

APRIL MEETING, 2000

*The University of Michigan
Ann Arbor
Thursday, April 13, 2000*

The Regents convened at 1:45 p.m. in the Regents' Room. Present were President Bollinger and Regents Brandon, Horning, Maynard, McGowan, Newman, Taylor, and White. Also present were Provost Cantor, Vice President Feagin, Interim Vice President Harper, Executive Vice President Kasdin, Interim Chancellor Klein, Vice President and General Counsel Krislov, Chancellor Mestas, Executive Vice President Omenn, Vice President and Secretary Tedesco, Vice President Ulaby, and Vice President Wilbanks. Regent Deitch was absent.

Comments from President Bollinger

Vice President for Communications. President Bollinger called the meeting to order and announced that he would be recommending the appointment of Lisa Rudgers as vice president for communications. He noted that she is a person of extraordinary talent, and that her fundamental goal will be to make sure that University issues and identity are accurately and honestly presented.

Gift from Richard and Susan Rogel. President Bollinger announced that Richard and Susan Rogel had committed \$22 million for financial aid, which is the largest gift for financial aid in the history of the University and "an outstanding act of generosity." He observed that Richard Rogel has played many different roles at the University, including his current service as president of the Alumni Association and member of the Commission on Undergraduate Education, and has given gifts to a wide variety of schools, colleges and programs. He noted

that this gift also establishes a high standard for the upcoming capital campaign, as it will help communicate the needs and fundraising potential for the University.

Provost Cantor commented that it is becoming more difficult for the University of Michigan to compete for students, because many instate students receive aid packages from outstate institutions and there is fierce competition for nonresident students. She noted that the Commission on Undergraduate Education has identified financial aid for both undergraduate and graduate students as a critical need.

President Bollinger indicated that the University hopes to reach beyond the \$1.4 billion total raised in the last capital campaign during the upcoming campaign. He recognized the special efforts of Associate Vice President Chacona Johnson with regard to the recent gift from the Rogels.

Symposium: “After the Fall: Vietnam Plus Twenty-five.” President Bollinger commented that in conjunction with the recent release of a number of previously classified documents having to do with the end of the Vietnam War, the Gerald R. Ford Library had recently sponsored a symposium to consider the legacy of the Vietnam War. He noted that speakers at the conference had praised the Regents’ action in naming the Gerald R. Ford School of Public Policy for President Ford, and that there would be a formal celebration of this action in September 2000.

Course on gay culture. President Bollinger noted that there had been significant publicity surrounding the introduction of a course on gay culture to be offered by the English Department. He said that “It is the role of a university to think about what it means to be human--to think about the physical world and the human world and what it means to be human, and this course is one facet of that study.” He noted that over the past 20 years one intellectual

interest has been to think about popular culture and the way in which people create their identity in the world, and that this course follows that tradition. He noted that “we believe this course has academic value and that the process by which it was been created is sound.”

The Naked Mile. President Bollinger observed that University officials have mounted an extensive public relations campaign in an effort to discourage students from participating in the “Naked Mile,” slated to be held on the evening of the last day of classes. He emphasized that the University does not condone this activity and encourages students not to participate.

Space allocation for student organizations. President Bollinger noted that a panel had been appointed to make recommendations about the allocation of space for student organizations, and its report would be issued within the next few days.

Media Rights Across the Campus

Provost Cantor introduced Professor James Hilton, special assistant to the provost for media rights, who has been assigned the task of looking at the implications of new media on campus, especially with respect to intellectual property rights, copyrights, and fair use issues and policies. She also indicated that the Office of the General Counsel and the Office of the Vice President for Research were collaborating with the Office of the Provost in the examination of these issues.

Professor Hilton explained that intellectual property rights issues arise in the classroom and in publishing on the Internet and in many other settings across the University where the use of multimedia is prevalent. He explained the purpose of copyright, noting that owning a work has nothing to do with copyright and that it protects the *expression* of ideas, not the ideas themselves. He observed that copyright happens at the moment of creation, so that the majority of works are protected by copyright.

Professor Hilton noted that copyright has become a major issue because of increased visibility and the prevalence of technology, which by its nature requires that ideas be copied electronically in order to be accessed. The commodification of information and academic tradition and economics has also made intellectual property an important issue. He pointed out that as creators, users, and distributors of copyrighted material, universities are in a unique position to address the balance among these interests.

