

## **NOVEMBER MEETING, 2001**

*The University of Michigan  
Ann Arbor  
Thursday, November 15, 2001*

The Regents convened at 1:40 p.m. in the Regents' Room. Present were President Bollinger and Regents Brandon, Deitch, Horning, Maynard, McGowan Newman, and Taylor. Also present were Vice President Feagin, Vice President Harper, Executive Vice President Kasdin, Vice President and General Counsel Krislov, Chancellor Mestas, Executive Vice President Omenn, Vice President Rudgers, Interim Provost and Vice President and Secretary Tedesco, Vice President Ulaby, and Vice President Wilbanks. Chancellor Little was absent; Provost Simpson attended in his place. Regent White participated in the meeting by phone.

President Bollinger called the meeting to order and noted that the first item of business would be the Annual Operating Requests to the state.

### **Annual Operating Request to the State for the Ann Arbor Campus for FY 2003**

Provost Tedesco expressed the University's gratitude to the governor, the chairs of the appropriations committees, and the legislature for exempting education from the recisions in the executive order announced last week. She said that the University recognizes that the next two years will be difficult ones for the state and it is helpful to be able to have an orderly planning process to prepare for them.

Provost Tedesco observed that the key message and organizing principle of the FY 2003 request is the same as it was for the 2002 request--consolidation and continuing progress on the University's highest priorities. Resources will be focused on the University's core missions and

on a few vital initiatives, with the goal being to weather the economic downturn without giving up excellence and minimizing any damage that might occur.

Provost Tedesco observed that Associate Provost Paul Courant has played an important role in budgeting modeling and in the wide array of other concerns of the provost's office, and that he would be addressing the board as well. She noted that the requested 4% increase is the most modest from among the last five budget years. It includes no funding for any special new initiatives, and carries forward innovations in undergraduate education, continued expansion and improvements in information technology, and the Life Sciences Initiative.

She noted that the University is not being called upon to decrease its efforts on behalf of teaching, research, or community service and outreach. The cost to the University of performing its core missions does not decrease, she noted, and the requested increase is far less than is needed to maintain momentum and to continue to retain necessary faculty and support services. To maintain and enhance quality, it will be necessary to redeploy existing resources from lower priority activities to those of higher priority, as has been a regular practice in past years.

Provost Tedesco noted that it is against these thematic budget parameters that deans, directors, and other unit leaders are preparing their program directions, budget priorities, and reductions for next year. The provost and administration are working with the academic leadership to ensure that regardless of the state budget, the budget process for this year will position the University to be strong in the future, while serving students, parents, taxpayers, and other stakeholders.

Provost Tedesco emphasized that major academic projects, and the new construction and renovation projects that support them, will proceed. There will be no reduction in the budgetary commitments to the Life Sciences Initiative, and undergraduate education and information

technology will have ample resources for growth and innovation. She introduced Associate Provost Paul Courant.

Associate Provost Courant again expressed the University's gratitude to the state for exempting education from the recent set of budget cutbacks. He enumerated a number of steps the University has taken to reduce costs, including renegotiating the contract with Ameritech for local phone service (a savings of \$1 million); purchasing electricity from Engage Energy (\$1.3 million savings); using prime vendor contracts to reduce the purchase price on a wide variety of items (\$3 million savings); and improving management of accounts receivables and credit card business (more than \$1.7 million in immediate payments).

In the academic units, many schools and colleges are reducing their faculty strength and all of them are redeploying faculty towards areas of increasing enrollment and away from areas of declining enrollment, thereby increasing the number of students being taught per faculty member. They are also eliminating or consolidating staff positions and are improving their purchasing and management practices and providing incentives for working more efficiently.

Associate Provost Courant noted that more specific examples of cost cutting measures are detailed in the letter to the state, and due to the decentralized nature of the institution, even more, less visible activities are occurring in the individual units due to incentives from central administration.

Associate Provost Courant observed that cuts will have to be made in the FY 2003 budget. The key consideration will be in making sure that expenditures are reduced in areas where the University is ready and able to continue to be effective with less being done. That means being explicit about the valuable activities that are being cut back so that activities of even greater value can be maintained and enhanced. He noted that in the coming months the

provost would be reporting to the board in some detail about progress in these areas, and will be seeking the advice of the board on how best to proceed.

