

JUNE MEETING, 2007

Approved by the Regents
July 19, 2007

*The University of Michigan
Ann Arbor
June 21, 2007*

The Regents convened at 3:15 p.m. in the Regents' Room. Present were President Coleman and Regents Darlow, Deitch, Maynard, Newman, Richner, Taylor, and White. Also present were Vice President and Secretary Churchill, Vice President Harper, Acting Chancellor Kay, Vice President Krislov, Chancellor Little, Vice President May, Executive Vice President Slottow, Provost Sullivan, and Vice President Wilbanks. Vice President Forrest and Executive Vice President Kelch were absent. Regent McGowan was absent except as noted below when she joined the meeting by telephone.

Call to Order

President Coleman called the meeting to order.

Survival Flight incident. President Coleman commented that on June 4, 2007 the campus had experienced a tragedy "unlike any we have known in our history:" the loss of all six members of a Survival Flight transport team. "That six people would perish while on a lifesaving mission," she stated, "makes the loss almost incomprehensible." President Coleman said that the Survival Flight loss calls attention to the many high-risk steps that are taken by many individuals to extend life to another human being, and also reminds us of the importance of organ donation. She asked people to remember the lost men, Dr. David Ashburn, a resident in thoracic surgery; Richard Chenault, a transplant donation specialist with the UM Transplant Program; Dennis Hoyes, a Marlin Air pilot; Rick Lapensee, a transplant donation specialist; Bill Serra, a

Marlin Air pilot; and Dr. Martin Spoor, a cardiac surgeon on the University faculty. She noted that a campus-wide memorial service is being planned.

President Coleman called on Regent Maynard, who read the following statement:

Statement by the University of Michigan Board of Regents

The Regents of the University of Michigan express their profound sadness at the death of the six men who perished on June 4, 2007 while on a Survival Flight organ procurement mission for the University of Michigan Transplant Center.

David Ashburn, M.D., Richard Chenault II, Rick Lapensee, Martinus (Martin) Spoor, M.D., Dennis Hoyes, and Bill Serra were extremely dedicated professionals whose death during a mission to save a life brings grief to the entire University of Michigan community. With condolences coming in from across the United States and around the world—from Sri Lanka, Sicily, Germany, Africa, India, Australia, and Canada—this tragedy shed light on the profound impact these selfless professionals have made by devoting their careers to serving their fellow human beings.

As the Regents mourn the loss of these members of our University family, we take comfort in the knowledge that their legacy will be carried forward through the efforts of their colleagues in the Cardiovascular Center, the Transplant Center, Survival Flight, and the entire Health System. These fallen heroes were leaders. And they were the best.

President Coleman called for a moment of silence to honor the Survival Flight crew.

President's Opening Remarks. President Coleman commented that in the eight months that have passed since she issued a challenge to donors to increase our level of need-based aid, more than 3,500 donors have contributed over \$12 million in student aid. When combined with matching gifts from the President's Office, an additional \$24.4 million in aid has been made available for students. Additional funding and matching gifts have enabled the creation of 20 new endowed professorships.

President Coleman also commented about the University's innovative new Spanish language podcasts that provide broadcasts of health news that can be downloaded from the Internet.

Public Comments on Agenda-Related Topics

The Regents heard comments from the following people, all on the topic of the Michigan Stadium expansion and renovation project: Jeff Cohen, alumnus, John Leppiaho, alumnus, Stan Edwards, alumnus, James S. Reece, faculty, and Mark Pascoe, alumnus.

Presentation: College of Engineering

President Coleman called on David Munson, Jr., Robert J. Vlasic Dean of Engineering. Dean Munson noted that the college has about 5,000 undergraduate students and about 2,500 graduate students. He said the intense competition for recruitment of under-represented minority students and women makes it difficult to achieve desirable numbers of these students. He reviewed enrollment by program, noting that the fastest growing disciplines are biomedical, mechanical, industrial, and aerospace engineering. He pointed out that computer engineering and computer science enrollments have dropped in recent years, but are starting to rebound.

Dean Munson commented that all but one of the college's programs are in the top 10 nationally, and the University is also one of the top 5 or 6 nationally in terms of degree output. He also noted that the majority of the college's revenues are derived from grants and contracts and tuition and fees, with only 6.5% from the State of Michigan.

Dean Munson described some of the college's new, sophisticated facilities, and discussed some of the many large, interdisciplinary student teams that work on competitive projects. He pointed out that these student project teams are being expanded to include low cost projects for the Third World and projects for local social service agencies, and to include projects that will involve students from outside the College of Engineering. He also reported on international

partnerships that have been developed with a number of international institutions, noting that enrollment in these programs has increased 256% over the past five years.