He concluded by describing activities being undertaken at the University of Michigan in this regard, including engaging the University community in conversations about these issues, coordinating the delivery of services, and documenting current policies and developing new policies to address any gaps.

Regent Newman requested that there be a followup presentation on this and other intellectual property issues. President Bollinger thanked Professor Hilton and said that he would be invited back in the near future to continue this discussion.

Campus Development in Support of the Life Sciences Initiatives

President Bollinger reviewed the work of the Life Sciences Commission and emphasized that they laid the foundation on how to proceed with developing initiatives in the life sciences at the University. A number of steps have been taken, including the hiring of additional faculty, the development of an expanded undergraduate curriculum in life sciences, the development of an interdisciplinary program in bioinformatics, and the enhancement of biomedical engineering. The next stage is the development of the physical structures to support the academic initiatives.

President Bollinger introduced Professor Jack Dixon, chair of the Life Sciences Advisory Committee. Professor Dixon praised the Regents for their courage and foresight in supporting the establishment of a life sciences initiative at the University of Michigan, noting that this early

support enabled the University to have a number of advantages over its competitors. He noted that the advisory committee is currently considering candidates for director of the Life Sciences Institute, and pointed out that the publicity garnered in soliciting candidates has led to the University being widely recognized for its efforts nationally and internationally.

Professor Dixon observed that another goal of the program was to construct a new research facility that would link the Medical School and the main campus both physically and intellectually. This building would house the scientists who work in life sciences areas whose goal is to interact in a synergistic way. He said the committee had spent months working with the architects planning the inside of the building, which will be state-of-the-art and flexible in the kinds of laboratories that can be set up. The design will maximize interactions among various groups and among scientists within those groups. Professor Dixon concluded that this facility represents a milestone in that it will provide a physical representation of the efforts being undertaken in the life sciences.

President Bollinger noted that the University needs to take long term views of such investments. At times such as this, when the world is changing in terms of research and teaching to the extent and scope that is now being seen, the University has to have the courage to make a commitment early and to be willing to stay in over the long haul, despite any setbacks that might occur along the way. He noted that it is important to maintain the current pace in developing the physical space necessary to achieve these goals so as to be able to recruit top scientists.

Dean Allen Lichter noted that the Regents had toured the Kresge Medical Research Buildings and had discussed research needs in the Medical School. He cited three reasons for construction of a new facility on the current site of the Kresge Medical Research Buildings: 1) the need to replace the Kresge buildings; 2) the need for the Medical School to be an active

participant in the life sciences initiative by creating buildings that will arise simultaneously with the Life Sciences Institute; and 3) the fact that there are no facilities currently available to accommodate needed growth in the Medical School.

Dean Lichter pointed out that although the Medical School is one of the leading institutions in terms of the amount spent on research and development, five of the top ten research institutions are growing at a rate substantially faster than the University of Michigan. In order to retain its leadership position, the University must increase its research expenditures in all areas. With life sciences research accounting for 50 percent of total research expenditures, however, growth in total research expenditures is dependent upon growth in life sciences research, and the new buildings will make this possible.

Executive Vice President Kasdin reiterated the three-step process by which construction projects are reviewed by the Regents, noting that the four projects to be considered at this meeting as part of the life sciences initiative are in different stages of development. He pointed out the location of each building on a campus site plan.

Life Sciences Institute Building

Executive Vice President Kasdin introduced Mr. Victor Cordone, partner in the Smith Group, architects for the interior of the Life Sciences Institute Building. Mr. Cordone displayed diagrams of the proposed interior of the building, which will consist of six stories plus a seventh floor that will house mechanical equipment. He said that it will be 230,000 gross square feet, with the first floor (underground level) housing animals and the second floor (ground level) consisting of mechanical space and building services. He displayed schematic designs of floors three-six, noting that the third floor will house the director's office suite and laboratory as well as space for visiting scientists and will be the most "public" floor, and the remaining floors will

contain the majority of the laboratory space. The goal is to create flexible, state-of-the-art, laboratory space in the building.

Next, Robert Venturi of Venturi, Scott Brown and Associates, described plans for the exterior of the building. He noted that the approach would be to retain the look of the traditional loft buildings found in a number of locations on the central campus. He showed examples of the building materials that are being considered for the exterior.