Associate Provost Courant observed that it had been a pleasure working with Interim Provost and Vice President Tedesco during the past several months, and he looked forward to working with her in the future.

### **Annual Operating Request to the State, University of Michigan-Dearborn**

Speaking on behalf of the University of Michigan-Dearborn campus, Provost Simpson commented that the Dearborn budget is built on a set of strategic initiatives identified as being important for the long-term growth of the UM-Dearborn and its relationships with the community. There are four components to these initiatives: 1) Extending and strengthening undergraduate education; 2) expanding graduate education; 3) furthering the incorporation of technology into the curriculum; and 4) building new and stronger relationships with the community.

The campus's request has two major components: the strategic addition of faculty and strengthening the technology base. The overall request is for an additional \$1,361,900, an increase of about 4%.

### **Annual Operating Request to the State, University of Michigan-Flint**

Chancellor Mestas thanked the governor and legislative leaders for their support of education in difficult economic times. He noted that the budget request contains a particular emphasis on technology, in concert with the need to upgrade the technological infrastructure of the campus, and to facilitate the offering of more online courses and degree programs. Another budget emphasis is for operating expenses and programmatic expenses associated with the opening of the new William S. White Building. The support of academic initiatives and

programs, and enhancing outreach initiatives are other areas of emphasis. He noted the critical role that the University of Michigan-Flint plays with the city of Flint.

Regarding cost-cutting measures, Chancellor Mestas noted that the campus continues to undertake managerial efficiencies. In addition he has asked campus leaders to examine the offerings of each unit and to identify areas in which resources can be reallocated. The Flint campus is also attempting to raise funds from sources other than state appropriation in an effort to expand its funding base.

### **Comments from President Bollinger**

President Bollinger noted that two faculty members had recently received prestigious awards: Professor Bright Sheng (MacArthur Foundation Fellowship), and Sabine MacCormack (the Andrew W. Mellon Foundation's new Distinguished Achievement Award for scholars in the humanities) and commented on other noteworthy achievements by University faculty members and recent newsworthy events involving the University of Michigan.

### **Consent Agenda**

**Minutes.** Vice President Tedesco submitted for approval the minutes of the October 18-19, 2001 meeting.

**Reports.** Executive Vice President Kasdin submitted reports of Investment, Plant Extension, and Human Resources and Affirmative Action.

**Litigation Report.** The Regents received the Litigation Report.

**Research Report.** Vice President Ulaby submitted the Report of Projects Established for October 1 - October 31, 2001. He noted that research expenditures for the first four months of the year are about 14 percent higher than for the same period the previous year. Regarding

research awards, he noted that the number of awards is up 6 percent, but the dollar amount has increased by 88 percent, resulting in \$192 million more during the same period a year ago.

**University of Michigan Health System.** Executive Vice President Omenn reported that the Health System had just undergone an exhaustive accreditation visit from the Joint Commission on Accreditation of Health Care Organizations (JCO), and had passed with an excellent score. He noted that hospital volumes are on budget, that emergency room volumes continue to increase, and that strategic planning is moving forward. He further commented on developments in the research and technology transfer arenas.

**Division of Student Affairs.** No report was submitted.

**University of Michigan-Dearborn.** Provost Simpson commented on recent developments surrounding the Environmental Interpretive Center, and reported on several other items of interest. He noted that the College of Arts, Sciences, and Letters Building dedication would be held on December 6, 2001.

**UM-Flint.** Chancellor Mestas reported that he had recently addressed the Flint campus community about a number of issues, including the desire of the University to move toward having student residences. He noted that two conditions would have to be met in order to establish student residences: they would have to pay for themselves with no subsidies from the University, and downtown area businesses would have to cooperate by creating a “college town” atmosphere around the University residences. He commented that an RFP had been issued for conducting a feasibility study for the concept of building student residences.

**MSA Report.** MSA president Matt Nolan noted that students were in the midst of an election for MSA representatives, which also includes a ballot initiative on whether to increase student fees for funding student organizations. The other issue MSA has been involved with is

establishing a change in the academic calendar to provide a two-day, Monday-Tuesday, fall break. He noted that MSA had done a great deal of research and that on this issue he had been discussing it with members of the University administration. Mr. Nolan reviewed the issues involved in the creation of a fall break, and stated that he expects to present an action request for consideration at the next Regents' Meeting.

