

APRIL MEETING, 2003

*The University of Michigan
Ann Arbor
Thursday, April 17, 2003*

The Regents convened at 1:40 p.m. in the Regents' Room. Present were President Coleman and Regents Brandon, Deitch, Maynard, McGowan, Newman, Richner, and White. Also present were Provost Courant, Interim Executive Vice President Greenfield, Vice President Harper, Vice President Krislov, Chancellor Little, Vice President May, Chancellor Mestas, Vice President Rudgers, Interim Chief Financial Officer Slottow, Vice President and Secretary Tedesco, Vice President Ulaby, and Vice President Wilbanks. Regent Taylor was absent.

President Coleman called the meeting to order and announced that Public Comments would be the first order of business.

Public Comments

The Regents heard comments from Ebonee Griffin, citizen, on her experience with patient clinics at the School of Dentistry; David Boyle, alumnus, on settling a lawsuit with Maureen Johnson; and Jim Mogensen (citizen), on the town-gown relationship.

President's Opening Remarks

President Coleman commented that Athletic Director Bill Martin, who has been serving as interim president of the U.S. Olympic Committee (USOC), will likely be elected president of the USOC. If elected, his tenure would end no later than next summer following the USOC's restructuring. She noted that Bill Martin had been keeping her apprised of his activities at the USOC, and that this activity comes under the rubric of volunteer board service. President Coleman stated that she is satisfied that Mr. Martin's service with the Olympics does not present

any conflicts with his role as the University's athletic director, and noted that in both individual discussions and public statements he always stresses that his first and primary commitment is to Michigan.

She commented on notable achievements of students, faculty, and staff, and made note of the Supreme Court hearing regarding the affirmative action admissions lawsuits that had occurred on April 1, 2003. She observed that "It was an amazing moment, an important milestone for U of M, as well as for all colleges and universities in the country."

Consent Agenda

Minutes. Vice President Tedesco submitted for approval the minutes of the meeting of March 20, 2003.

Investment and Plant Extension Reports. Interim Chief Financial Officer Slottow submitted the Investment Report and Plant Extension Report. He reported that the University had recently made it possible for student housing and tuition payments to be made electronically, and that 4,400 such payments have been made since November 2002. This has resulted in improved cash flow and better customer service, as evidenced by the fact that 35,000 fewer complaint calls have been received and the 1-800 telephone bill has been reduced by 65 percent.

Regarding the Plant Extension Report, Mr. Slottow reported that construction budgets for all projects include building components that are fixed equipment and required to perform the building functions. Over the last six months, a group has been working to change the purchasing process for such equipment. The increase in competitive bidding has yielded a cost reduction of \$6.00 per square foot for a savings of \$2 million on building control systems for the Life Sciences Institute and \$6.50 per square foot (\$3 million) in the cost of sterilization equipment for the Biomedical Sciences Research Building. Future maintenance and replacement costs for these

components have been reduced by \$1 million. These are examples of the efforts that are being made to keep construction costs down.

Report on Non-Competitive Purchases over \$5,000 from Single Sources, December 16, 2002 through March 15, 2003. This report was submitted by Interim Chief Financial Officer Slottow.

Human Resources and Affirmative Action Report. Provost Courant submitted the Human Resources and Affirmative Action Report. He noted that an agreement had been reached with the residence hall librarians who have joined the Graduate Employees Organization.

Health Insurance Expenditures. Provost Courant noted that the University faces a reduction of over \$36 million between the initial FY 2003 budget and the 2004 budget, and faces over \$40 million in cost increases for the coming year. Coupled with these challenges are the rapid growth of health and pharmacy benefit expenditures. He said that a number of changes have already been made in an attempt to mitigate these cost increases, and that a process had begun at the start of the current fiscal year to recommend changes that would take effect beginning in January 2004.

Provost Courant noted that total expenditures on health and drug coverage for the current year are twice what they were five years ago. In addition, he pointed out that the University contribution to premiums for health and drug insurance covers 94% of the total premium, whereas in general, 85% is viewed as being at the high end of employer shares for health insurance premiums. He noted that almost 70% of University employees make no contribution for health and drug coverage premiums, and that last year, University contributions for benefits rose by an amount that equals over 1% of the total salary pool.