Responding to a question from Regent McGowan about the impact that this complex will have on the view as seen from automobiles driving on Washtenaw Avenue toward Huron Street, Mr. Venturi stated that there will be an appealing variety among the complex of buildings with a harmonious connection among buildings. The quality will derive from variety as opposed to consistency.

Regent Newman inquired about the source of funds for each building. Executive Vice President Kasdin clarified that of the four buildings under consideration, the Life Sciences Institute Building is being funded by the \$200 million from Hospital reserves authorized by the Regents, and that construction will not begin until the design is complete. Funding for the Commons Building will come either from gifts or from central administration; the parking structure will be funded by parking revenue; and the Zina Pitcher project will be funded by the Medical School. Executive Vice President Kasdin noted that there is a strict policy with regard to funding for building projects: either the money needs to be in the account; or auxiliary activities operations that have certain types of revenue can be debt-financed; or if the project is identified by the provost as so important to the University it is financed with a debt obligation from the General Fund. He emphasized that all of the building projects will be returned to the Regents for approval with financing plans in place before being put out to bid.

Medical Research Laboratory Facility Project

Regent McGowan moved approval of the Medical School's Medical Research Laboratory Facility Project. Regent Maynard seconded the motion, and it was approved unanimously.

Palmer Drive Commons Building Project

Regent McGowan moved approval of the Palmer Drive Commons Building Project and authorized commissioning SmithGroup, Inc. and Venturi, Scott Brown and Associates, Inc. as architects/engineers. Regent Newman seconded the motion.

President Bollinger observed that the way in which this combination of buildings interact with and affect the community have been part of the planning from the very beginning. The University understands that these structures will be located on a route that many Ann Arbor citizens take hundreds of times in any given year and therefore they have an important effect on the community. He noted that University officials have a policy of communicating with city leaders about any campus projects that will have an impact on the community. In some cases, such as Michigan Stadium and Hill Auditorium, use of University facilities by the broader public is such that they require even broader engagement with the community.

Executive Vice President Kasdin noted that the University has made a commitment to the community to engage it in the University's master planning process as it unfolded. To that end, the Ann Arbor community as well as the Regents have been presented with the three of the five phases of the master planning effort that have now been completed. He observed that the University receives good ideas from community members and that it will continue to seek community input. Although there has been excellent cooperation on the staff level for years between city and University officials on many projects, Executive Vice President Kasdin pointed

out that more recently, community leaders have experienced that their input is really valued at the senior levels of administration at the University.

President Bollinger concluded that these buildings are important to University faculty and staff as members of the Ann Arbor community and have been discussed over a long period of time. Discussions will continue as more detailed design plans become available.

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

Life Sciences Institute Building

Regent McGowan moved approval of the schematic design of the Life Sciences Institute Building. Regent Maynard seconded the motion and it was approved, with Regents Brandon, Horning, Maynard, McGowan, Newman, and Taylor in favor and Regent White opposed.

Palmer Drive Parking Structure Project

Executive Vice President Kasdin noted that a firm budget has been established for this project and that its expected completion date is early winter of 2002. On a motion by Regent White, seconded by Regent McGowan, the Regents unanimously approved the Palmer Drive Parking Structure Project design and authorized issuing the project for bids and awarding a construction contract.

Executive Vice President Kasdin thanked the architects, Dean Lichter, and Professor Dixon for their efforts in bringing these projects to fruition. President Bollinger thanked everyone who had worked on the projects, commenting “There is, in my view, genius behind this broad conception of how to use this space, and we really appreciate it. This is a great moment for the University.”

ROTC

Regent Newman reported that the LS&A curriculum committee had recently approved three ROTC courses to receive LS&A credit. She said that she and Regent White appreciate the efforts of the LS&A faculty in bringing this about, noting that it will enable ROTC students to graduate in four years instead of four-and-a-half years. Regent White associated herself with Regent Newman's comments, noting that having participated in ROTC on a no-credit basis herself, she could appreciate how meaningful this action would be for ROTC students.

Regent White left the meeting at this point, at 3:20 p.m.

Sale of Tax Exempt Commercial Paper by the University

On a motion by Regent Newman, seconded by Regent Horning, the Regents unanimously approved a resolution authorizing the issuance of up to \$170 million of commercial paper supported by a pledge of General Revenues and to authorize the executive vice president and chief financial officer to a) execute all the documentation for the establishment of the Series C commercial paper and the rollover of the outstanding commercial paper into the proposed Series C program; b) apply for a rating from the rating agencies, if necessary, for the Series C commercial paper; and c) negotiate a liquidity facility, if appropriate.