In response to questions, he noted that the reason for the desire to institute a fall break was to alleviate stress levels among students during the time of midterm exams. He noted that every Ivy League institution, and 19 of the top 25 universities nationwide, have fall breaks, and that MSA believes a fall break would improve overall academic quality.

Regent White suggested that discussions be held with the Athletic Department regarding the scheduling of athletic events and/or practices during the fall break. Mr. Nolan agreed, and also noted that SACUA and the deans have all been consulted.

**Voluntary Support.** Vice President Feagin submitted the Report of Voluntary Support for October 2001.

**Personnel Actions/Personnel Reports.** Interim Provost Lisa Tedesco submitted personnel actions and personnel reports.

**Retirement Memoirs.** No retirement memoirs were submitted to the Regents this month.

**Memorials.** No deaths of active faculty members were reported to the Regents this month.

**Degrees.** President Bollinger submitted recommendations for the award of honorary degrees to Dwight Gourneau, Native American leader (Doctor of Laws) and Kapila Vatsyayan, director of the Indira Gandhi Center for the Arts (Doctor of Fine Arts).

The December 2001 Doctoral Degree List was also submitted for approval.

**Approval of Consent Agenda.** On a motion by Regent Newman, seconded by Regent Taylor, the Regents unanimously approved the Consent Agenda.

### **Six Month Report on University Audits**

The Regents received the Six-Month Report on University Audits for the period April 1, 2001 through September 30, 2001.

### **Purchasing Contract with Valley View Farm**

On a motion by Regent Deitch, seconded by Regent White, the Regents unanimously approved a purchasing contract with Valley View Farm. Because the owner of Valley View Farm, Douglas Doop, 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. The parties to the contract are the Regents of the University of Michigan and its Pediatric Endocrinology Division, and Valley View Farm.
2. The service to be provided is the boarding and breeding of sheep for the purposes of medical research, with the service to be provided for the period beginning September 1, 2001 and ending August 31, 2002, for a total dollar amount of \$16,608.00.
3. The pecuniary interest arises from the fact that Douglas Doop, a University of Michigan employee, is the sole owner of Valley View Farm.

### **Lease Agreement with First Property Associates**

On a motion by Regent Brandon, seconded by Regent Taylor, the Regents unanimously approved a lease agreement with First Property Associates for property located at 2101 Commonwealth. Because William C. Martin is both a University of Michigan employee, a partner in First Property Associates, and the president of First Martin Corporation, which is the



general partner, 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 Adolescent and Child Psychiatry Unit and First Properties Associates.
2. The service to be provided is a lease of office space. The lease for 2010 Commonwealth will begin on April 1, 2002, for a period of 84 months at a cost of \$40,415.00 per month.
3. The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is the president of First Martin Corporation.

#### **Agreement between the University of Michigan and Equilibrium, Ltd.**

On a motion by Regent Horning, seconded by Regent Newman, the Regents unanimously approved an agreement between the University of Michigan and Equilibrium, Ltd. (hereafter, “Company”) to provide funding in support of the recording of works with violin performed by Paul Kantor, a professor in the School of Music. Because Michael Udow is both an owner of the Company and an employee of the University of Michigan, 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 Equilibrium, Ltd.
2. Terms of the agreement conform to University policy. The period of performance for the project is two years and the amount of funding support is \$10,000. The University’s effort in this project will be directed by Paul Kantor.
3. Michael Udow’s pecuniary interest arises from his status as owner of Equilibrium, Ltd.

#### **Agreement between the University of Michigan and the Great Lakes Commission**

On a motion by Regent Newman, seconded by Regent White, the Regents unanimously approved an agreement between the University of Michigan and the Great Lakes Commission, under which 20% of the time of Jennifer Read, a University of Michigan employee, will be spent at the Great Lakes Commission for a six-month period. Because Michael Donahue, president

and CEO of the Great Lakes Commission, also holds the position of adjunct assistant professor at the University of Michigan, 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 Great Lakes Commission.
2. Terms of the agreement are acceptable and conform to University policy. The amount of the agreement with the University is \$7,308. The period of performance is six months (with possible extension). Dr. Jennifer Read, assistant director of Michigan Sea Grant, will spend twenty percent of her time at the Great Lakes Commission. While at the Commission, Thomas Crane will have primary responsibility for overseeing Dr. Read's work; ultimate reporting authority will be to the director of Michigan Sea Grant, Professor George Carignan.
3. Michael Donahue has no pecuniary interest in the agreement.

