

APRIL MEETING, 2004

*The University of Michigan
Ann Arbor
Thursday, April 22, 2004*

The Regents convened at 2:35 p.m. in the Pendleton Room, Michigan Union. Present were President Coleman and Regents Brandon, Maynard, McGowan, Newman, Richner, Taylor, and White. Also present were Provost Courant, Executive Vice President Kelch, Vice President Krislov, Chancellor Little, Vice President May, Chancellor Mestas, Vice President Rudgers, Executive Vice President Slottow, Vice President and Secretary Tedesco, Vice President Ulaby, and Vice President Wilbanks. Regent Deitch and Vice President Krislov were absent.

President Coleman called the meeting to order. She welcomed a group of visitors from Tianjin, China, who were attending the meeting as observers.

Public Comments

The Regents heard comments from Jim Mogensen, citizen, on the town-gown relationship.

Remarks by President Coleman

President Coleman addressed the Board about her aspirations and initiatives for future directions for the University. The address is included as an appendix to these minutes.

Faculty Awards

Provost Courant announced that four faculty members had recently been awarded Guggenheim Fellowships: Peter Ho Davies, Rebecca Scott, James Lee, and Katherine Verdery. He also announced that two faculty members, Philip Bucksbaum and Raymond Kelly, had been

elected to the National Academy of Sciences, and noted that this is the highest honor in the sciences that is given in the United States.

School of Information Strategic Assessment

Provost Courant commented that until recently, there had not been a regular, formal process of review of the schools and colleges. He and President Coleman decided this would be a useful exercise, so they have instituted a process of strategic assessments. About two units will per year will undergo assessments, so that each unit will be on a cycle of approximately 10 years between assessments. The School of Information is the first unit to have completed the review, which involves a rigorous process of self-assessment, followed by assessments by two outside teams, one from the University of Michigan but external to the unit, and one external to the University. The teams were charged with responding to the question of how the unit could work with other units on campus to take advantage of the breadth and depth of interdisciplinary opportunities offered at the University.

Provost Courant noted that the School of Information had formerly been constituted as the School of Library Science. It now is focusing on the broad area of the use of information in the information age within the academy. He introduced John King, who came to the University in January 2000 as dean of the School of Information following a career at the University of California-Irvine.

Dean King introduced the school's associate deans. He noted that the School of Information was established in 1996 with a goal of assembling an outstanding faculty drawn from disciplines that relate to the information age, and fusing their collective wisdom into new curricula and professional training and into new forms of research. He pointed out that the School of

Information was the first of its kind. He described the history of the school since its founding and then described the process that was used to conduct the strategic assessment.

Dean King noted that both the internal and external committees agreed with the school's internal assessment that its initial start-up phase since its founding in 1996 has been "an enormous success." He gave examples of how the school incorporated a true interdisciplinary focus into the curriculum, and noted that students are required to obtain a number of credits in "practical engagement."

Dean King reported that concerns expressed by the evaluators involved the challenge faced by the continuing effort of "intellectual integration" which involves developing the fundamental intellectual space that pulls together all of the pieces of the information age. He commented that although the School of Information is one of the University's smaller schools, it would not be possible for it to achieve its goals if it were to become larger than its current size, and it has no plans for expansion. He noted that the most important challenge currently facing the school is clarification of its business model. He concluded that he is honored by having been given the opportunity to "join in something that had the potential to be a global leader in something very important and very new."

Dean King then responded to questions, and described efforts underway to reconfigure the doctoral program.

Committee Reports

Finance, Audit, and Investment Committee. Regent Brandon reported that the committee had met that morning and was updated in three areas: the Athletic Department five year operating and capital plan projections; development of the FY05 General Fund budget; and

the financial performance of the University of Michigan Hospitals and Health Centers through March 31, 2004.

Compensation and Personnel Committee. Regent Maynard reported that the committee had met and discussed options and possibilities in the area of governance and self-evaluation for the board.

The Regents then turned to the regular agenda.

Consent Agenda

Minutes. Vice President Tedesco submitted for approval the minutes of the meeting of March 18, 2004.

Reports. Executive Vice President Slottow submitted the Investment Report, Plant Extension Report, the Human Resources and Affirmative Action Report, and the Regents' Report on Non-Competitive Purchases Over \$5,000 from Single Sources, December 1, 2003 through March 15, 2004.

Executive Vice President Slottow recognized Gloria Hage, associate vice president and deputy general counsel, for the leadership she provided as interim chief human resources officer.

Litigation Report. The Regents received the Litigation Report.

Research Report. Vice President Ulaby submitted the report of Projects Established, March 1 - March 31, 2004.