Dean Munson commented on the extensive research efforts of engineering faculty and described several new and proposed research initiatives, including the possible development of health engineering as a research focus. He called attention to efforts being made to enhance the college's technology transfer activities. Finally, Dean Munson reported that the College of Engineering is collaborating with the deans of the School of Music, Theatre & Dance, College of Art and Design, and School of Architecture and Urban Planning on the design of a major new project for the North Campus, with the goal of creating a new environment for that area.

Financial Aid Overview

Provost Sullivan gave a presentation about undergraduate financial aid on the Ann Arbor campus. She noted that there are federally-funded grants, work-study programs, student loans, and private loans with interest rates subsidized by the federal government. The General Fund budget for 2006-2007 includes almost \$60 million for financial aid (mostly need-based), and the schools and colleges have an additional \$30 million (mostly merit-based). Financial need is determined by a federal formula that is prescribed by Congress and used by every educational institution. The formula incorporates the "cost of attendance" and the "expected family contribution," and "financial need" is determined by subtracting the expected family contribution from the cost of attendance.

Provost Sullivan pointed out that the Board of Regents has mandated that the University meet the full demonstrated financial need of all resident undergraduate students who apply on

time and accept the entire financial aid package, and the University attempts to maintain a good balance between the amount of grant aid and loans in a student's package.

The presentation was temporarily suspended at this point to allow Regent McGowan to participate by telephone in the discussion and vote on the Michigan Stadium Renovation Project.

Michigan Stadium Renovation and Expansion Project

Executive Vice President Slottow reviewed the history of this project, noting that the project includes no material changes from the schematic design that has already been approved, and that the budget remains at \$226 million. He said that the seat counts have been finalized, the number of non-revenue suites has been verified, and marketing materials, premium seat license documents, and pre-marketing activities have been completed to verify the price ranges for the premium seats, yielding a net increase of approximately \$600,000 per year in seat revenue. In addition, less debt will now be necessary to support this project compared to estimates made in November because there are now \$6 million in signed gift agreements, along with an additional \$8 million in equity reserves. Thus the required debt will be reduced by \$14 million, reducing the originally projected annual debt service by about \$900,000 in interest per year. He reiterated that this is a fully self-supporting project, which will enhance the Athletic Department's ability to address major infrastructure, deferred maintenance, and building requirements.

Executive Vice President Slottow reported that the stadium project and North Quad project together will create 400 new FTE skilled trades construction jobs. Together with other recently approved projects, 1700 new FTE construction jobs for non-University employees will be created over the next three years.

Athletic Director Bill Martin made the following comments:

The Athletic Department is pleased to present the Michigan Stadium expansion project resolution to let bids and award a contract for your review. Throughout the multi-year planning and design process, the goals of the stadium expansion project have remained unchanged: Improve the safety and game day experience as well as the accessibility for all fans, make the project financially self-sustaining, and respect the quality, character, and tradition of Michigan Stadium.

As with any large public works project, community input and dialog are essential elements of our planning process. The Athletic Department conducted extensive research when developing the expansion plan, including surveys of fans, ticket holders, and focus groups, and market research. We will continue to engage and inform the public as the project moves forward.

As you just heard from Tim Slottow, the financial viability of the expansion project is sound. The project is financially self-supporting. In fact, over time, revenues from the new seating will be available to support improvements to other athletic facilities. The project will be financed through private donations and Athletic Department resources, primarily the revenues generated by the new seating. The expansion will not affect ticket prices for the average ticket holder. The expansion project addresses the aging infrastructure of the stadium and improves fans' overall game day experience. The design increases the number and quality of restrooms, increases the number of concession stands, and adds a greater variety of fare, with 44 new points of sale. It more than triples the number of wheelchair-accessible seats, from 90 to 282, including adding 72 new accessible seats along the west sideline of the existing bowl, and increases the number of entry and exit points for improved crowd circulation and safety.

I feel a great responsibility toward all current and future Michigan fans. The expansion project is the best and most financially responsible way to address the infrastructure upgrades needed. Thank you.

Regent Newman moved to authorize issuing the Michigan Stadium Renovation and Expansion Project for bids and awarding construction contracts providing that bids are within the approved budget. Regent Maynard seconded the motion.

Regent McGowan, who had joined the meeting by telephone, requested that Regent Maynard read her previously-prepared statement into the record. Regent Maynard read the following comments from Regent McGowan:

I regret missing today's meeting, but if I were with you, I would vote today as I did last November, in support of the Michigan Stadium renovation and expansion project recommended to us by the administration.