#### **License Agreements between the University of Michigan and Molecular Therapeutics, Inc.**

On a motion by Regent Horning, seconded by Regent Deitch, the Regents approved the following four agreements between the University of Michigan and Molecular Therapeutics, Inc. Because the principal owners of Molecular Therapeutics, Inc. Brian D. Ross and Alnawaz Rehemtulla, are also University of Michigan employees, these agreements fall under the State of Michigan Conflict of Interest Statute. The following information for each agreement is provided in compliance with statutory requirements:

#### **“Targeted Fiberless Radiative Effectors.”**

1. Parties to the contract will be the University of Michigan and Molecular Therapeutics, Inc.
2. Licensing terms include:
  - Field of use: Diagnostic uses only.
  - Grant: Exclusive world-wide license, with a right to grant sublicenses to Technology as defined by UM File No. 1714.
  - License Fee: \$10,000.
  - Maintenance Fees: \$10,000.00 per year to be credited against all cumulative research

funds for a period of 5 years. Subsequent annual fees can then be offset by royalties.

Equity: No equity will be taken for this license. The University of Michigan has taken a 3% equity position on the first 12,000 shares issued by Molecular Therapeutics under a prior license for UM File No. 1835.

Patent costs: All remaining current and future U.S. And foreign patent costs will be paid by Molecular Therapeutics, Inc.

Royalties: 3% on net sales of products and 1% on net sales of all services using this technology. The first ~ \$100,000 in royalties would be offset by patent costs. Sublicensing royalties will be 3% to 7% of net sublicense revenue provided Molecular Therapeutics can make available a net sublicense revenue justification.

Performance criteria: Specified milestones must be met in order to maintain the rights granted by the license.

The University will retain 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. The pecuniary interests of Drs. Ross and Rehemtulla arise from their ownership in the company. They have both waived any personal participation in the sharing of funds received by the University from Molecular Therapeutics, Inc. as a result of this license agreement.

### **“Early Monitoring of the Effectiveness of Human Cancer Therapy using Diffusion Magnetic Resonance Imaging”**

1. Parties to the contract will be the University of Michigan and Molecular Therapeutics, Inc.
2. Licensing terms include:

Field of use: Diffusion weighted MRI.

Grant: Exclusive world-wide license, with a right to grant sublicenses to Technology as defined by UM File No. 1817.

License Fee: \$5,000.

Maintenance Fees: \$1,000.00 per year to be credited against all cumulative research funds for a period of 5 years. Subsequent annual fees can then be offset by royalties.

Equity: No equity will be taken for this license. The University of Michigan has taken a 3% equity position on the first 12,000 shares issued by Molecular Therapeutics under a prior license for UM File No. 1835.

Patent costs: All remaining current and future U.S. And foreign patent costs will be paid by Molecular Therapeutics, Inc.

Royalties: A royalty of \$1000.00 for each of the first 400 copies of the Program or derivative work licensed or distributed to an end user. A royalty of \$600.00 per copy thereafter. The first \$10,000 in royalties would be offset by patent costs.

Performance criteria: Specified milestones must be met in order to maintain the rights granted by the license.

The University will retain 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. The pecuniary interests of Drs. Ross and Rehemtulla arise from their ownership in the company. They have both waived any personal participation in the sharing of funds received by the University from Molecular Therapeutics, Inc. as a result of this license agreement.

### **“In vivo Imaging of Angiogenesis”**

1. Parties to the contract will be the University of Michigan and Molecular Therapeutics, Inc.
2. Licensing terms include:

Field of use: Molecular reporter technology for the detection of angiogenic activity in tumor tissues.

Grant: Exclusive world-wide license, with a right to grant sublicenses to Technology as defined by UM File No. 1850.

License Fee: \$20,000. Initial payment of \$5,000.00 due upon license execution; \$5,000.00 due upon the first anniversary of signing; and \$10,000 due upon the second anniversary of signing.

Maintenance Fees: \$10,000.00 per year to be credited against all cumulative research funds for a period of 5 years. Subsequent annual fees can then be offset by royalties.

