

APRIL MEETING, 2001

*The University of Michigan
Ann Arbor
Thursday, April 12, 2001*

The Regents convened at 9:45 a.m. in the Regents' Room. Present were President Bollinger and Regents Brandon, Horning, Maynard, McGowan, Newman, Taylor, and White. Also present were Provost Cantor, Vice President Feagin, Vice President Harper, Executive Vice President Kasdin, Vice President and General Counsel Krislov, Chancellor Little, Chancellor Mestas, Executive Vice President Omenn, Vice President Rudgers, Vice President and Secretary Tedesco, Vice President Ulaby, and Vice President Wilbanks. Regent Deitch was absent.

President's Opening Remarks

President Bollinger called the meeting to order. He announced that Sanford R. ("Sandy") Robertson has agreed to serve as co-chair of the University's upcoming capital campaign, along with Richard Rogel. As a leader of the campaign, he noted that Mr. Robertson has also pledged to make a significant gift. President Bollinger pointed out that Mr. Robertson has stated that he wants to show his support for the values of the University of Michigan, especially its commitment to the highest intellectual quality and to community and diversity. He said he would convey to Mr. Robertson the "complete thanks and total enthusiasm" of the board.

National Survey of Student Engagement

President Bollinger called on Provost Cantor to review the results of the National Survey of Student Engagement (NSSE).

Provost Cantor distributed copies of the NSSE 2000 Report, "National Benchmarks of Effective Educational Practice" noting it compares the experience of undergraduate students at

the University of Michigan with that of students at 46 other, similar “doctoral-extensive” institutions. She stated that this survey, which will be done annually, creates a set of benchmarks to compare institutions on how well they engage their students, and it uses as a definition of learning the sense of engagement between the individual student and the institution. The benchmarks measured are level of academic challenge; opportunities for active and collaborative learning; student interaction with faculty members; enriching educational experiences; and a supportive campus environment.

Provost Cantor described the various types of surveys conducted including admitted first-year students (all admits and enrolling admits only); enrolled students (first year students and graduating seniors); and alumni (8 months post-graduation and 6 years post graduation). Thus the data span the whole range of experiences at the various institutions.

Provost Cantor observed that the University ranks extremely well in the areas of “level of academic challenge” (97th percentile for first-year students and 86th percentile for seniors) and “active and collaborative learning” (96th percentile for first year students and 54th percentile for senior year students). The one benchmark that needs improvement, she noted, is “student interaction with faculty members (outside of the formal classroom)” she noted that this is an area that needs improvement.

On the benchmark of “enriching educational experiences,” Provost Cantor noted that the University of Michigan is in the 89th percentile among peer institutions for both first-year and senior students, and she reviewed the scores for a number of measures of this benchmark. Regarding the benchmark of “creating a supportive campus environment,” Provost Cantor reported that the University ranks in the 75th percentile for first-year students and in the 62nd

percentile for senior year students. She emphasized that this finding points to the need for providing accommodations to allow more upper class students to live on campus.

Provost Cantor summarized the findings by noting that the University of Michigan really is challenging and enriching relative to peer institutions. The differences between perceptions of first year and senior students across the benchmarks, she noted, points to a need to more closely examine the senior year experience at the University. Relative to students at comparable peer institutions, seniors at Michigan are more likely to report that they would attend the same institution again. The data also indicate that 91% of enrolling first year students intend to obtain an advanced degree, and the University of Michigan is in the 90th percentile of alumni who actually do pursue advanced degrees. In addition, a high percentage of recent alumni are very or somewhat satisfied with their first job after graduation.

In conclusion, Provost Cantor observed that the University of Michigan is an “incredibly challenging” institution, which students enter with very high aspirations. The University provides students with a very enriched environment, but it needs to provide more opportunities for increasing their engagement with faculty on a one-one basis outside of the classroom. New and reconfigured existing residence halls, along with the new undergraduate life sciences facility, should help fulfill this objective. Overall, she concluded, the surveys indicate that the University provides an educational experience which should be considered a source of pride for all involved. President Bollinger commented that the recommendations of the Commission on Undergraduate Education, chaired by Provost Cantor, as well as recent initiatives in developing more living/learning communities and enhanced residence halls, will also be helpful in meeting the objectives outlined by Provost Cantor.

The meeting then continued with consideration of the Consent Agenda.

Consent Agenda

Minutes. Vice President Tedesco submitted the minutes of the meeting of March 15, 2001.

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

Vice President Krislov submitted the Litigation Report.

Vice President Ulaby submitted the Report of Projects Established for March 2001. He noted that research expenditures to date for 2001 are 6% higher than for the same period last year.

