to support UMHS/Orthopaedic Research Laboratories' research by purchasing housing and care for 40 sheep for twelve (12) months, including daily transportation charges, for a total cost of \$10,000. The contract will commence upon PO processing following Regental approval.
3. Sharon Vaassen's pecuniary interest arises from her partial ownership of the Dan Vaassen Farm.

Proposed License Agreement between the University of Michigan and Clark-MXR, Inc.

On a motion by Regent McGowan, seconded by Regent Maynard, the Regents unanimously approved a license agreement between the University of Michigan and Clark-MXR, Inc. Because Dr. Gerard Mourou is both a University of Michigan employee and a minority shareholder in Clark-MXR, Inc., this license 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 Clark-MXR, Inc.

2. Contract terms include:

A License issue fee of \$50,000.00 as a precondition to the license being effective, and an additional \$50,000.00 issue fee that would not be due or payable unless and until the company were to move from Michigan.

Royalties to the University of 3% on sales, reduced to 2.4% so long as the company maintains its business in Michigan.

Royalties on sublicense revenue of 50%, reduced to 40% so long as the company maintains its business in Michigan.

Reimbursement of a portion of the patent costs. (Part of the costs are to be reimbursed by another company under a license that covers other fields of use.)

Exclusive right to practice and commercialize the technology for all applications other than human health and human cosmetics, subject to certain rights reserved by the University to practice it for research and educational purposes, and for the United States government to practice it for government use (as required under a research funding agreement). The University retains ownership.

Minimum annual royalties of \$5,000.00 for 1999, \$14,000.00 for 2000, \$29,000.00 for 2001, \$66,000.00 for 2002, \$92,000.00 for 2003, and \$200,000.00 for 2004 and each year thereafter during the term of the agreement.

The license will require that Clark-MXR, Inc. secure at least \$750,000.00 in outside funding by September 1, 1998, and a total of \$3,000,000.00 (including the first \$750,000.00) in outside funding by September 1, 1999. It also includes several specific performance milestones.

The University will have an option to obtain equity in Clark-MXR, Inc. The option can be exercised after five years from the effective date of the agreement, or earlier if certain conditions apply. If the University exercises its option, the parties will be obligated to negotiate a stock transfer agreement in which the University would receive 5% of the fully diluted shares measured as of the date that Clark-MXR, Inc. receives the total of the \$3,000,000.00 funding. If the University receives equity under this provision, the royalty rate on sales would be reduced from 3% to 2%.

Term of the agreement is for the life of the patent.

No use of University services or facilities, nor any assignment of University employees, is obligated under the agreement.

3. Gerard Mourou's pecuniary interest arises from his ownership interest in Clark-MXR, Inc. He has waived any personal participation in the sharing of royalties received by the University from the company.

Proposed License Agreement between the University of Michigan and HealthMedia, Inc. (HMI)

On a motion by Regent Power, seconded by Regent McFee, the Regents unanimously approved a license agreement between the University of Michigan and HealthMedia, Inc. (HMI). Because Victor J. Strecher is both a University of Michigan employee and principal owner of HMI, 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 HMI.

2. Contract terms include:

An exclusive right to use, create derivative works of, distribute and sublicense the technology.

A 10% equity position for the University in HMI, such position to remain undiluted until HMI has received at least \$2,500,000.00 in cash equity investment plus modest royalties.

A royalty on products related to University technology, beginning at 3½% of sales and decreasing over time to 2% (royalties will be payable on products incorporating University intellectual property, and, for a period of 5 years, also on products based upon University designs and know-how).

A requirement that HMI provide at least \$500,000.00 in research support to the University over a 5-year period.

Performance parameters will allow conversion of the license to non-exclusive if royalties and research support do not total \$1,000,000.00 in 5 years (the license may be terminated if minimal royalty requirements are not met).

The University retains ownership of the licensed technology and may continue to further develop it and use it as a research tool.

No use of University services or facilities, nor any assignment of University employees is obligated under the agreement.

3. Dr. Strecher's pecuniary interest arises from his ownership in the company. He has waived any personal participation in the sharing of royalties received by the University from HMI.

Proposed License Agreement between the University of Michigan and VisiTek, Inc.

On a motion by Regent Newman, seconded by Regent Horning, the Regents unanimously approved a license agreement between the University of Michigan and VisiTek, Inc. Because Yi

L. Murphy is both a University of Michigan employee and owner and president of VisiTek, 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 VisiTek, Inc.
2. Contract terms include:
 - Non-exclusive right to use the software only for internal research and development purposes, not for consulting or delivery to third parties.
 - No license fee is being charged in order to encourage further development of the program and related technology.
 - The University retains ownership of the program and may continue to further develop it and use it as a research tool and to license it to others.
 - No use of University services or facilities, nor any assignment of University employees is obligated under the agreement.
3. Dr. Murphy's pecuniary interest arises from her ownership in the company. The license does not permit the company to use the program for raising revenue, only for research.

Northbank Center Building

Chancellor Nelms noted that the Northbank Center Building is identified on the UM-Flint Campus Master Plan as a "site of special interest," and it is now available for purchase. Because the building includes a fairly new parking structure, its acquisition would save the costs associated with constructing a new parking facility to serve the new Professional Classroom and Studies building which is adjacent to the Northbank Center building. Acquisition of the Northbank Center Building would also allow the UM-Flint to secure the western boundary of its campus.

Chancellor Nelms reported that the C.S. Mott Foundation will be granting the University its option on this property and will be providing the funding necessary to consummate the sale. State funding for retrofitting of the building will be sought at a later date. Rental income from

current tenants will be used to cover the facility's operating costs until the exact long-term use is finalized.

Regent Power moved the following with respect to the Northbank Center Building: to accept the option assignment from the C.S. Mott Foundation to purchase the building; to accept a \$475,000 grant from the C.S. Mott Foundation for acquisition of the building; to proceed with the purchase of the building, subject to the fulfillment of all conditions to the satisfaction of the executive vice president and chancellor; and to authorize the appropriate University officers to execute all necessary documents. Regent Newman seconded the motion.

In response to a question from Regent Power, Chancellor Nelms confirmed that the current rental income from the building is sufficient to cover the carrying costs of acquiring it. Regent Power also noted that in the future there will be substantial costs associated with renovation of the building. Chancellor Nelms stated that at such time as retrofitting is appropriate, support will be sought from the state through the normal capital outlay process, or through private funding in the event that state funding is not sufficient.

The vote was then taken, and the motion was approved unanimously.

Academic Calendar for Ann Arbor Campus for 2000-2001

On a motion by Regent Horning, seconded by Regent McGowan, the Regents unanimously approved the academic calendar for the Ann Arbor campus for 2000-2001, as denoted in the Regents Communication.

Recommendations for Appointments to Medical Staff Membership

On a motion by Regent McGowan, seconded by Regent Deitch, and on the recommendation of the University of Michigan Hospitals Executive Board, the Regents unanimously approved certain specified appointments to medical staff membership.

Regent Horning thanked the Regents, executive officers, staff, faculty, and students for making the effort to come to Grand Rapids for the Regents' Meeting, and thanked staff for making the necessary arrangements.

There being no further business, the meeting was adjourned at 10:30 a.m. The next meeting will be held July 16-17, 1998. Regents' expenses for the month of May 1998 totaled \$1,506.05.