University of Michigan Health System. Executive Vice President Kelch reported that the Hospitals and Health Centers had received a prestigious award, the "Hospitals for Healthy Environment 2004 Environmental Leadership Award. Only four hospitals in the country receive this award each year, and the University has received it twice. He also announced that the University Hospitals has been recognized by the Department of Health and Human Services as

being one of the best in the nation for directing organ donation. He also called attention to the proposed appointment of Harry L.T. Mobley as chair of the Department of Microbiology and Immunology.

Division of Student Affairs. Vice President Harper introduced Jason Mironov, the newly elected president of the Michigan Student Assembly. She also introduced Carol Henry, who is being recommended for appointment as director of University Housing and assistant vice president for student affairs.

University of Michigan-Dearborn. Chancellor Little reported that the Dearborn campus would be participating in the campaign kickoff activities concurrent with the Ann Arbor campus and called attention to an agenda item recognizing the contributions of Mr. Henry Patton. He also noted that the two speakers scheduled to speak at the Dearborn Campus commencement illustrate the depth of the engagement the campus has with the community.

University of Michigan-Flint. Chancellor Mestas commented that the Flint campus welcomes and supports President Coleman's vision for the University of Michigan. He also reported that the lieutenant governor of Michigan, an alumnus of the University of Michigan-Flint, would be the Flint campus' commencement speaker.

Michigan Student Assembly Report. MSA President Jason Mironov introduced himself and commented on some of the issues he planned to work on during his term as president. These include initiatives to improve the off-campus housing situation, and implementing an annual "Spring Fling" event whose purpose would be to develop school spirit among students. Mr. Mironov noted that the recent MSA election included a ballot initiative, which passed overwhelmingly, to raise student fees by \$1.00 to be used toward improvement of the Trotter House.

Voluntary Support. Vice President May submitted the report of voluntary support. He noted that the formal launch of “The Michigan Difference” campaign is scheduled for May 12-15, 2004. He called attention to the recent gift from the W.K. Kellogg Foundation of \$5 million to support the School of Public Health building, noting that this is the latest in a long line of commitments from this donor.

Personnel Actions/Personnel Reports. Provost Courant submitted a number of personnel actions and personnel reports. He called attention to the recommended appointment of Philip Hanlon as associate provost for academic and budgetary affairs.

Retirement Memoirs. Vice President Tedesco submitted one retirement memoir.

Memorials. Vice President Tedesco submitted a memorial statement for Eugene H. Studier, professor of biology at the University of Michigan-Flint.

Degrees. Provost Courant submitted for approval of the doctoral degree list for the April 30, 2004 commencement, the final degree list for the December 2003 Law School commencement, and changes to previously approved degree lists.

Approval of Consent Agenda. On a motion by Regent White, seconded by Regent McGowan, the Regents unanimously approved the Consent Agenda.

Financial Statements and Reports Pursuant to Federal Office of Management and Budget (OMB) Circular A-133

The Regents received the reports on federal awards in accordance with OMB Circular A-133 for the year ended June 30, 2003.

Supplemental Information to the Certified Audited Financial Report of the Advisory Board on Intercollegiate Athletics of the University of Michigan for the Year Ended June 30, 2003

The Regents received supplemental information to the certified audited financial report of the Advisory Board on Intercollegiate Athletics of the University of Michigan for the Year Ended June 30, 2003.

WUOM/WVGR/WFUM-FM and WFUM-TV Statements of Support, Revenue and Expenditures for the Fiscal Year Ended June 30, 2003

The Regents received statements of support, revenue and expenditures for WUOM/WVGR/WFUM-FM and WFUM-TV for the fiscal year ended June 30, 2003.

Audited Financial Reports for WUOM/WVGR/WFUM-FM and WFUM-TV for the Fiscal Year Ended June 30, 2003

On a motion by Regent White, seconded by Regent Maynard, the Regents voted unanimously to adopt the public broadcasting audits for the fiscal year ended June 30, 2003.

Absolute Return Investment

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved Kayne Anderson Capital Investment Partners as an absolute return investment manager, with an initial funding of up to \$60 million.

Emerging Markets Equities

On a motion by Regent Newman, seconded by Regent McGowan, the Regents approved the appointment of Blakeney Management Limited as an emerging markets equities manager, with initial funding of up to \$40 million.

20 Acres of Vacant Land in Barry County, Middleville, Michigan

Vice President Rudgers reported that Michigan Radio station WVGR had been required to vacate leased tower space in the Grand Rapids area, and thus needed to secure space to construct its own tower. The property in Barry County will be used for this purpose.

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved acquisition of the property in Barry County, Middleville, Michigan, at a price of \$262,364.

WVGR Radio Tower Project

On a motion by Regent Maynard, seconded by Regent Newman, the Regents unanimously approved the WVGR Radio Tower Project as described in the Regents Communication and authorized issuing the project for bids and awarding contracts, providing that bids are within the approved budget.