Provost Courant explained that the formulas currently used for determining University and employee contributions to health and drug benefits were determined before 1988, and have not been adjusted in response to major changes in health care trends or in light of actuarial and usage data. In response to this situation, Provost Courant is appointing a faculty and staff committee that will be charged with examining and making recommendations regarding a number of specific issues related to the University's share of insurance premiums and the employee co-premiums. Specific goals for cost savings will be set to guide the committee's work; the current thinking is that the University contribution to health insurance premiums, in the aggregate, should not exceed 85% of the total cost, compared to 94% today.

The charge to the committee requests that it examine and make recommendations in the following areas:

1. How do we set the appropriate target for the University's share of total premiums?
2. Should we change to a four-tier structure of insurance coverage: single, single adult with children, two adults, two adults with children? Currently we have a three-tier structure; however, it is actually more expensive to insure two adults or two adults with children than it is to insure a single adult with children, and that should be considered.
3. What should determine the rate ratios, that is, the premium relationships among tiers for each plan? (We currently use a pre-set formula; the norm is to use actual experience.)
4. Should the algorithm we use to determine the University's contribution to premiums apply equally for active employees and retirees? Or should retirees be treated differently?
5. What algorithm should be used to determine the University's contribution for any given tier of coverage?
6. For retirees who are covered by Medicare, how should the Medicare Part B premium be integrated into our algorithm?
7. Should we make any distinctions in the level of the University's contribution for families of differing income levels?

8. How can we make costs more apparent, and more transparent, to employees so that costs for both the employee and the University are minimized?

Provost Courant said that the committee will consult widely and will report its progress to the executive officers and the Regents. Once the recommendations are issued, a discussion and comment period will be provided for the University community before final decisions are made during the fall term of 2003. Implementation will be as soon as practicable, but not later than January 2005. Meanwhile, effective in January 2004, some short-term changes will be made in the current co-premium structure to help alleviate the budget pressure created by rapid cost increases in this area. This change is for one year only and will be superseded by decisions made as a result of the committee's work. It will result in almost all employees paying some share of the premiums for their health and drug coverage (\$15-\$30/month for most employees), and will yield a savings of about \$6 million for the University. Provost Courant pointed out that despite the increase in employee contributions under this new plan (totaling about \$9 million), the University's costs for health insurance premiums will still increase by about \$25 million.

Provost Courant noted that the committee's work will lead to even greater savings for the University budget, due to employee cost-sharing and because the premium structure will encourage employees to take cost into account in choosing their coverage. He said that the short-term change will not affect staff covered by existing collective bargaining agreements. He also pointed out that there is no intention to diminish the number, quality, or range of health insurance plans offered by the University; the work of the committee focuses on premium and co-premium structures, not employee choice or benefit options.

Another change that will occur is the elimination of the \$6.00 "flex benefits credit," which will save approximately \$1.9 million per year. Finally, Provost Courant noted that the administration is concerned about the effects of these changes on the lowest-paid staff, a

situation that will be addressed by the advisory committee. However, as a general matter, for the coming year, the percentage increases in the salary program will be largest for the lowest paid. In addition, the administration will add \$100 per year to the salary of all staff earning less than \$25,000, over and above the annual merit program for those staff.

Regent McGowan commented that “the Board of Regents takes responsibility for encouraging the change in this area, and has urged that the change take place carefully but as soon as possible, and as always, with an eye towards equity.”

Regent Deitch, noting that the benefits structure was last reviewed in the mid 1980s, commented that although American medical care is the best in the world, costs for that care are spiraling out of control. “Across the country,” he observed, “individuals are being asked to shoulder a greater portion of the burden.” He reiterated Regent McGowan’s comments that this should be done quickly and equitably, noting that for every day implementation of the decision is postponed, there is a tradeoff in dollars not saved, which will have a direct impact on programs and tuition. He requested that the committee work as quickly as possible so that the entire change could be done closer to January 1, 2004 than to January 1, 2005.

President Coleman stated that these comments will be taken very seriously.

Litigation Report. Vice President Krislov submitted the Litigation Report.

