

## **MAY MEETING, 2002**

*The University of Michigan  
Ann Arbor  
Thursday, May 16, 2002*

The Regents convened at 2:45 p.m. in the Professional Education Center on the campus of the University of Michigan-Dearborn. Present were Interim President White and Regents Deitch, Horning, Maynard, McGowan, Newman, and Taylor. Also present were Interim Provost Courant, Vice President Harper, Vice President and General Counsel Krislov, Chancellor Little, Chancellor Mestas, Interim Chief Financial Officer Slottow, Vice President and Secretary Tedesco, Vice President Ulaby, and Vice President Wilbanks. Regents Brandon and White were absent, as were Executive Vice President Omenn and Vice President Rudgers.

### **President's Opening Remarks**

Interim President White called the meeting to order. He thanked Chancellor Little and members of the Dearborn campus community for hosting the meeting.

Interim President White commented on the recent decision by the U.S. 6th Circuit Court of Appeals upholding the University of Michigan Law School's affirmative action admissions policy. He noted that the court had upheld the University's research-based findings of the vital importance of a diverse student body in achieving educational excellence for all students. He pointed out that more than 100 organizations had supported the University's policy in the case, including corporations, other educational institutions, unions, and non-profit organizations. He thanked everyone at the University who had contributed to the University's efforts on this case.

Interim President White commented on notable events and achievements of University faculty, staff, and students from the Ann Arbor and Dearborn campuses during the past month.

Interim President White reported that prior to the start of the meeting, the Regents had toured the Ford Training and Development Center, located proximal to the Dearborn Campus, and that discussions have taken place regarding the possible acquisition of the facility by the University of Michigan-Dearborn. He called on Regent Deitch.

Regent Deitch observed that the facility was very impressive but also very large, and would be a major addition to the campus. He noted that all of the ramifications of its possible acquisition would need to be considered before any decisions can be made. He requested that the administration undertake further study and analysis of the proposition, and then consult with the Board of Regents.

Regent Deitch further commented that the Regents had established a new internal governance structure several months ago that included a chair and vice chair, and two committees. He stated that he would be proposing suggestions for vice chair and committee memberships at the next meeting. Once the committees have been named, each will develop a suggested charter, function, and structure, in conjunction with the administration. He observed that a major project such as acquisition of the Ford facility is just the type of proposition that would be suitable for study by such a Regental committee.

Interim President White said that extensive due diligence is being performed in conjunction with the Ford facility, and that all understand that the Regents are the sole final authority on all property matters involving the University of Michigan.

### **University of Michigan-Dearborn School of Education Initiatives**

John Poster, dean of the University of Michigan-Dearborn School of Education, described the school's Master of Arts in Teaching program, which is designed for individuals who have a bachelor's degree and are employed in a field other than teaching. As part of this

program, students can serve as full-time substitute teachers to satisfy the student teaching requirement. He called on Professor Gail Luera, who gave a presentation on the capstone course to integrate science and sustain professional development in elementary science education, and Professor Mesut Duran, who presented information about the Michigan Teachers' Technology Education Network (MITTEN), which prepares educators to integrate information technology in their professional practice.

### **Annual Recommendations for Promotion to the Ranks of Professor and Associate Professor**

**Ann Arbor Campus.** Interim Provost Courant reviewed the process for faculty promotion and tenure at the University, noting that it is an extremely thorough, arduous, comprehensive process that is done as carefully and seriously as possible because of its impact on the current and future intellectual quality of the University. As an example of the range and breadth of the faculty, he highlighted the accomplishments of several faculty members recommended for promotion: Meigan Aronson, associate professor of physics; Scott J. Hollister, associate professor of biomedical engineering without tenure, associate professor of mechanical engineering and applied mechanics without tenure, and associate professor of surgery with tenure; John E. Kuhn, assistant professor of surgery; Howard Markel, associate professor of pediatrics and communicable diseases with tenure and associate professor of history without tenure; Erle S. Robertson, assistant professor of microbiology and immunology; Mieko Yoshihama, assistant professor of social work; and Alford A. Young, Jr., assistant professor of sociology and assistant professor of Afroamerican and African Studies.

