

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

December 13, 2007

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to Approve a Purchase from PhysioDance (University of Michigan Employee Susan Johnson-Jaworski, Owner)

Background:

The University of Michigan Hospital Department of Physical Medicine and Rehabilitation seeks approval to purchase services from PhysioDance for instruction of an Adapted Dance Class for children ages 5-14 with physical disabilities. PhysioDance was selected because they are the only local provider with the necessary credentials.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Susan Johnson-Jaworski is a part-time University employee and would be a party to the contract by virtue of her role as owner of PhysioDance. However, the Statute allows the University to enter into such contracts if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (c) above:

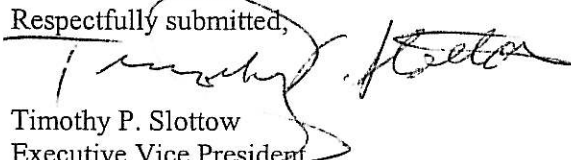
- i) The parties to the contract are the Regents of the University of Michigan and its Department of Physical Medicine and Rehabilitation and PhysioDance.

- ii) The purchase is 8 weeks of dance instruction of an Adapted Dance Class with 6 students for children age 5-14 with physical disabilities. The cost of instruction is \$75 per class for a total of \$450.
- iii) The pecuniary interest arises from the fact that Susan Johnson-Jaworski, a part-time University of Michigan Hospital employee as a physical therapist, is owner of PhysioDance.

Susan Johnson-Jaworski has met state law requirements with the disclosure of her pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the payment between the University of Michigan and PhysioDance subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,


Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

December 2007