University of Michigan Health System. Executive Vice President Omenn announced that a contract has been signed with the Michigan Nurses Association which will be effective through June 2004. He observed that the national and regional shortage of nurses in the face of an extremely high demand makes this a very difficult time for nursing staffing. This increases the importance of finding ways to more efficiently utilize nursing staff time and for management and nursing staff to work together on long-term problem solving.

Executive Vice President Omenn also noted that the Health System budget remains on track, although the increasing numbers of patients enrolled in managed care contracts, as opposed to the fee-for-service type of insurance, is becoming increasingly challenging from a budget perspective. This is also the case for the varying levels of federal government payments made for medical education based on whether it is provided on an inpatient or outpatient basis.

Student Affairs. Vice President Harper introduced newly-elected MSA officers Matt Nolan (president) and Jessica Cash (vice president).

UM-Dearborn. Chancellor Little described the “Futures Process,” a planning initiative that has recently been resumed on the Dearborn Campus. He noted that the campus will be studying whether to provide residential facilities in the face of increasing numbers of international students. He also called attention to recent campus events and faculty accomplishments.

UM-Flint. There was no further report from the Flint Campus.

Michigan Student Assembly. MSA president Matt Nolan introduced himself and gave an overview of MSA initiatives planned for the coming year. These include creation of a student advisory board for the new residence hall; an oversight committee for review of the AATA negotiations; fireside chats with the Regents; expanding funding for student groups; expanding the my.umich web portal; and adding a fall break to the academic schedule.

Voluntary Support. Vice President Feagin submitted the Report of Voluntary Support for March 31, 2001.

Personnel Actions/Personnel Reports. Provost Cantor submitted Personnel Actions and Personnel Reports.

Controller and Director of Financial Operations. Executive Vice President Kasdin commented that the University of Michigan has a reputation in financial circles for its “brilliance” in the area of financial statements, and said that the person responsible for this for the past 30 years, Interim Controller Fred White, had decided to retire. He announced that he will be replaced by Cheryl Soper, who has been appointed controller and director of financial operations effective April 30, 2001.

Retirement Memoirs. Vice President Tedesco submitted for adoption four retirement memoir.

Memorials. No deaths of active faculty members were reported this month. President Bollinger noted that the son of Regent Emeritus Deane Baker had died earlier this week at the age of 39.

Degrees. Provost Cantor submitted the doctoral degree list for the April 2001 commencement and changes to previously approved degree lists.

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

WFUM-TV and WUOM/WVGR/WFUM-FM Statements of Support, Revenue and Expenditures (Operating Fund) for the Years Ended June 30, 2000 and 1999

Executive Vice President Kasdin submitted Statements of Support, Revenue and Expenditures (Operating Fund) for WFUM-TV and WUOM/WVGR/WFUM-FM for the Years Ended June 30, 2000 and 1999. Regent Maynard pointed out that the audit report for WFUM-TV was much healthier than the report from the previous year.

Audited Financial Reports for WUOM/WVGR/WFUM-FM and WFUM-TV for the Fiscal Year Ended June 30, 2000

On a motion by Regent Horning, seconded by Regent Maynard, the Regents unanimously approved the audited financial reports for WUOM/WVGR/WFUM-FM and WFUM-TV for the Fiscal Year Ended June 30, 2000.

Appointment of Auditors for 2000-01

On a motion by Regent White, seconded by Regent Horning, the Regents unanimously approved reappointment of PricewaterhouseCoopers as auditors for 2000-01.

Depository and Disbursement Accounts

On a motion by Regent Maynard, seconded by Regent White, the Regents unanimously approved the following resolution authorizing the executive vice president and chief financial

officer to delegate the responsibility for establishing depository and disbursement accounts with financial institutions to transact the University's business.

INSERT RESOLUTION HERE

Alternative Asset Commitments

On a motion by Regent McGowan, seconded by Regent Maynard, the Regents unanimously approved two commitments of \$15.0 million each from the Long Term Portfolio to Lubert-Adler Real Estate Fund III and to National Capital Properties Trust II.

Palmer Drive Commons Building

Executive Vice President Kasdin reported that a budget increase of \$1 million is being proposed for the Palmer Drive Commons Building to accommodate an additional 6,500 square feet of space. On a motion by Regent Horning, seconded by Regent White, the Regents unanimously approved a revised budget of \$33,000,000 for the Palmer Drive Commons Building project and authorized issuing the project for bids and awarding a construction contract providing that bids are within the approved budget.

Horace H. Rackham School of Graduate Studies Building Renovation Project

Executive Vice President Kasdin noted that a \$24.2 million project that will upgrade all major infrastructure and accommodate certain programmatic improvements within the Horace H. Rackham School of Graduate Studies Building is being proposed as the next phase of the Horace H. Rackham School of Graduate Studies Building Project. On a motion by Regent White, seconded by Regent McGowan, the Regents unanimously approved issuing the Horace H. Rackham School of Graduate Studies Building Project for bids, and awarding a construction contract providing that bids are within the approved budget.

