

SPECIAL MEETING
December 2, 2002

The University of Michigan
Ann Arbor
Monday, December 2, 2002

The meeting convened at 11:35 a.m. in the Regents' Room. Present were President Coleman, Chancellor Little, Interim Chief Financial Officer Slottow, and Vice President Tedesco. Regents Brandon, Deitch, Horning, Maynard, Newman, Taylor, and White, and Vice President Wilbanks participated by telephone.

University of Michigan Dearborn Phase One and Phase Two of the Science and Engineering Expansion and Renovation Project

President Coleman called the meeting to order, and announced that the purpose of the meeting was to approve a revised project scope and budget for the University of Michigan Dearborn Phase One and Phase Two of the Science and Engineering Expansion and Renovation Project. She called on Interim CFO Slottow.

Mr. Slottow noted that the potential opportunity for purchase of the Fairlane Training and Development Center had been announced at the May Regents' Meeting. Acquisition of this facility would meet the facility needs of the Dearborn campus for the next ten years. In June of this year, the 2002 state capital outlay budget was modified to include a reconfiguration and reduced scope of the previously approved UM-Dearborn Science and Engineering projects, along with funds for possible purchase of the Fairlane Training and Development Center.

The two action requests being brought forward at this time are the first of a series of steps necessary to allow the purchase of the Fairlane Training and Development Center, which would meet UM-Dearborn's growth needs over the next ten years. Approval of the revised scope and

budget of the previously approved science and engineering expansion and renovation projects will signify to the state that the Regents are supportive of both the reconfigured science and engineering projects as well as moving forward with the next steps toward the potential purchase of the Fairlane Training and Development Center (FTDC). Mr. Slottow noted that it is likely that the specific action requests for purchase and financing of the FTDC would be presented at the regular December 2002 Regents' Meeting.

Chancellor Little offered to respond to questions.

Regent Deitch commented that he would be recusing himself from all matters related to the Fairlane Training and Development Center project, due to the conflict of interest created by the fact that his firm represents the controlling shareholders of the Ford Motor Company.

Regent Maynard inquired whether the Capital Outlay budget would be impacted by plans to cut budgets generally in the state. President Coleman and Vice President Wilbanks both responded that no information has yet been received about this possibility. However, it was pointed out that the Joint Capital Outlay Committee will be holding a meeting on December 4, which necessitated the actions being requested at this time.

Vice President Wilbanks noted that the state legislature had already approved a modified request to include the Fairlane Training and Development Center in the Capital Outlay budget, along with the reduced scope of the UM-Dearborn science and engineering projects.

University of Michigan-Dearborn Science Building Renovation and Addition Phase One of the Science and Engineering Expansion and Renovation Project. There being no further discussion, Regent Brandon moved approval of the revised scope and \$9,600,000 budget for the University of Michigan-Dearborn Science Building Renovation and Addition, Phase One of the Science and Engineering Expansion and Renovation Project, as described in the Regents

Communication. Regent Maynard seconded the motion, and it was approved, with Regents Brandon, Horning, Maynard, Newman, Taylor, and White in favor and Regent Deitch abstaining.

University of Michigan-Dearborn Engineering Laboratory Building Expansion and Renovation Phase Two of the Science and Engineering Expansion and Renovation Project.

Regent Brandon moved approval of the revised project scope and \$12,600,000 budget for the University of Michigan-Dearborn Engineering Laboratory Building Expansion and Renovation, Phase Two of the Science and Engineering Expansion and Renovation Project, as described in the Regents Communication. Regent White seconded the motion, and it was approved, with Regents Brandon, Horning, Maynard, Newman, Taylor, and White in favor and Regent Deitch abstaining.

Affirmative Action Lawsuits

President Coleman reported that the U.S. Supreme Court had just that morning announced that it would hear both the undergraduate and Law School admissions cases. She noted that the University was not surprised that the court had agreed to consider the cases, as this is an issue of enormous national importance. She said that the University believes its cases are very strong, and it has an excellent legal team that is prepared to mount a vigorous defense.

President Coleman observed that the University has conducted groundbreaking research on the educational benefits of a diverse student body for all students, regardless of race, and it is looking forward to the presentation of the cases in Spring 2003.

University of Michigan Dearborn Phase One and Phase Two of the Science and Engineering Expansion and Renovation Project

Regent Brandon commented that Chancellor Little had done an extraordinary job of advocating for this project, obtaining community support and guiding it through the many steps

necessary to get it to this point. President Coleman also complimented Chancellor Little for his work on this project, as well as Interim Chief Financial Officer Slottow and Vice President Krislov and their staffs.

There being no further business, the meeting was adjourned at 11:45 a.m.