Athletic Department Academic Center

Executive Vice President Slottow called on Associate Athletic Director Megan McCallister, who described the intended programmatic uses for the Academic Center. She noted that several University academic support programs would have satellite offices in the Academic Center, including the Sweetland Writing Center, the Office of Career Planning and Placement, and the math laboratory. Classroom space would be provided for the Division of Kinesiology and for humanities classes and other disciplines as usage patterns evolve.

On a motion by Regent Brandon, seconded by Regent White, the Regents unanimously approved issuing the Athletic Department Academic Center Project for bids and awarding construction contracts providing that bids are within the approved budget.

Art and Architecture Building 1st and 2nd Floor Renovations

On a motion by Regent White, seconded by Regent Brandon, the Regents unanimously approved the Art and Architecture First and Second Floor Renovations Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

North Campus Diag Stormwater Control

Executive Vice President Slottow commented that this project is part of the storm water management system approved by the Regents in May 2003, and will expand the underground piping collection system to collect and manage about 91 acres of storm water run-off through the new detention basin. Associate Vice President Henry Baier displayed a map illustrating the area covered by the project, and showed the distribution system and North Campus Chiller Project. Rather than address the storm water management needs site-by-site, the University has chosen to address it in a more comprehensive fashion, allowing for future needs as the number of buildings on North Campus increases. The project is beneficial to the environment, as it provides for collection of sediment, prevents erosion downstream, and increases the capacity of the overall system in that area. As compared to individual chillers, this central approach is predicted to reduce costs by approximately \$900,000 in initial capital, and by 2010, there will be approximately \$400,000 in savings annually.

On a motion by Regent Brandon, seconded by Regent White, the Regents unanimously approved the North Campus Diag Stormwater Control Project as described and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

University of Michigan Medical School Magnetic Resonance Imaging Research Scanner

On a motion by Regent Newman, seconded by Regent Maynard, the Regents unanimously approved the Magnetic Resonance Imaging Research Scanner Project as described, and authorized commissioning the architectural firm of Ann Arbor Architects Collaborative for its design, and issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

University of Michigan Hospitals and Health Centers (UMHHC) Depression Center and Ambulatory Psychiatry (*Building naming*)

On a motion by Regent Newman, seconded by Regent Maynard, and in recognition of a generous gift from Mr. and Mrs. Edwin E. Meader, the Regents unanimously approved naming the facility that will house the new Depression Center the Rachel Upjohn Building.

University of Michigan Hospitals and Health Centers (UMHHC) Depression Center and Ambulatory Psychiatry (*Schematic Design*)

Executive Vice President Slottow reported that the originally proposed budget had been increased from \$38 million to \$41 million to allow for the addition of 6,000 gross square feet to the facility. The budget includes \$5.5 million for site infrastructure improvements, which will be used for preservation of the wetland and preservation of a ridge on the site to allow for future development. The University will replace the existing sewage system with a gravity system, and will work with the county and township to move the access road. Additional parking spaces are included in the project, and bioswales will be created within the parking system to aid in the collection of storm water runoff. These site infrastructure improvements will benefit current and future projects.

Associate Vice President Baier introduced Scott Haywood, of Albert Kahn and Associates, to present the schematic design. Executive Vice President Slottow recognized that Dr. John

Greden, chair of the Department of Psychiatry, who had been leading fundraising, design, and programming for this project, was present to respond to questions.

Mr. Haywood commented that the building was envisioned as representing the antithesis of depression, and will be filled with light, an opposite image for what one might associate with depression. He displayed renderings of the building, noting that it would have an open and inviting feel and would create a healing environment. The building was envisioned as one that would reflect the architecture on the existing campus, that would be responsive to the natural setting, and that would express the unique purpose of the facility.

He then displayed and described the floor plans for the building, noting that the first floor would contain the clinic spaces and the second floor would include the research components. An auditorium and conference center will be located in the garden level.

On a motion by Regent White, seconded by Regent Brandon, the Regents unanimously approved the revised budget and the schematic design as presented for the University of Michigan Hospitals and Health Centers (UMHHC) Depression Center and Ambulatory Psychiatry Project, and authorized issuing the infrastructure improvements package for bids and awarding construction contracts providing that bids are within the approved budget.