**Flint Campus.** Chancellor Mestas observed that much is expected of faculty at the University of Michigan-Flint. Although the mission emphasizes teaching, research is not

neglected, and there is a high expectation of service on the part of the Flint community. He highlighted the dossier of Carolyn M. Gillespie, associate professor of theatre.

**Dearborn Campus.** Chancellor Little reported that the tenure review and evaluation process is rigorous at the University of Michigan-Dearborn. He highlighted the cases of Stephane Spoiden, assistant professor of French; and Mary Donegan, assistant professor of education.

On a motion by Regent Taylor, seconded by Regent Horning, the Regents unanimously approved the annual promotions to the ranks of professor and associate professor.

### **Report of the Committee on the Economic Status of the Faculty (CESF) - Ann Arbor Campus**

Interim President White called on Professor Fred Askari, chair of the CESF on the Ann Arbor campus. Referring to the CESF report in the agenda book, Professor Askari noted that the report is based on published data that has not previously been aggregated. The data were obtained with the cooperation of the provost's office. The goal is to have salary information available for policy decisions, not to provide conclusions or policy recommendations.

Among the results of the study are that there are differences between aggregate salaries by gender, and that the use of unpublished salary supplements is common in most units, with the magnitude of unpublished salary rates greatest in the Medical School. Some of the key issues resulting from the report are whether serving for a long time in the same position subjects individuals to a "loyalty tax;" whether pay is transparent; issues of incentive pay, optimal pay, and equitable pay; and whether previously endorsed compensation guidelines are being implemented.

Professor Askari commented that CESF is soliciting feedback for future objectives and has requested data for nontenured faculty and unpublished salary data. It will be important to see whether trends in faculty compensation over time change or remain the same.

Regent Maynard suggested that the Ann Arbor CESF work in conjunction with the parallel committees on the Dearborn and Flint campuses so that the data they present will use the same methodology. This approach would allow the Regents to make comparisons across all three campuses. Interim President White concurred that it would be useful for data to be displayed in the same format for all three campuses.

### **Consent Agenda**

**Minutes.** Vice President Tedesco submitted for approval the minutes of the April 18, 2002 meeting.

**Reports.** Interim Chief Financial Officer Slottow submitted reports of Investment and Plant Extension. Interim Provost Courant submitted the Human Resources and Affirmative Action Report, noting that AFSCME had recently voted to approve its contract.

**Litigation Report.** Vice President Krislov submitted the Litigation Report.

**Research Report.** Vice President Ulaby submitted the Report of Projects Established for the period of March 28 - April 3, 2002.

**University of Michigan Health System.** Interim President White reported, in the absence of Executive Vice President Omenn, that through April 30, the operating margin is \$10.4 million (1.3%), which is slightly under the \$11.2 million budget. He also reported that in July the Health System would be presenting a budget with a 2% operating margin. He commented that the ongoing discussions of the Health System issues would resume at the June meeting with presentation of plans for the cardiovascular center facility; an analysis of margin by

service line; and quality, access, and satisfaction data. The FY03 operating budget will be presented in July, along with plans for the psychiatry and depression center facility and the ophthalmology/Kellogg Eye Center, as well as early planning for the replacement children's and women's hospitals.

Regent Maynard noted that Executive Vice President Omenn had previously stated that there are five major issues confronting the Health System, and she would like those to be included in the discussion.

**Division of Student Affairs.** Vice President Harper had no additional report.

**University of Michigan-Dearborn.** Chancellor Little gave a presentation about the Rouge Gateway Greenways Project, which will provide access to the campus for nonmotorized traffic. It will serve as the first link in a network of Southeast Michigan greenways, and will continue the campus's tradition of environmental leadership. The Community Foundation for Southeastern Michigan created the Greenways Initiative and in 2001 awarded \$381,750 to the University in support of the project. He noted that the total projected cost of the project is \$1.35 million; no University funds will be used. The project will be submitted for action by the Board of Regents at the June or July meeting.

**University of Michigan-Flint.** Chancellor Mestas noted that the dedication of the William S. White Building will take place on Wednesday, June 5.

**Michigan Student Assembly Report.** MSA president Sarah Boot commented that MSA was "thrilled" at the outcome of the Law School affirmative action court case, noting that "MSA has long held a commitment to the valuable learning experience that our diverse student body provides." She thanked the Regents and administration, on behalf of MSA, for making the commitment to preserve the diversity of the campus.