Equity: No equity will be taken for this license. The University of Michigan has taken a 3% equity position on the first 12,000 shares issued by Molecular Therapeutics under a prior license for UM File No. 1835.

Patent costs: All remaining current and future U.S. And foreign patent costs will be paid by Molecular Therapeutics, Inc.

Royalties: 3% on net sales of products and 1% on net sales of all services using this technology. The first ~ \$100,000 in royalties would be offset by patent costs. Sublicensing royalties will be 3% to 7% of net sublicense revenue provided Molecular Therapeutics can make available a net sublicense revenue justification.

Performance criteria: Specified milestones must be met in order to maintain the rights granted by the license.

The University will retain 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. The pecuniary interests of Drs. Ross and Rehemtulla arise from their ownership in the company. They have both waived any personal participation in the sharing of funds received by the University from Molecular Therapeutics, Inc. as a result of this license agreement.

### **“A Non-invasive Assay for Quantitation of BACE Activity”**

1. Parties to the contract will be the University of Michigan and Molecular Therapeutics, Inc.
2. Licensing terms include:

Field of use: Molecular reporter technology for the *in vitro* detection of BACE.

Grant: Exclusive world-wide license, with a right to grant sublicenses to Technology as defined by UM File No. 2207.

License Fee: \$10,000. Initial payment of \$5,000.00 due upon license execution; \$5,000.00 due upon the first anniversary of signing.

Maintenance Fees: \$5,000.00 per year to be credited against all cumulative research funds related to BACE for a period of 5 years. Subsequent annual fees can then be offset by royalties.

Equity: No equity will be taken for this license. The University of Michigan has taken a 3% equity position on the first 12,000 shares issued by Molecular Therapeutics under a prior license for UM File No. 1835.

Patent costs: All remaining current and future U.S. And foreign patent costs will be paid by Molecular Therapeutics, Inc.

Royalties: 3% on net sales of products and 1% on net sales of all services using this technology. The first ~ \$100,000 in royalties would be offset by patent costs. Sublicensing royalties will be 3% to 7% of net sublicense revenue provided Molecular Therapeutics can make available a net sublicense revenue justification.

Performance criteria: Specified milestones must be met in order to maintain the rights granted by the license.

The University will retain 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. The pecuniary interests of Drs. Ross and Rehemtulla arise from their ownership in the company. . They have both waived any personal participation in the sharing of funds received by the University from Molecular Therapeutics, Inc. As a result of this license agreement.

### **License Agreement between the University of Michigan and Osteomics, Inc.**

On a motion by Regent Horning, seconded by Regent White, the Regents unanimously approved a license agreement between the University of Michigan and Osteomics, Inc. Because the partial owner of Osteomics, Inc., Michael Long, is also a University of Michigan employee, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the University of Michigan and Osteomics, Inc.
2. Contract terms include:

Field of use: All fields.

Grant: Exclusive.

License Fee: \$500.

Patent costs: Osteomics will reimburse the University for costs incurred during the license. As for back patent costs: If first round of financing is \$5 million or larger, Osteomics will reimburse the University for all back patent costs. If the first round is less than \$2.3 million, Osteomics will reimburse the University 25% of the balance and the remainder within one year. If the first round is between \$2.3 million and \$5 million, Osteomics will reimburse 25% of the balance and the remainder within 6 months.

Equity: 2% of the outstanding shares at first round of financing of at least \$2 million to be held by the University of Michigan and an additional 0.5% at a subsequent round of financing of at least an additional \$2 million. Shares subject to dilution thereafter.

Royalties: 5% on net research and development revenues; 7% on net sales of first three therapeutic compounds marketed solely by Osteomics; 5% of revenues received by Osteomics; 5% of revenues received by Osteomics for sales by its partners or collaborators on the first three therapeutic compounds marketed by them, dropping to 3% thereafter; 6% of sublicensing revenues received within two years from effective date, 5% thereafter.

Performance criteria: Specified milestones must be met in order to maintain the rights granted by the license.

The University will retain 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. Michael Long's pecuniary interest arises from his ownership in Osteomics. He has waived any personal participation in the sharing of revenue received by the University from the company.