RESOLUTION OF THE REGENTS OF THE UNIVERSITY OF MICHIGAN AUTHORIZING THE ISSUANCE AND DELIVERY OF COMMERCIAL PAPER NOTES, SERIES C, AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, the Regents of the University of Michigan (the "Issuer") constitutes a constitutional body corporate established pursuant to Article VIII, Section 5 of the Michigan Constitution of 1963, as amended, with the general supervision of the University of Michigan (the "University") and the control and direction of all expenditures from the University's funds; and

WHEREAS, the Issuer has determined it is necessary and desirable to provide for the temporary financing of capital projects of the University currently under way or to be undertaken within the next succeeding eighteen months, through the issuance of Regents of the University of Michigan Commercial Paper Notes, Series C (the "Notes"), in principal amount outstanding from time to time not to exceed \$170,000,000; and

WHEREAS, the Issuer has determined it is necessary and appropriate to refund through the issuance of Notes the outstanding balance of the Issuer's Commercial Paper Notes, Series B (the "Prior Notes"); and

WHEREAS, the Issuer has approved certain capital projects to be temporarily financed in whole or in part through the issuance of the Notes, and may approve additional projects to be so financed in the next eighteen months (all such projects, together with the projects financed or refinanced with the proceeds of the Prior Notes being herein called the "Projects"); and

WHEREAS, in order to provide for the issuance of the Notes, it will be necessary for one or more of the Executive Vice President and Chief Financial Officer, the Associate Vice President for Finance, or the Associate Vice President and Treasurer (each an "Authorized Officer") to execute and deliver a Commercial Paper Issuance Certificate (the "Issuance Certificate"), a Commercial Paper Issuing and Paying Agent Agreement (the "Paying Agent Agreement") with a bank to be selected by an Authorized Officer, one or more Dealer Agreements (each a "Dealer Agreement") with a dealer or dealers (collectively, the "Dealer") to be designated by an Authorized Officer, and, if deemed appropriate by an Authorized Officer, an agreement or agreements relating to a liquidity facility; and

WHEREAS, the Notes are to be limited and not general obligations of the Issuer, payable from and secured by a pledge of General Revenues (as defined in the Issuance Certificate) and to be additionally payable from Available Investments (as defined in the Issuance Certificate); and

WHEREAS, The Issuer has previously issued certain series of bonds or notes (the "Senior Lien Indebtedness") secured by and payable from Student Fees or other revenue streams (other than Hospital Gross Revenues and Medical Service Plan Revenues) which comprise a portion of General Revenues, and it is intended that each series of the Senior Lien Indebtedness remain outstanding and continue to be secured, until paid or defeased, by its respective revenue stream on a senior lien basis to the Notes and other General Revenue indebtedness subsequently issued, but that no new Senior Lien Indebtedness is to be issued; and

WHEREAS, it is necessary for the Issuer to delegate to each of the Authorized Officers the power to designate certain Authorized Representatives and Authorized Persons (each as defined in the Issuance Certificate or Paying Agent Agreement) to undertake certain actions with respect to the issuance of Notes; and

WHEREAS, the Notes authorized hereby are to finally mature on or before the date three years after the date of issuance of the first Notes hereunder, and are intended to be replaced by permanent General Revenue financing on or prior to such date; and

WHEREAS, in the exercise of its constitutional duties, and in order to prudently control and direct expenditures from the University's funds, the Issuer determines it is necessary and desirable to authorize the issuance of the Notes to provide funds to temporarily finance and refinance all or part of the costs of the Projects, and to pay certain costs incurred in connection with the issuance and sale of the Notes; and

WHEREAS, in order to be able to market the Notes, it is necessary for the Issuer to authorize an Authorized Officer to prepare, execute and deliver, on behalf of the Issuer, an Offering Memorandum (as supplemented from time to time, the "Offering Memorandum") to be circulated and used in connection with the marketing, sale and delivery of the Notes, and to take, together with other appropriate officers, agents and representatives of the Issuer or the University, additional actions necessary to accomplish the sale and delivery of the Notes, the administration of the commercial paper program of which the Notes are a part, and the purposes hereof, all within the limitations set forth herein; and

WHEREAS, the financing and refinancing of the Projects will serve proper and appropriate public purposes; and

WHEREAS, the Issuer has full power under its constitutional authority for supervision of the University, and control and expenditures from the University funds, to authorize and acquire

the Projects, to finance and refinance by the issuance of the Notes the costs of the Projects and the costs related to the issuance of the Notes, and to pledge the General Revenues of the University for payment of the Notes and to covenant to pay the Notes from Available Investments.