Research Report. Vice President Ulaby submitted the report of Projects Established, March 1 - March 31, 2003. He reported on the work of David Mooney, professor of dentistry, professor of chemical engineering, professor of biomedical engineering, and associate professor of macromolecular science and engineering, who specializes in tissue engineering. He also announced that three faculty members from the College of Engineering had been elected to the National Academy of Engineering, among only 34 selected nationwide.

University of Michigan Health System. Interim Executive Vice President Greenfield noted that April 24 had been declared by the governor and legislature “Michigan Bone Marrow and Blood Stem Cell Transplant Day,” at the instigation of a UMHS patient.

Division of Student Affairs. Vice President Harper reported on several developments in the housing system. She noted that the division is working concurrently on a planned approach to the renewal and revitalization of campus residential facilities on the one hand, and on life safety improvements to the facilities infrastructure on the other.

The renewal and revitalization efforts are referred to as the “residential life initiative.” The initiative involves two key objectives: 1) to conduct a detailed analysis of the facilities, programs, and services that make up the current inventory, and 2) to take the knowledge gained from this analysis and apply it to the development of a comprehensive planning system that can guide the major renewal of existing halls and identify new facility needs. This strategy is replacing previous discussions regarding construction of a new residence hall, and is seen as the most productive approach for understanding the market and market needs.

Market research is also being conducted comparing on-campus housing and dining services to housing and dining services available off-campus, and consultants are being employed to help identify best practices at other institutions. These data will be used to guide decision-making with respect to a large-scale facility. This review will be followed by the development of flexible recommendations for renewal and new construction that can be adapted based on available funding levels and institutional priorities. She said that during the fall term, a set of options will be provided for Regental consideration.

Regarding capital renewal projects related to life safety, Vice President Harper commented that a comprehensive facility conditions audit has been completed for all residence

hall and family housing properties. Nearly \$50 million in fire and life safety improvements have been planned for the residence halls, in addition to \$4 million in security upgrades. Funds expended so far have been generated from room and board rates and savings from cost containment. The improvements are currently being implemented in a phased approach across campus.

Vice President Harper noted that in May of 2002 the University committed to pursuing a three-pronged initiative that focused on reducing the occurrence of crime and improving overall safety and security in the residence halls. Significant progress has been made in the ensuing months, including installation of video monitoring systems in some residence hall entrances and automatic electronic locks for student rooms and community bathrooms. Installation of the video monitoring systems in all residence hall entrances will be completed this fall. She also described educational efforts that have been undertaken in the residence halls to provide specific and tangible steps residents can take to enhance their safety and security. She noted that crime statistics reflect the positive impact of the security enhancements implemented so far, with home invasions having been reduced from 99 this time last year to 35 at the current time. She thanked staff, students, and the Board of Regents for their support in keeping safety and security of students a primary focus.

Regent Deitch commented that he looks forward to receiving the report of the residence hall life initiative as early as possible in the fall, and expressed the view that it should include a thorough examination of whether partnerships should be formed with the private sector to address the question of adding to the aging housing stock. Regent Newman agreed, noting that the University is at a competitive disadvantage with other institutions in the area of residence

halls. Vice President Harper responded that these ideas will be incorporated into the report being presented in the fall.

University of Michigan-Dearborn. Chancellor Little reported that Dr. Suzanne Baker had begun her position as the first director of the Women’s Resource Center. He also called attention to a virtual learning tool developed by a UM-Dearborn faculty member that has received national recognition. Chancellor Little also reported that a student, Mahmoud Michael Shirazi, had been killed in a motorcycle accident on campus in the presence of hundreds of people. Campus officials are providing the appropriate services to members of the campus community and will work to minimize the chances of such an accident occurring again.

University of Michigan-Flint. Chancellor Mestas observed that the Women’s Educational Center on the Flint Campus, although just over a year old, has been an extraordinary success. He commented that the speaker for the Flint Campus commencement exercises is Billy Taylor, distinguished jazz composer, pianist, and educator, and noted that he will be receiving an honorary doctoral degree. Chancellor Mestas reported that the results of a recent student satisfaction inventory indicate significantly higher satisfaction than the average for students nationally, and that the category with the largest positive difference from the national average is the perception of safety, belying the reputation of the city of Flint as an unsafe environment.