Edward H. Kraus Building Renovation of Multiple Laboratories

Executive Vice President Kasdin pointed out that this project represents the University's ongoing commitment to maintenance and infrastructure improvements around campus. On a motion by Regent Maynard, seconded by Regent McGowan, the Regents unanimously approved the Edward H. Kraus Building Renovation of Multiple Laboratories Project as described, and authorized issuing the project for bids and awarding a construction contract providing that bids are within the approved budget.

Fiber Optic Infrastructure Improvements

On a motion by Regent Horning, seconded by Regent Brandon, the Regents unanimously approved the extension of the fiber optic network as described, and authorized issuing the project for bids and awarding a construction contract, providing that bids are within the approved budget.

Gordon Hall, Village of Dexter

Executive Vice President Kasdin noted that following approval of the sale of the Gordon Hall property, the University sought to have the house and a few acres around it designated as a local historic district. The preliminary report of a study committee appointed by the Washtenaw County Historic District Commission has recommended that 2.36 acres of the parcel be designated a historic district. Following a public hearing on the proposed district, a final report will be prepared and presented to the Washtenaw County Board of Commissioners for action. Once the Washtenaw County Board has acted, the University will proceed with marketing of the entire property, subject to the constraints imposed by the board of commissioners to the building and to the 2.36 acres surrounding the building.

President Bollinger noted that residents of the Village of Dexter are pleased with how the transaction is proceeding.

Purchasing Contracts with Architecture Buro

Executive Vice President Kasdin commented that this item concerns two purchase orders of \$4,000 each. On a motion by Regent Brandon, seconded by Regent White, the Regents unanimously approved two purchasing contracts with Architecture Buro. Regent Newman was away from the table for this and the following two votes. Because the sole proprietor of Architecture Buro, Christian Unverzagt, is also a University of Michigan employee, these contracts fall under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the contracts are the Regents of the University of Michigan and its A. Alfred Taubman College of Architecture and Urban Planning, and Architecture Buro.
2. The service provided is design work for college functions and lecture series, to be provided for the time period beginning March 1, 2001 and ending February 28, 2002, with each purchase order to be in the amount of \$4,000.00.
3. The pecuniary interest arises from the fact that Christian Unverzagt, a University of Michigan employee, is the sole proprietor of Architecture Buro.

License Agreement with LivingText LLC

On a motion by Regent Maynard, seconded by Regent Horning, the Regents unanimously approved a license agreement between the University of Michigan and LivingText LLC for the software, "Hurricanes '98." Because the owner of LivingText LLC, Perry Samson, is also a University of Michigan faculty member and a co-developer of the software, 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, a company owned by Perry Samson.

2. Contract terms include:
 - ◆ Non-exclusive right to further develop and commercialize the multimedia works. The University retains rights to use and continue to develop these works and license rights to others.
 - ◆ The royalty is a one-time fee of \$5,000.
 - ◆ Licensee will include acknowledgment in the product sold of the collaborative nature of the development.
 - ◆ No use of University services or facilities, nor any assignment of University employees, is obligated under the agreement.
3. The pecuniary interest of Perry Samson arises from his ownership in LivingText LLC.

Membership Agreement between the University of Michigan Center for Wireless Integrated Microsystems (WIMS) and Integrated Sensing Systems (ISSYS)

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved an agreement that would allow Integrated Sensing Systems (ISSYS) to become a member of the Center for Wireless Integrated Microsystems (WIMS). Because two University faculty members, Kensall D. Wise and Khalil Najafi, are also founders of ISSYS, members of the ISSYS board of directors, and owners of minority amounts of founders stock in ISSYS, 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 Center for Wireless Integrated Microsystems (WIMS) and Integrated Sensing Systems (ISSYS).
2. The terms of the proposed Agreement are acceptable and conform to University policy. The membership fee to be paid by ISSYS is \$10,000 and covers a membership period of one year. The Agreement involves no specific deliverables unique to ISSYS.
3. The pecuniary interest of Professor Wise and Professor Najafi arises from their affiliation with ISSYS.

Research Subcontract Agreement between the University of Michigan and TSRL, Inc.

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved a research subcontract between the University of Michigan and TSRL Inc. as part of a

Michigan Life Sciences Corridor (MLSC) grant received by a University researcher. Because TSRL Inc. is partly owned by a University of Michigan faculty member, Gordon Amidon, 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 TSRL, Inc.
2. The terms of the proposed Agreement are acceptable and conform to University policy. The amount of the subcontract to the University is \$314,355 over the period of January 1, 2001 - December 31, 2003. The amount of the total MLSC award to UM is \$1,221,431 over the same period.
3. Gordon Amidon will devote no effort to this project on behalf of the University or the Company and is organizationally distant from the principal investigator of the MLSC grant.