NOW, THEREFORE, BE IT RESOLVED BY THE REGENTS OF THE UNIVERSITY OF MICHIGAN, AS FOLLOWS:

1. The Issuer hereby authorizes the issuance, execution and delivery of the Notes of the Issuer, in multiple issuances on various dates, to be designated REGENTS OF THE UNIVERSITY OF MICHIGAN COMMERCIAL PAPER NOTES, SERIES C, in the aggregate principal amount outstanding from time to time as shall be designated by any two Authorized Officers, but not in excess of \$170,000,000, to be dated as of a date of issuance of each Note, or otherwise as shall be determined by an Authorized Officer, for the purpose of financing and refinancing all or part of the Projects (including refunding the Prior Notes), and to pay all or part of the costs incidental to the issuance of the Notes. The Projects as a whole are hereby determined by the Issuer to constitute a single governmental purpose of the Issuer. The Notes shall not be subject to redemption prior to maturity. Each Note shall mature not later than 270 days after its date of issuance, as shall be determined as provided in the Issuance Certificate and Paying Agent Agreement, and all Notes must mature on or before the date three years after the date of issuance of the first Notes hereunder. Interest on each Note shall be payable on the maturity date thereof, at the rate, not in excess of 12% per annum, to be determined as specified in the Issuance Certificate and Paying Agent Agreement. The Notes shall be issued in fully registered form, or registered to bearer, in the denominations, shall be subject to transfer and exchange, and shall be executed and authenticated, all as shall be provided in the Issuance Certificate. The Notes shall be sold at par through the Dealer selected by an Authorized Officer, as provided in the Dealer Agreement.

2. The Notes shall be limited and not general obligations of the Issuer payable from and equally and ratably secured by a lien on General Revenues, subject only to the senior liens on portions of General Revenues securing the respective series of Senior Lien Indebtedness (until each respective series of such Senior Lien Indebtedness is paid or defeased in accordance with its terms), and moneys from time to time on deposit in the Note Payment Fund created pursuant to the Issuance Certificate, as provided therein. The Notes shall also be payable from Available Investments, as provided in the Issuance Certificate. The Issuer shall covenant in the Issuance Certificate that so long as any of the Notes remain outstanding, the Issuer will not issue any new series of Senior Lien Indebtedness.

In support of its obligation to repay the Notes, the Issuer may, if deemed appropriate by an Authorized Officer, enter into a letter of credit, line of credit, note purchase agreement or other liquidity facility (the "Liquidity Agreement"). Any reimbursement obligation (including interest) for draws under the Liquidity Facility shall be a limited and not general obligation of the Issuer, payable from General Revenues, and may be secured by a pledge of General Revenues. The Authorized Officers are, or any one of them is, authorized to negotiate, execute and deliver, for and on behalf of the Issuer, such agreement or agreements (the "Liquidity Agreement") as an Authorized Officer may deem appropriate to acquire the Liquidity Facility and to provide for the repayment of draws thereunder, as provided herein.

No recourse shall be had for the payment of the principal amount of or interest on the Notes, or under the Liquidity Agreement, or any claim based thereon against the State of Michigan, or, except as provided in the Issuance Certificate and the Liquidity Agreement, the Issuer, or against any officer or agent of the Issuer or of the University, as individuals, either directly or indirectly, nor shall the Notes and interest with respect thereto nor the obligations under the Liquidity Agreement, become a lien on or be secured by any property, real, personal or mixed of the State of Michigan, the Issuer, or the University, other than the General Revenues and the moneys from time to time on deposit in the Note Payment Fund created by the Issuance Certificate.

3. The right is reserved to issue additional bonds, notes or other obligations payable from and secured by General Revenues on a parity basis with the Notes as to the lien on General Revenues, but subject to the prior liens on portions thereof securing Senior Lien Indebtedness.