Michigan Student Assembly Report. President Coleman introduced Angela Galardi, newly-elected president of Michigan Student Assembly. Ms. Galardi described some of the projects planned for the coming year, including off-campus housing issues and helping students utilize University resources to obtain jobs and internships. She reported that MSA had sent six “viewpoint-neutral” buses of students to Washington for the Supreme Court hearing, and this generated a great deal of enthusiasm among the student body.

Voluntary Support. Vice President May submitted the report of voluntary support for March 2003. He noted that he's been meeting with deans and development officers across the campus, and with volunteers and donors across the country in preparation for the upcoming capital campaign. He is also undertaking other activities to prepare for the campaign, including recruiting individuals for key roles, developing a campaign timeline, and assessing campaign goals and objectives.

Personnel Actions/Personnel Reports. Provost Courant submitted a number of personnel actions and personnel reports. He called attention to the appointment of Daniel Klionsky as the Abraham Sager Collegiate Professor of Life Sciences and noted that he just received an award from the National Science Foundation for distinguished teaching scholars. He commented that a number of new collegiate professorships will be created and named in honor of the most outstanding faculty in the life sciences. Professor Klionsky's appointment is the first of these.

Retirement Memoirs. Vice President Tedesco submitted memoirs for two retiring faculty members.

Memorials. No deaths of active faculty members were reported to the Regents this month.

Degrees. Provost Courant submitted for approval the doctoral degree list for the April 2003 commencement, along with changes to previously approved degree lists.

Approval of Consent Agenda. On a motion by Regent McGowan, seconded by Regent Deitch, 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 financial statements and reports pursuant to Federal Office of Management and Budget (OMB) Circular A-133 for the year ended June 30, 2002.

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, 2002

Interim Chief Financial Officer Slottow submitted 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, 2002.

Alternative Asset Commitments

Interim Chief Financial Officer Slottow informed the Regents of the University's recent commitment to the two follow-on funds of previously approved alternative asset partnerships: Natural Gas Partners VII, L.P. (\$20 million) and OCM Real Estate Opportunities Fund III (\$15.0 million). In addition, he informed the Regents that the University had acquired a portion of the interests of a defaulting limited partner in Avanti Strategic Land Investors II and III, (\$0.05 million and \$0.09 million, respectively), real estate funds.

WFUM-TV and WUOM/WVGR/WFUM-FM Statements of Support, Revenue and Expenditures for the Year Ended June 30, 2002

Interim Chief Financial Officer Slottow submitted WFUM-TV and WUOM/WVGR/WFUM-FM Statements of Support, Revenue and Expenditures for the Year Ended June 30, 2002. Vice President Rudgers commented that WFUM-TV and the stations encompassing Michigan Radio have been operating much more closely as sister stations in the past year. She noted that Michigan Radio fundraising was up 14% for the past year, and the television station had had record-breaking fund drives for the last three drives. Corporate support had increased by 30%.

Regent Maynard observed that Vice President Rudgers and Chancellor Mestas had done a superb job in working to assure that the television and radio stations would work together in a positive way. Regent White commented that she had really enjoyed the television programming over the past year.

Audited Financial Reports for WUOM/WVGR/WFUM-FM and WFUM-TV for the Fiscal Year Ended June 30, 2002

Interim Chief Financial Slottow noted that all of the University's broadcast stations have experienced improved financial conditions compared to several years ago. The audited financial reports and opinions clearly state that the financial controls are strong. On a motion by Regent Maynard, seconded by Regent White, the Regents unanimously approved the audited financial reports for WUOM/WVGR/WFUM-FM and WFUM-TV for the Fiscal Year Ended June 30, 2002.

Appointment of Auditors for 2002-03

On a motion by Regent Brandon, seconded by Regent Richner, the Regents unanimously approved the reappointment of PricewaterhouseCoopers LLP as auditors for 2002-03.

Sale of Tax Exempt Commercial Paper to Finance University Projects

On a motion by Regent Brandon, seconded by Regent White, the Regents unanimously approved an increase of up to \$4.6 million in the amount outstanding under the commercial paper program. The total amount outstanding after this approval will increase to \$37 million.

International Equity Management

On a motion by Regent Brandon, seconded by Regent McGowan, the Regents unanimously approved the appointment of Walter Scott & Partners as an international equity manager.