### **Subcontract to Loyola University (Chicago) from the University of Michigan**

On a motion by Regent Horning, seconded by Regent White, the Regents unanimously approved a subcontract to Loyola University (Chicago) to support the collaboration of Dr. Brian Nickoloff. Because Dr. Nickoloff is also a visiting associate professor, without compensation, at the University of Michigan, this subcontract 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 Loyola University (Chicago).
2. Under the project, a total subcontract of \$1,547,150 is anticipated to cover the period April 1, 2001, through May 31, 2006. The University's standard subcontract provisions will apply.
3. Dr. Nickoloff has no pecuniary interest in the agreement.

### **Use Agreement and Subcontract between the University of Michigan and Molecular Therapeutics, Inc.**

On a motion by Regent Horning, seconded by Regent White, the Regents unanimously approved an agreement and subcontract between the University of Michigan and Molecular Therapeutics, Inc. (hereafter, "Company"), for use of certain University facilities and to assist the University as a subcontractor under a University grant from the Michigan Life Sciences Corridor Fund. Because the principal owners of the Company, Brian D. Ross and Alnawaz Rehemtulla, are also University of Michigan employees, this agreement falls under the State of Michigan Conflict of Interest Contract. The following information is provided in compliance with statutory requirements.

1. Parties to the agreements are the University of Michigan and Molecular Therapeutics, Inc.
2. Terms of the proposed agreements conform to University policy. Dr. Howard Rush will direct the use of the ULAM services over an initial one year period at an estimated maximum annual cost of \$11,700. Dr. Isaac Francis will direct the use of the MSAIR services over an initial one year period at an estimated maximum annual cost of \$10,000. Dr. Rehemtulla will direct the University's MLSCF grant. The subcontract to the Company will be directed and performed by employees of the Company over a three-year period at an estimated total cost of \$423,238, including indirect cost at 20% (the rate applicable to the MLSCF). All appropriate animal and human use approvals have been obtained for these studies.
3. Dr. Ross's and Dr. Rehemtulla's pecuniary interest arises from their ownership of Molecular Therapeutics, Inc.

### **Update on Life Sciences Institute**

The Regents received an update of progress on the Life Sciences Institute.

### **Henry Russel Award for 2002**

The Regents were informed of the selection of the following individuals as recipients of Henry Russel Awards for 2002: Clark T.-C. Nguyen, assistant professor of electrical engineering and computer science; Yoichi Osawa, assistant professor of pharmacology; and Johanna H. Prins, associate professor of English language and comparative literature.

### **Establishment of a Depression Center within the University of Michigan**

Executive Vice President Omenn presented a recommendation for the establishment of a Depression Center within the University of Michigan Health System. He noted that the Depression Center will enhance the University's clinical and health services research to compliment the laboratory research activities of the Mental Health Research Institute. This will be the first such center of its kind.

Regent McGowan moved approval of the establishment of the University of Michigan Depression Center. Regent Maynard seconded the motion.



Regent Deitch commented that establishment of the Depression Center is “a very big deal,” and predicted that in the years to come, it will be an entity that the Regents will be extremely proud of.

Regent Newman expressed agreement with Regent Deitch’s comments, and pointed out that the proposal is extremely timely and very necessary.

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

**New Joint Degree Program for the College of Literature, Science, and the Arts and the School of Natural Resources and Environment** (*“Bachelor of Science or Bachelor of Arts in the Environment”*)

Interim Provost Tedesco noted that this is a unique and innovative program that will be housed in the School of Natural Resources and Environment (SNRE) and administered by a director who reports to the deans of both LS&A and SNRE. The founding director will be Professor John Knott from the Department of English Language and Literature.

On a motion by Regent Maynard, seconded by Regent White, the Regents unanimously approved a joint degree program, Bachelor of Science or Bachelor of Arts in the Environment, to be offered by the College of Literature, Science, and the Arts and the School of Natural Resources and Environment.

**Annual Operating Request to the State for the Ann Arbor Campus for FY 2003**

On a motion by Regent Taylor, seconded by Regent Horning, the Regents unanimously approved the annual operating request to the state for the University of Michigan-Ann Arbor campus for FY 2003.

### **Annual Operating Request to the State for the University of Michigan-Dearborn Campus for FY 2003**

On a motion by Regent Horning, seconded by Regent White, the Regents unanimously approved the annual operating request to the state for the University of Michigan-Dearborn campus for FY 2003.