4. The Authorized Officers are, or any one of them is, hereby authorized and directed to select a bank to be Issuing and Paying Agent, and one or more Dealers, and any two of the Authorized Officers are authorized and directed, in the name of the Issuer and as its corporate act and deed, to negotiate, execute and deliver the Issuance Certificate, the Paying Agent Agreement and one or more Dealer Agreements, substantially in the form previously filed with the Secretary of the Issuer, but with such changes, not inconsistent with the terms of this Resolution, as the Authorized Officers executing the same shall approve, which approval shall be conclusively evidenced by the execution of the respective documents.

5. The Authorized Officers are, or any one of them is, hereby authorized and directed to designate employees or agents of the University to act as Authorized Representatives with respect to the issuance of Notes, and to designate Authorized Persons, who may be employees or agents of the University or employees or agents of the Dealer, to take certain actions with respect to the issuance of Notes, all as provided in the Issuance Certificate, the Paying Agent Agreement, or the Dealer Agreement.

6. The Authorized Officers are, or any one of them is, hereby authorized, empowered and directed, in the name and on behalf of the Issuer, and as its corporate act and deed, to execute the Notes by manual or facsimile signature and to deliver the Notes to the purchaser in exchange for the purchase price thereof, as provided in the Issuance Certificate and the Paying Agent Agreement. The Notes may be issued in the form of one or more Master Notes, as provided in the Paying Agent Agreement.

7. The Authorized Officers are, or any one of them is, hereby authorized to cause to be prepared and circulated the Offering Memorandum with respect to the Notes, and to update, or cause to be updated the Offering Memorandum, through supplements or otherwise, as an Authorized Officer shall deem appropriate, or as may be required by law. Any Dealer is authorized to circulate and use, in accordance with applicable law, the Offering Memorandum, as the same may have been updated or supplemented from time to time, in the offering, sale and delivery of the Notes.

8. The Authorized Officers are, or any one of them is, hereby authorized to provide for the final payment of the Prior Notes, and to take any and all actions necessary and appropriate to provide for the payment when due of all amounts with respect to the Prior Notes, from the proceeds of the Notes or other available funds of the University.

9. The Authorized Officers, the Secretary, representatives of the University's General Counsel, and any other appropriate officer of the University are each hereby authorized to perform all acts and deeds and to execute and deliver all instruments and documents for and on behalf of the Issuer or the University required by this Resolution or the documents authorized hereby, or necessary, expedient and proper in connection with the issuance, sale and delivery of the Notes, from time to time, all as contemplated hereby or in connection with subsequent elections, approvals or determinations under the Issuance Certificate or other documents. Any reference to any specified officer of the Issuer or the University in this Resolution shall include any interim officer occupying such position.

10. All resolutions or parts of resolutions or other proceedings of the Issuer in conflict herewith be and the same are hereby repealed insofar as such conflict exists.

Alternative Asset Investments

On a motion by Regent Maynard, seconded by Regent McGowan, the Regents unanimously approved the commitment of \$20.0 million to Francisco Partners, L.P. and \$10.0 million to TCV IV, L.P.

Contract with Huron Systems, Inc.

On a motion by Regent Maynard, seconded by Regent Brandon, the Regents unanimously approved a contract with Huron Systems, Inc. Because the president of Huron Systems, Inc., James B. Martin, is also a University of Michigan employee, this 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 contract are the Regents of the University of Michigan and its Medical Center Information Technology Division, and Huron Systems, Inc.
2. The service provided is process and data flow mapping as it relates to Y2K, to be provided for the calendar period beginning October 1, 1999 and ending March 30, 2000, with a total cost of \$35,600.00.
3. The pecuniary interest arises from the fact that James B. Martin, a University of Michigan employee, is the president of Huron Systems, Inc.

Payment for Services of Tovar Hook & Loop

On a motion by Regent Brandon, seconded by Regent Maynard, the Regents unanimously authorized payment for the services of Tovar Hook & Loop. Because Keith L.T. Alexander is both a University of Michigan employee and an officer of Tovar Hook & Loop, this purchase 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 University of Michigan Hospital's Occupational Therapy Clinic, and Tovar Hook & Loop.
2. The product provided was splint material in the University of Michigan maize color, with a total cost of \$48.00.

3. The pecuniary interest arises from the fact that Keith L.T. Alexander, a University of Michigan employee, is the vice president of sales and marketing of Tovar Hook & Loop.