College of Engineering Computer Science and Engineering Building

Interim Chief Financial Officer Slottow introduced Mr. Don Schmitt, of Diamond and Schmitt Architects, Inc. to review the schematic design for this building. Mr. Schmitt used a photo, site plan, and landscape plan to indicate how the building will fit into the North Campus, and displayed a wooden model of the building. He displayed a diagram of the third floor,

drawings of evening and daytime views of the exterior of the building, and a view of the courtyard created by the building's design.

He pointed out existing parking spaces and stated that as part of the project, parking capacity will be increased. It was noted that the facility is fully accessible. There was discussion of the mechanical components of this and other buildings, with the observation that some mechanical systems are exposed and obvious and some are not. It was noted that there are cost issues and functional considerations that affect the number, type, appearance, and location of mechanical components, but aesthetic issues are also taken into account. The placement of the mechanical systems on this and other buildings under construction is building-specific.

Regent McGowan moved approval of the schematic design for the College of Engineering Computer Science and Engineering Building project, as presented. Regent Newman seconded the motion and it was approved unanimously.

Lease Agreement with William C. Martin

On a motion by Regent Richner, seconded by Regent Maynard, the Regents unanimously approved a lease agreement with William C. Martin for the property located at 520 E. Liberty Street. Because Mr. Martin 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 Regents of the University of Michigan and William C. Martin.
2. The service to be provided is the lease of 2,736 square feet of building space at 520 E. Liberty for three years, beginning May 1, 2003 through April 30, 2006, beginning at a monthly rate of \$4,430 and ending at a monthly rate of \$4,655. Under the lease, the landlord is responsible for constructing any desired leasehold improvements.
3. The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is the owner of William C. Martin.

Lease Agreement with 2401 LLC

On a motion by Regent Richner, seconded by Regent Maynard, the Regents unanimously approved a lease agreement with 2401 LLC for property located at 2401 Plymouth Road, Suites A & B. Because William C. Martin is both a member of 2401 LLC 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. The parties to the lease are the Regents of the University of Michigan and 2401 LLC.
2. The service to be provided is the lease of 6740 square feet of building space at 2401 Plymouth Road - Suites A 7& B, for five years, beginning May 1, 2003 or the date of substantial completion, whichever is later, through April 30, 2008, beginning at a monthly rate of \$8,750 and ending at an estimated monthly rate of \$13,020. Under the lease, the landlord is responsible for constructing any desired leasehold improvements.
3. The pecuniary interest arises from the fact that William C. Martin, a University of Michigan employee, is a member of 2401 LLC.

Subcontract Agreement between the University of Michigan and Michigan Aerospace Corporation

On a motion by Regent White, seconded by Regent McGowan, the Regents unanimously approved a subcontract agreement between the University of Michigan and Michigan Aerospace Corporation. Because Dr. Lennard Fisk is both a University of Michigan employee and the principal owner of Michigan Aerospace Corporation, 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 Michigan Aerospace Corporation.
2. The terms of the agreement conform to University policy. The period of performance is from January 1, 2003 through May 15, 2003, and the amount of the agreement to Michigan Aerospace Corporation is for \$10,000. The University's standard subcontract provisions will apply.
3. Dr. Fisk has no pecuniary interest in the agreement. He is not involved in the project at either the University of Michigan or Michigan Aerospace Corporation.

Research Agreement between the University of Michigan and Michigan Aerospace Corporation

On a motion by Regent Newman, seconded by Regent Maynard, the Regents unanimously approved a research agreement between the University of Michigan and Michigan Aerospace Corporation (“Company”). Because Dr. Lennard Fisk is both an owner of the Company 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 University of Michigan and Michigan Aerospace Corporation (“Company”).
2. The terms of the agreement conform to University policy. The period of performance is 13 months and the amount of the agreement to the University is \$17,782.
3. Dr. Fisk has no pecuniary interest in the agreement. He will not be involved in the project, either at the University or at the Company.