Conflict of Interest Items

President Coleman announced that the agenda includes 6 conflict of interest items, each of which requires 6 votes for approval. On a motion by Regent Newman, seconded by Regent Brandon, the Regents unanimously approved each of the following items:

Purchasing Contract with Clark-MXR

The Regents approved a purchasing contract with Clark MXR for maintenance and repair of equipment owned by the College of Engineering. Because Gerard Mourou is a University

employee and also is a stockholder and board member of Clark MXR, this purchasing contract falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the contract are the Regents of the University of Michigan and its College of Engineering and Clark MXR.
2. The goods and service provided are parts and repair. The cost for the service visit is an estimated cost, until the service is actually performed. Approval is requested for an amount not to exceed \$5,700.00.
3. The pecuniary interest arises from the fact that Gerard Mourou, a University of Michigan employee, is a stockholder and board member of Clark MXR.

Approval of Payment for Latinos Unidos, Inc.

The Regents approved payment by the Department of Clinical Radiology Research to Latinos Unidos, Inc. for the department's participation in Festival Latino 2003 which allowed it to conduct recruitment activities among the Latino population. Because Maria Angeles Militzer is both a University of Michigan employee and co-founder and board member of Latinos Unidos, Inc., 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 Department of Clinical Radiology Research and Latinos Unidos, Inc.
2. The service provided was participation in a festival that provided outreach to the Latino population at a total cost of \$500.00.
3. The pecuniary interest arises from the fact that Maria Angeles Militzer, University of Michigan employee, is co-founder and board member of Latinos Unidos, Inc.

Approval of Payment for Meridian Productions

The Regents approved payment by the Office of Student Publications for services provided by Meridian Productions. Because the sole owner of Meridian Productions, Robert Demilner, is also a University of Michigan employee, this purchase 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 Office of Student Publications and Meridian Productions.
2. The service provided was video editing services at a total cost of \$2,000.00.
3. The pecuniary interest arises from the fact that Robert Demilner, University of Michigan employee, is Sole Owner of Meridian Productions.

Purchasing Contract with Patricia Olynyk

The Regents approved a purchasing contract that would allow the Life Sciences Institute to purchase a piece of artwork entitled “Duality of Opposites III.” Because the artist/owner of the artwork, Patricia Olynyk, is also a University of Michigan employee, this purchase 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 Life Sciences Institute and Patricia Olynyk.
2. The product provided is a piece of artwork, for a total dollar amount of \$2,740.00.
3. The pecuniary interest arises from the fact that Patricia Olynyk, a University of Michigan employee, is an independent contractor from whom the purchase was made.

Membership Agreement between the Center for Wireless Integrated Microsystems (WIMS) at the University of Michigan and Discera

The Regents approved an agreement which allows the company Discera to enter into a consortium membership in the WIMS Center. Because Dr. Clark T-C. Nguyen, the founder of Discera who is also a member of its technical advisory board, 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 Center for Wireless Integrated Microsystems (WIMS) at the University of Michigan and Discera.

2. The partnership agreement conforms to University policy. It has no specific deliverables unique to Discera.
3. Dr. Nguyen's pecuniary interest arises from his affiliation with Discera.

Subcontract Agreement between the Regents of the University of Michigan and T/J Technologies, Inc.

The Regents approved a subcontract agreement between the University of Michigan and T/J Technologies, Inc. ("T/J") for funding of a research project at the University of Michigan. Because Dr. Levi Thompson, Jr. is a majority shareholder in T/J and 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 Regents of the University of Michigan and T/J Technologies, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is one (1) year and the amount of funding support is \$30,000. Since research agreements are often amended, the subcontract includes provisions for changes in time, amount, and scope. University of Michigan procedures for approval of these changes will be followed and additional review by the Conflict of Interest Committee will be done as appropriate.
3. Levi Thompson, Jr.'s pecuniary interest arises from his ownership of T/J. He will not be involved in the project at the University of Michigan.

Change in Name of Center for Engineering Education and Practice at University of Michigan-Dearborn

The Regents were informed that in recognition of Henry W. Patton's generous support of the College of Engineering and Computer Science's research and partnerships with industry, the University of Michigan-Dearborn will change the name of the Center for Engineering Education and Practice to the Henry W. Patton II Center for Engineering Education and Practice.

University of Michigan Health System (UMHS) Washtenaw Community Health Organization (WCHO) Appointments and Reappointment to the WCHO Board of Directors

On a motion by Regent Maynard, seconded by Regent White, the Regents unanimously approved the following appointments to the WCHO board of directors: Mr. Donald Anderson

(new appointment to complete the appointment of another consumer), Mr. Gene Brown (new appointment), and Mr. Michael Dabbs (reappointment).

2004-05 Residence Halls and Family Housing Rates

On a motion by Regent Taylor, seconded by Regent Brandon, the Regents unanimously approved average rate increases of 4.9% for residence hall room and board and 4.7% for Family Housing apartment rentals, according to the schedule in the Regents Communication.

There being no further business, the meeting was adjourned at 4:40 p.m. The next meeting will be held May 20, 2004.