C.C. Little Building Geochemistry Clean Laboratory Renovation-Phase II

On a motion by Regent Maynard, seconded by Regent McGowan, the Regents unanimously approved Phase II of the Geochemistry Clean Laboratory Renovation Project in the C.C. Little Building, as described in the Regents Communication.

Burton Memorial Tower Renovation Project

On a motion by Regent Maynard, seconded by Regent McGowan, the Regents unanimously approved issuing the Burton Memorial Tower Renovation Project for bids and awarding a construction contract providing the bids are within the approved budget.

Power Center for Performing Arts Stage Lighting Replacement

On a motion by Regent Horning, seconded by Regent Maynard, the Regents unanimously approved a project for replacement of the stage lighting at the Power Center for Performing Arts.

University of Michigan Hospitals Relocation and Expansion of Endocrine and Diabetes Clinics to Briarwood Building 2

On a motion by Regent Maynard, seconded by Regent Horning, the Regents unanimously approved relocation and expansion of the Endocrine and Diabetes Clinics to Briarwood Building 2, as described in the Regents Communication.

University of Michigan-Dearborn General Campus Renovation Phase III: The University Mall Renovation Project

On a motion by Regent Horning, seconded by Regent Newman, the Regents unanimously approved appointment of the firm of Neumann Smith & Associates for design of Phase III of the Dearborn Campus Renovation Project, involving renovation of the University Mall Building.

University of Michigan-Flint Northbank Center Renovation Project

On a motion by Regent Horning, seconded by Regent Maynard, the Regents unanimously approved the Northbank Center Renovation Project, as described in the Regents Communication.

Inauguration of Chancellor Mestas

President Bollinger congratulated Chancellor Mestas on his recent inauguration ceremony. He noted that Chancellor Mestas “has inspired enormous good feeling on campus and in the community.”

Report and Recommendations of the Ad Hoc Advisory Committee on Tobacco Investments

Executive Vice President Kasdin submitted for information the report and recommendations of the Ad Hoc Advisory Committee on Tobacco Investments.

Appointment of Auditors for 1999-00

On a motion by Regent Taylor, seconded by Regent Brandon, the Regents unanimously approved reappointment of PricewaterhouseCoopers LLP as auditors for 1999-00.

Implementation of the Regents’ Policy on Research Grants, Contracts, and Agreements, FY99

Vice President Ulaby submitted the annual report on implementation of the Regents’ Policy on Research Grants, Contracts, and Agreements, FY99.

Regents’ Meeting Schedule for 2001

Regent Horning moved approval of the proposed Regents’ Meeting schedule for 2001. Regent Newman seconded the motion.

Regent Newman proposed consideration of changing to a one-day meeting schedule, to be held all day on Thursday, rather than the current Thursday afternoon/Friday morning

schedule, with Public Comments to be held in the late morning prior to breaking for lunch. Regent Horning expressed support for this notion.

Regent Maynard commented that she preferred the flexibility of having the two-day period on the schedule, with the decision on whether a meeting would last one or two days would be decided on a case-by-case basis.

President Bollinger commented that there are times when the overnight period provided by the two-day meeting schedule becomes useful for reflection prior to acting on items raised Thursday afternoon or during Public Comments. He noted that there are times when more can be accomplished over a two-day period than when a meeting is condensed into one day, but that the administration continues to work to make meetings as efficient as possible.

Regent Brandon expressed support for a meeting that would last one full day.

Regent McGowan observed that arrangements for meetings occurring over two days allows time for board members to come to campus and accomplish more than would be the case with a one-day-only meeting, and this time spent on campus is important to the campus community. Regent Maynard pointed out that the free time on Thursday morning allowed by the current schedule gives Regents the opportunity to meet with people and to learn more about the University.

It was decided that it would be advisable to have all Regents present in order to resolve this issue. Regent Newman moved to amend the current motion so as to table the item until next month. Regent Horning seconded the motion, and it was approved, with Regents Brandon, Horning, Maynard, Newman, and Taylor in favor and Regent McGowan opposed.

Building Naming

Chancellor Mestas commented that the Professional Studies and Classroom Building had been funded with a generous grant from the Mott Foundation, which is led by William S. White. Mr. White has also been one of the most important civic leaders in the city of Flint, and both the University and the community would be very pleased by honoring Mr. White in this fashion. Regent Maynard moved approval of naming the Professional Studies and Classroom Building at the University of Michigan-Flint the William S. White Building. Regent Newman seconded the motion, and it was approved unanimously.