Research Agreement between the University of Michigan and the University of Texas at Austin

On a motion by Regent Deitch, seconded by Regent Newman, the Regents unanimously approved a research agreement between the University of Michigan and the University of Texas at Austin. Because Dr. Stanislav Emelianov, a key collaborator in the project, holds a position as assistant research scientist at the University of Michigan (on unpaid leave of absence) and has accepted a position at the University of Texas at Austin, 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 the University of Texas at Austin.
2. The terms of the agreement conform to University policy. The total award to the University will be \$1,379,889. A total subcontract of approximately \$180,000 is planned for the University of Texas at Austin covering the period September 1, 2002 through June 30, 2006. The University’s standard subcontract provisions will apply.

3. Dr. Emelianov has no pecuniary interest in the agreement.

Research Agreement between the University of Michigan and Emory University (*Go Girls*)

On a motion by Regent Newman, seconded by Regent White, the Regents unanimously approved a research agreement between the University of Michigan and Emory University for completion of a project initiated by Dr. Kenneth Resnicow, a University of Michigan employee, when he was a faculty member at Emory University. The project is entitled “Go Girls: Diet and Physical Activity Interventions for Overweight African-American Adolescents.” Because Dr. Resnicow has maintained a partial faculty appointment position at Emory University concurrent with his partial faculty appointment 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 Emory University.
2. The terms of the agreement conform to University policy. A total subcontract of approximately \$89,000 is planned for the University of Michigan covering the period January 1, 2003, through December 31, 2003. A draft of the subcontract has been received from Emory University; standard terms and conditions apply.
3. Dr. Resnicow has no pecuniary interest in the agreement.

Research Agreement between the University of Michigan and Emory University (*Motivating HIV & Women*)

On a motion by Regent White, seconded by Regent McGowan, the Regents unanimously approved a research agreement between the University of Michigan and Emory University regarding the project, “Motivating HIV & Women: Risk Reduction & ART Adherence.” Because one of the investigators on this project, Dr. Kenneth Resnicow, recently moved from Emory University to the University of Michigan, but still maintains a partial faculty appointment at Emory University, 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 Emory University.
2. The terms of the agreement conform to University policy. The period of performance is February 1, 2003 through January 31, 2007, and the amount of the agreement planned for the University of Michigan is approximately \$72,000.
3. Dr. Resnicow has no pecuniary interest in the agreement.

Research Agreement between the University of Michigan and the Automobile National Heritage Area

On a motion by Regent White, seconded by Regent Maynard, the Regents unanimously approved a research agreement between the University of Michigan and the Automobile National Heritage Area (ANHA). Because Mr. Edward Bagale, vice chancellor for government relations at the University of Michigan-Dearborn, is also a member of the board of directors of the ANHA, 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 the Automobile National Heritage Area.
2. The terms of the agreement conform to University policy. The amount of the agreement with the University will be approximately \$77,995. The period of performance is fifteen months with the possibility for renewal and extension.
3. Mr. Bagale has no pecuniary interest in this project.

University of Michigan Health System (UMHS) Washtenaw Community Health Organization (WCHO)

On a motion by Regent Maynard, seconded by Regent McGowan, the Regents unanimously approved the following appointments to the Washtenaw Community Health Organization: Ms. Peggy A. Ball (new appointment) and Mrs. Diane Davidson (reappointment).

2003-2004 University Housing Residence Hall and Family Housing Rates

Vice President Harper commented that the Division of Student Affairs is constantly looking for ways to save costs, and it diligently pursues its stewardship responsibility for costs associated with attending the University. The proposed rate increases will not be funding any

new programs; they are meant only to cover increased costs associated with utilities, insurance, and life safety renewal projects.

Regent Richner questioned whether the University has compared its housing rates with those for the private, off-campus housing market. Vice President Harper responded that in general, off-campus rates would be higher, but said that figures would be provided.

Regent Maynard stated that she will support the proposed housing rates, but that she is “truly concerned about the pressure on students and their families” in terms of the number of price hikes that they will be confronted with. She encouraged staff to continue to look at ways to increase efficiency and reduce costs.

Regent Newman noted that there is a perception that facilities tend to deteriorate as rates increase. She encouraged the division to address the deterioration of facilities, especially in family housing.

On a motion by Regent Deitch, seconded by Regent McGowan, the Regents unanimously approved average rate increases of 5.3% for residence hall room and board and 4.3% for Family Housing apartment rentals for FY 2004, as described in the Regents Communication.

There being no further business, the meeting was adjourned at 3:36 p.m. The next meeting will take place May 15, 2003.