### **Annual Operating Request to the State for the University of Michigan-Flint Campus for FY 2003**

On a motion by Regent Maynard, seconded by Regent Newman, the Regents unanimously approved the annual operating request to the state for the University of Michigan-Ann Arbor campus for FY 2003.

### **Change in Name of the University of Michigan-Flint Department of Health Care to Department of Health Sciences and Administration**

On a motion by Regent Brandon, seconded by Regent Maynard, the Regents unanimously approved a change in the name of the University of Michigan-Flint Department of Health Care to the Department of Health Sciences and Administration.

### **Proposed Tuition and Fee Rates for UM-Flint RN/BSN Program and Revised Tuition and Fees Schedule for 2001-2002**

On a motion by Regent Maynard, seconded by Regent White, the Regents unanimously approved revised tuition and fee rates for the UM-Flint Registered Nurse/Bachelor of Science in Nursing (RN/BSN) Program and a corrected tuition and fee schedule for 2001-2002, as described in the Regents Communication.

### **Resolution Establishing Committee of the Whole as a Presidential Search Committee**

Regent Taylor read the following resolution:

*Resolved, that pursuant to the provisions in Section 1.07 of the Bylaws of the Board of Regents, a committee of the whole to be known as the Presidential Search Committee, consisting of Regents David A. Brandon, Laurence B. Deitch, Daniel D. Horning, Olivia P. Maynard, Rebecca McGowan, Andrea Fischer Newman, S. Martin Taylor, and Katherine E. White, or the successor in office of each such person, be and is hereby established.*

*The committee shall consider all matters in connection with selecting a president and shall have the power and authority to take such steps and perform such acts as may be necessary and proper to carry out its assignment.*

*Be it also resolved that Regent Laurence B. Deitch shall serve as chair of the Presidential Search Committee and Regent Daniel D. Horning shall serve as vice-chair.*

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

## **Resolution Establishing the Presidential Search Advisory Committee**

Regent Taylor read the following resolution:

*Resolved, that a committee to be known as the Presidential Search Advisory Committee is hereby established for the purpose of advising the Presidential Search Committee on matters related to the search for a successor to President Lee C. Bollinger. The chair of the Presidential Search Advisory Committee (PSAC) shall be selected from among the deans of the schools and colleges. In addition to the chair, membership on the PSAC shall consist of seven faculty, two staff members, and two students from the Ann Arbor campus; two alumni; one representative from the Dearborn campus; and one representative from the Flint campus.*

*Be it further resolved that the chair of the Presidential Search Advisory Committee shall be Earl Lewis, Dean, Horace H. Rackham School of Graduate Studies, vice provost for academic affairs-graduate studies, and professor of history and Afro-American and African studies. The remaining members of the Presidential Search Advisory Committee shall be appointed at a later date.*

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

Regent Deitch commented that four of the current Regents had served on the Presidential Search Committee that had culminated in the selection of President Bollinger, “a terrific president,” and he expressed confidence that the upcoming presidential search will be equally as successful. He introduced Dean Earl Lewis, chair of the Presidential Search Advisory Committee (PSAC).

Dean Lewis commented that it was a great honor to be asked to serve the institution at this time and in this way. He observed that he could not think of a more important task for any

faculty member or dean than to help advise the Regents in the selection of the next president of the University of Michigan.

Regarding the search process, Regent Deitch observed that the plan is to complete the appointments to the PSAC soon, and to keep the process moving toward a reasonably quick resolution. He indicated that the Presidential Search Committee would be making further announcements in the next few weeks.

### **Motion to Meet in Informal Session**

Regent Maynard moved that the Regents adjourn this formal session of the Regents and begin a nonformal session, the purpose of which is to consult with our attorney regarding trial or settlement strategy in connection with pending litigation. Regent Horning seconded the motion, and it was approved unanimously.

The Regents met in informal session from 3:00 to 3:30, and reconvened at 3:30 p.m. To hear Public Comments.

### **Public Comments**

The Regents heard comments from the following individuals, all on the topic of the University's participation in United Way: Brett Seabury, faculty member, representing the Social Welfare Action Alliance; William Meezan, faculty member, representing the School of Social Work faculty; Jayne London, staff member; and Edith Lewis, faculty member.

There being no further business, the meeting was adjourned at 4:00 p.m. The next meeting will take place December 13-14, 2001.