I understand from each that President Coleman and Athletic Director Martin have acted on fulfilling the values articulated last fall when, together, they committed to sharing some of the resources of a successful and financially sound athletic department to benefit the University's core academic mission. We have learned this week that the Athletic Department will begin - immediately - to contribute monies to the president for discretionary uses which she has elected to apply to her M-Pact Program. This decision will add important additional funds to this major effort to provide need-based financial aid to a number of the University's most solid students. I am particularly pleased that this agreement will affect students now.

Additionally, I am gratified that the stadium renovation project will further bolster resources for our academic mission by generously providing the University with ample space in

the renovated stadium for the president and the provost to engage the University's devoted friends and supporters.

The discussions about the stadium renovation project have been long and arduous; the need for some details to be worked out remains. That is for the administration to see to and I have every confidence that the people involved will do good work. Our responsibility is to allow this project to go forward - or not. My own responsibility is to express what I think is the better course for the University. I support the renovation effort, and wish it and the people directly involved the best.

Regent Taylor noted that Mr. Martin is well aware of issues that have been raised regarding accessibility in ongoing litigation. He requested that Mr. Martin speak to this issue so as to reassure the Regents going forward.

Mr. Martin responded with the following comments:

As you know, the University is deeply committed to diversity and to creating a welcoming environment for all people. Accessibility for persons with disabilities is a fundamental right. The University's commitment to accessibility is absolute, and long predates the Americans with Disabilities Act. Every patron who requests accessible seating in Michigan Stadium is, and has historically, been accommodated. The Athletic Department's commitment goes beyond ensuring the availability of accessible seating. Parking is reserved for disabled in close proximity to the stadium, shuttles are available for patrons with mobility impairments, accessible routes, restrooms, and concessions are available, and well-trained stadium ushers closely monitor the accessible seating areas to assist our patrons who have special needs.

The issue of accessibility for Michigan Stadium has been the subject of considerable and thoughtful discussion within the administration and the members of the board. The expansion project offers the best opportunity to increase the number, location, and amenities for accessible seating in the stadium. This has been a priority from early stages. The expansion design exceeds ADA regulations, and adds 192 new accessible seats - more than tripling the current number - at some of the very best viewing locations in the stadium, with elevator access on the new accessible concourse and covered seating. The expansion project allows us to add 72 new accessible seats plus 72 new companion seats to the existing bowl, bringing the total number of accessible seats in just the bowl to 162, plus another 162 companion seats. On the east side of the stadium, the design adds 24 new accessible outdoor seats, plus companion seats, and 14 new accessible inside club seats, plus companion seats. There will also be one accessible seat in every one of the suites.

Repair of the concrete in the bowl has been going on for 16 years and will be completed this year. The project you have been voting on today is the expansion project. To be clear, the legal matters to which you refer take place in the context of the concrete repair in the bowl. The University has developed a plan, apart from the expansion project, that will enhance accessible seating in the existing lower bowl. The plan, which offers flexibility despite the structural limitations of the bowl, has been proposed to the Department of Education and to the litigants in the pending federal court case. Because we are in negotiations and have signed a confidentiality agreement, and out of respect for this process, I cannot go into greater detail at this time. I am, however, very encouraged by the ongoing discussions we've had with the Department of Education and the plaintiff in the lawsuit.

Regent Darlow made the following statement:

I will vote in favor of this motion. I wish to give a brief explanation of my reasoning for this vote. I also wish to state publicly the direction that I believe this University must take with respect to the question of accessibility of the stadium to persons with disabilities.

Lengthy discussions I have had with athletic and finance department representatives and extensive information I have reviewed since I took office have convinced me that the stadium project is sound from a business point of view. While I have serious reservations about building "luxury boxes" in Michigan's current distressed economy, I believe that the stadium suites are important to ensuring that the project will pay for itself.

No one disagrees with the University's position that the 80 year old structure is physically obsolete and needs renovation. Regarding the planned architectural changes, I respect both the concern of those who fear potential damage to the treasured qualities of the old and the enthusiasm of those who envision the benefits of the new. However, I have not found good reason to seek to reopen the basic decisions that this Board has already made concerning these issues.

Accordingly, I believe that the stadium project should go forward as soon as possible. One consideration is critical for me: the fact that the stadium project will create many good jobs. In present times, we should proceed with a sound project such as this in a timely manner because of the benefits it will create for Michigan workers and our economy.