Ms. Boot noted that the MSA report includes a list of upcoming projects from each of MSA's five committees and 13 commissions, which represents the first step in creating a vision for the future of MSA. The assembly has developed three broad themes to guide its work for the coming year: maximizing efficiency by developing action plans for achievement of goals; campus improvements, such as advocating for installation of wireless web access in all schools and colleges; and building and improving relationships among the student body. MSA will hold a retreat in the fall during which it will prioritize its main goals and define standards of success.

**Voluntary Support.** Interim Vice President Wilbanks submitted the Report of Voluntary Support for April 2002.

**Personnel Actions/Personnel Reports.** Interim Provost Courant submitted personnel actions and personnel reports. He noted that there are recommendations for three distinguished University professors, which is the highest honor the University bestows on its faculty. He also called attention to the appointment of Terrence McDonald as interim dean of the College of Literature, Science, and the Arts. He will replace Dean Shirley Neuman, who has been appointed provost at the University of Toronto.

**Retirement Memoirs.** Vice President Tedesco submitted memoirs for 24 retiring faculty members, including former deans Robert Beckley and Paul Boylan.

**Memorials.** Vice President Tedesco submitted a memorial statement for Nancy Foran, associate professor of accounting at the University of Michigan-Dearborn.

**Degrees.** There are no actions with respect to degrees this month.

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

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

Interim CFO Slottow submitted the Six-Month Report on University Audits.

## **WFUM-TV and WUOM/WVGR/WFUM-FM Statements of Support, Revenue and Expenditures for the Year Ended June 30, 2001**

Interim Chief Financial Officer Slottow submitted for information the WFUM-TV and WUOM/WVGR/WFUM-FM Statements of Support, Revenue and Expenditures for the Year Ended June 30, 2001.

## **Audited Financial Reports for WUOM/WVGR/WFUM-FM and WFUM-TV for the Fiscal Year Ended June 30, 2001**

On a motion by Regent Maynard, seconded by Regent Taylor, the Regents unanimously approved adoption of the audited financial reports for WUOM/WVGR/WFUM-FM and WFUM-TV for the fiscal year ended June 30, 2001.

## **Alternative Asset Commitment**

On a motion by Regent McGowan, seconded by Regent Horning, the Regents unanimously approved commitment of up to \$15.0 million to Lumina Ventures, L.P., a venture capital fund that will invest in the life sciences and medical technology sectors.

## **Lapeer Street Annex Building, Flint, Michigan**

Chancellor Mestas pointed out that this property is not located on the Flint campus, and that all instructional activities currently taking place in this building will be relocated to the new William S. White facility. On a motion by Regent Horning, seconded by Regent Newman, the Regents unanimously approved offering the Lapeer Street Annex Building for sale and selling it at or above the value determined by the appraisal.



### **University of Michigan Hospitals and Health Centers (UMHHC) Med Inn Guest Elevators Replacement Project**

On a motion by Regent Horning, seconded by Regent Taylor, the Regents unanimously approved the UMHHC Med Inn Guest Elevators Replacement Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

### **Purchasing Contract with Michigan Aerospace Corporation**

On a motion by Regent Taylor, seconded by Regent Newman, the Regents unanimously approved a purchasing contract with Michigan Aerospace Corporation. Because the owner of Michigan Aerospace Corporation, Lennard A. Fisk, 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 Department of Atmospheric, Oceanic and Space Sciences, and Michigan Aerospace Corporation.
2. The service to be provided is a lead engineer for the Fast Imaging Plasma Spectrometer project, from March 1, 2002 through November 31, 2002, at a total cost of \$125,000.
3. The pecuniary interest arises from the fact that Lennard A. Fisk, a University of Michigan employee, is a principal owner of Michigan Aerospace Corporation.

### **Subcontract Agreement between the University of Michigan and LivingText, LLC**

On a motion by Regent Horning, seconded by Regent Newman, the Regents unanimously approved a subcontract agreement between the University of Michigan and LivingText, LLC. Because Perry Samson and Deborah Gibson are both University of Michigan employees and owners and/or employees of LivingText, 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 LivingText, LLC.
2. The terms of the proposed agreement conform to University policy. The project entitled *Solar Wind Structure in the Inner Heliosphere: Rationale for the Location of the Sentinel Missions*, will be directed by Thomas Zurbuchen of the Space Physics Research Laboratory at an estimated cost of \$80,150, incrementally funded over a three year period.
3. Professor Sampson's and Ms. Gibson's pecuniary interest arises from their status as owners and/or employees of LivingText.