Amendments to An Ordinance to Regulate Parking and Traffic, and to Regulate the Use and Protection of the Buildings and Property of the Regents of the University of Michigan to further restrict weapons

Executive Vice President Kasdin stated that this is a request to extend to outside visitors policies regarding concealed weapons that currently apply to staff and faculty. On a motion by Regent Brandon, seconded by Regent White, the Regents unanimously approved amendments to the ordinance, Article 1 and Article X, as noted below:

AMENDED REGENTS ORDINANCE
ARTICLE I

GEOGRAPHIC SCOPE

Section 1. Geographic Scope of Ordinance. Except as otherwise provided below, this ordinance shall apply solely to the Ann Arbor campus of the University of Michigan which, for the purposes of this Ordinance, is deemed to include all Ann Arbor campus property owned or leased by the Regents of The University of Michigan.

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ARTICLE X
WEAPONS

Section 1. Scope of Article X. Article X applies to all property owned, leased or otherwise controlled by the Regents of the University of Michigan and applies regardless of whether the individual has a concealed weapons permit or is otherwise authorized by law to possess, discharge or use any device referenced below.

Section 2. Possession of Firearms, Dangerous Weapons and Knives. Except as otherwise provided in Section 4, no person shall, while on any property owned, leased or otherwise controlled by the Regents of the University of Michigan: (1) possess any firearms or any other dangerous weapon as defined in or interpreted under Michigan law or (2) wear on his or her person or carry in his or her clothing any knife, sword or machete having a blade longer than four (4) inches, or, in the case of a knife with a mechanism to lock the blade in place when open, longer than three (3) inches.

Section 3. Discharge or Use of Firearms, Dangerous Weapons and Knives. Except as otherwise provided in Section 4, no person shall discharge or otherwise use any device listed in the preceding Section on any property owned, leased or otherwise controlled by the Regents of the University of Michigan.

Section 4. Exceptions.

(1) Except to the extent regulated under Subparagraph (2), the prohibitions in this Article X do not apply:

(a) to University employees who are authorized to possess and/or use such a device pursuant to Standard Practice Guide 201.94;

(b) to non-University law enforcement officers of legally established law enforcement agencies or to other non-University employees who, in either situation, are authorized by their employer to possess or use such a device during the time the employee is engaged in work requiring such a device;

(c) when someone possesses or uses such a device as part of a military or similar uniform or costume in connection with a public ceremony or parade or theatrical performance;

(d) when someone possesses or uses such a device in connection with a regularly scheduled educational, recreational or training program authorized by the University;

(e) when someone possesses or uses such a device for recreational hunting on property which has been designated for such activity by the University provided such possession and use is in strict compliance with applicable law; or

(f) when the Director of the University's Department of Public Safety has waived the prohibition based on extraordinary circumstances. Any such waiver must be in writing and must define its scope and duration.

(2) The Director of the Department of Public Safety may impose restrictions upon individuals who are otherwise authorized to possess or use such a device pursuant to Subsection (1) when the Director determines that such restrictions are appropriate under the circumstances.

Section 5. Violation Penalty. A person who violates this Article X is guilty of a misdemeanor, and upon conviction, punishable by imprisonment for not less than ten (10) days and no more than sixty (60) days, or by fine of not more than fifty dollars (\$50.00) or both.

Approval of 2001-2002 University Housing Residence Hall and Family Housing Rates

On a motion by Regent Horning, seconded by Regent Maynard, the Regents unanimously approved the proposed average rate increases of 5.0% for residence hall room and board and 5% for family housing apartment rentals. Regent Newman commented that she appreciated the thorough and succinct background material that had been provided for the proposal.

Public Comments

The Regents heard comments from the following individuals on the topics indicated: Michael Edwards, AFSCME Local 1583 president, Fred Vigel, president of Huron Valley Central Labor Council, Cedric DeLeon, president of the Graduate Employees Organization, Cybele Blood, student, and Robert Goodspeed, student, all on outsourcing and the possible merger with AATA; Gary Hann, alumnus, on legal outrage; and Peter Romer-Friedman, student, on the Workers Rights Consortium/Fair Labor Association.

Motion to Meet in Nonformal Session

Regent Maynard moved that this formal session of the Regents be adjourned and a non-formal session begun, for the purposes of consulting with the board's attorney regarding trial or settlement strategy in connection with specific pending litigation and considering a personnel item. Regent Horning seconded the motion, and it was approved unanimously.

The meeting continued in nonformal session from 11:25 a.m. until 12:05 p.m., after which, there being no further business, it was adjourned. The next meeting will be held May 17-18, 2001.