Revision of Regents' Bylaw Section 11.031 (*The University of Michigan-Dearborn College of Arts, Sciences, and Letters Executive Committee*)

On a motion by Regent Horning, seconded by Regent Maynard, the Regents unanimously approved a revision of Regents' Bylaw Section 11.031. The revised bylaw follows:

Bylaws Sec. 11.031. The University of Michigan-Dearborn College of Arts, Sciences, and Letters Executive Committee

The executive committee shall consist of the dean and seven faculty members of senate rank to be appointed by the Regents on recommendation by the chancellor and the president. The appointed members shall not be eligible for reappointment until after the lapse of one year. The terms shall be for three years and shall be so adjusted that at least two vacancies shall occur each year. The dean shall chair the committee.

Consent Agenda

Minutes. Vice President Tedesco submitted for approval the minutes of the March 20, 2000 meeting.

Reports. Executive Vice President Kasdin submitted reports of investment, plant extension, and non-competitive purchases over \$5,000 from single sources from December 16, 1999 to March 15, 2000.

Vice President Krislov submitted the Litigation Report. Vice President Ulaby submitted the report on projects established for March 2000.

Vice President Harper submitted a report on the University Activities Center (UAC) prepared by Abby Adair, president of UAC. Ms. Adair commented on the activities of UAC.

Michigan Student Assembly Report. Bram Elias, outgoing president of Michigan Student Assembly, gave a personal retrospective of his experience at the University of Michigan and the things he had learned as an officer of Michigan Student Assembly.

Following his report, Mr. Elias introduced Hideki Tsutsumi, newly-elected president of MSA. Mr. Tsumi commented that he came to the United States from Japan four years ago, and that he is the first international student ever elected as MSA president. He said he is looking forward to working with everyone over the coming year.

University of Michigan Health System. Executive Vice President Omenn distributed statistical information about the health system and the new magazine, *Medicine at Michigan*. He also commented on several recent news articles and events involving the health system.

University of Michigan-Dearborn. Interim Chancellor Klein reported on several items of note on the Dearborn campus and noted that the chancellor search committee had submitted its slate of finalists to President Bollinger.

University of Michigan-Flint. Chancellor Mestas had no additional news to report.

Voluntary Support. Vice President Feagin submitted the report on voluntary support for March 2000.

Personnel Actions/Personnel Reports. Provost Cantor submitted a number of personnel actions and personnel reports. Vice President Ulaby highlighted the request for the appointment of James Penner-Hahn as associate vice president for research.

Retirement Memoirs. Vice President Tedesco submitted retirement memoirs for two faculty members, Kenneth J. DeWoskin and Tsung Yen Na. Regent Newman commented that she had recently spent time with Professor DeWoskin and that his retirement would be a loss to the University.

Memorials. Vice President Tedesco submitted memorial statements for two faculty members, Arthur F. Coxford, Jr., and Jonathan Raz.

Degrees. Provost Cantor submitted for approval the doctoral degree list for the April 2000 commencement, the final degree list for the December 1999 Law School commencement, and changes to previously approved degree lists.

On a motion by Regent Brandon, seconded by Regent Taylor, the Regents unanimously approved the Consent Agenda.

Michigan Greats

Vice President Ulaby introduced Professor Kensall D. Wise, director of the Center for Integrated Microsystems at the College of Engineering, associate dean for research at the College of Engineering, and the J. Reid and Polly Anderson Professor of Manufacturing Technology, who discussed his research in MEMS (microelectrical mechanical systems).

Public Comments

The Regents heard comments from the following individuals on the topics indicated: Gary Glenn, president of the American Family Association of Michigan, on the English 317 course, "How to be Gay;" Gary S. Hann, alumnus, on discrimination; Stephen L. Rassi, student and member of the Rainbow Network and GAA, on equality and safety for all at the University of Michigan; Joe Reilly, student and member of the Native American Student Association, on racism at the University; Irfan Nooruddin, student, on Michigamua; Audrey L. Jackson,

alumnus, on Michigamua; and Lester Spence, student and member of Concerned Students, on the vice president for student affairs.

There being no further business, the meeting adjourned at 5:12 p.m. The next meeting will be held May 18-19, 2000.