**Proposed Reassignment Agreement between the University of Michigan and Olga Makarova, Benjamin Margolis, and Emmanuel Kamberov**

On a motion by Regent Horning, seconded by Regent Deitch, the Regents unanimously approved a reassignment agreement with Olga Makarova, Benjamin Margolis, and Emmanuel Kamberov for the invention titled "A Simplified Method to Make a Targeted Point Mutation, Kilobase-size Deletion, Insertion or Replacement within a DNA Molecule." Because Ms. Makarova, Mr. Margolis, and Mr. Kamberov 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 agreement are the Regents of the University of Michigan and Olga Makarova, Benjamin Margolis, and Emmanuel Kamberov.
2. Reassignment agreement terms include that 1) the inventors will be responsible for paying all expenses to protect the copyright in the program; 2) the inventors will provide an annual report of all activities related to the program; 3) the University will maintain a royalty free license to use the program for research and academic purposes; 4) the University will obtain a 15% share of any income received by the inventors.
3. The inventors' pecuniary interest arises from their ownership of the technology.

**Proposed Amendment to License Agreement between the University of Michigan and Nephros Therapeutics, Inc.**

On a motion by Regent Horning, seconded by Regent Maynard, the Regents unanimously approved an amendment to the license agreement with Nephros Therapeutics, Inc. Because H. David Humes is a University of Michigan employee who also holds an equity interest in Nephros Therapeutics, 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 H. David Humes.
2. Contract terms include:

Addition of File Numbers 469, 1621, 1936, 2175, and 2305 to the existing license agreement. All other terms of the license will remain unchanged.

The University will retain ownership of the licensed technology and may continue to further develop it and use it for research and academic purposes.

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

3. David Humes' pecuniary interest arises from his ownership interest in Nephros. He has waived any personal participation in the sharing of revenue received by the University from the company.

### **Subcontract Agreement between the University of Michigan and Datametrics Research, Inc.**

On a motion by Regent Taylor, seconded by Regent Maynard, the Regents unanimously approved a subcontract agreement between the University of Michigan and Datametrics Research, Inc. Because Dr. Rodney Little is both a University of Michigan employee and vice president and 50% owner of Datametrics, 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 Datametrics Research, Inc. ("Datametrics").
2. The terms of the task orders to be issued under this agreement are acceptable and conform to University policy (the prior written approval of publications has been approved by the vice president for research). The amount of the agreement with the University is unknown at this time. The period of performance is five years.
3. Dr. Little's income from Datametrics for the current calendar year (2002) will be less than \$10,000. In prior years it has been both under and over \$10,000.

### **Consulting Agreement between the University of Michigan and James Lee**

On a motion by Regent Horning, seconded by Regent Maynard, the Regents unanimously approved a consulting agreement between the University of Michigan and James Lee to analyze data and prepare technical reports and publications. Because James Lee is an adjunct research

investigator 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 James Lee.
2. Under the agreement, the University of Michigan will issue a consulting agreement to James Lee in the amount of \$8,000 for the period January 1, 2002 through June 30, 2002. The terms of the proposed consulting agreement are acceptable and conform to University policy.
3. James Lee's appointment at the University of Michigan runs through June 30, 2003 and is without compensation.

### **Appointments to the Board of Directors of the Washtenaw Community Health Organization**

On a motion by Regent Newman, seconded by Regent Horning, the Regents unanimously approved the appointments of Mr. Saul Cooper and Dr. A.C. Elkins to the Washtenaw Community Health Organization (WCHO) for a term from April 1, 2002 - March 31, 2005.

A five-minute break followed, from 4:10-4:15 p.m.

### **Public Comments**

The Regents heard comments from the following individuals, on the topics indicated: Gary Hayden, citizen and treasurer of the Ann Arbor Tenants Union (AATU), on funding of the AATU; David Boyle, student, on post-affirmative action victory University policies; Stephen Rassi, student, on continuing University support of the United Way.

There being no further business, the meeting was adjourned at 4:35 p.m. The next meeting will take place June 20-21, 2002.