In addressing the issue of accessibility of the stadium for persons with disabilities - wheelchair users, specifically - I am mindful of the legal proceedings pending before the Civil Rights Division of the U.S. Department of Education and in federal court. I had hoped, and urged, that a reasonable plan demonstrating accessibility for persons with disabilities would be presented to the Regents and the public before our vote today. The administration has decided not to proceed with such a presentation at this time, for the reasons stated by Athletic Director Bill Martin. I wish to emphasize that I have spent considerable time speaking with President Coleman, Director Bill Martin, and others close to the project, and I trust entirely their personal commitments to accessibility.

Nonetheless, I believe that the Board of Regents has a responsibility to address the accessibility issue now, as the project moves into the contracting phase, in order to provide assurance to the public of our commitment to the rights of persons with disabilities.

One reason for voicing such commitment is that our silence seems likely to cause misunderstanding and dismay among persons with disabilities and others committed to their rights and dignity. Certainly, some confusion already exists. On the one hand, when addressing the desirability of the project as a whole, the University has made expansive statements about how there will be significant renovations to the Michigan Stadium, ranging from handrails and wider seats to improved crowd circulation and safety, which will improve the Michigan Stadium experience for every ticket holder. On the other hand, when addressing the specific topic of accessibility, it has sometimes focused on narrow technical issues, such as whether the work to be done to the existing bowl of the stadium constitutes repairs or triggers the legal requirements applicable to alterations.

For a great public university that has proven its deep commitment to diversity time and again, demonstrating its commitment to the rights of persons with disabilities should be second nature. On issues of minority rights, has the University focused on narrow legal issues? Has it been silent in its support of such rights?

As we go forward with contracts for the stadium, this major public project, let us assure ourselves and the public that our plans will embrace both the letter and the spirit of the law. We should do so in furtherance of the public trust we hold. We should do so in the University's great tradition of generous-hearted and respectful commitment to diversity.

I hope that my fellow Regents will express their support for this commitment.

Regent Taylor and Regent Maynard expressed support for Regent Darlow's comments. Regent Maynard commented that she believes a commitment to accessibility should apply to the whole University, not just to the stadium. She thanked Athletic Director Martin for his recognition that accessibility is a fundamental right. She observed that the Regents had had more discussion of this project than for any project she's been involved in, but believes that this is a positive thing. She said that her original concerns about issues affecting people with disabilities have been allayed by the thoughtful discussions that have occurred and she is confident that plans will continue to move forward in a positive way. She therefore stated that she would support the project, noting that it would "bring wonderful jobs to a tough economy and will improve the fan experience."

Regent White associated herself with Regent Darlow's comments about accessibility for people with disabilities. She also pointed out that this project is for the Athletic Department, not specifically for the football program, and that it is the responsibility of the Athletic Department, the president, and the administration--not the football program--to ensure its success.

Regent Newman called the question. The vote was then taken, and the motion was approved, with Regents Darlow, Maynard, McGowan, Newman, Richner, and Taylor in favor, and Regents Deitch and White opposed.

Financial Aid Overview, Continued

Provost Sullivan continued her presentation with an explanation of how financial aid packages are put together based on expected family contributions. She concluded that because of the University's need-based aid package, which is based on its commitment to meet the demonstrated financial needs of all resident undergraduate students, "It is more affordable to go to the

University of Michigan than any other public university in the state, or any public university in the Big Ten.” She noted that students with greater levels of financial need receive a higher percentage of their financial aid package in the form of grants than in other loans or other forms of assistance.

Provost Sullivan reported that the Scholar Recognition Award and the Michigan Scholar Award have been discontinued as a result of the passage of Proposal 2, but these have been replaced by two new scholarships, the Michigan Tradition Award and the Michigan Experience Award. Schools and colleges also award scholarships, which reduce loan amounts and Work-Study amounts in the package developed by the Office of Financial Aid.

Provost Sullivan concluded that despite the challenges inherent in continuing to meet the full need of resident students and the growing unmet need of nonresident students, the University offers one of the most significant financial aid programs of any public university in the United States.

Regent White thanked Provost Sullivan for providing a clear understanding of all of the various aspects of financial aid at the University of Michigan. Regent Taylor urged the president to educate state leaders and opinion-makers about how the University meets the demonstrated financial needs of resident students and about other aspects of the financial aid program.

Regent Darlow observed that despite our financial aid program, students in middle income categories often end up carrying a heavy debt burden, and she urged officials to continue to work on improving the ratio between grant funding and debt.

Report of the Committee on the Economic Status of the Faculty - Ann Arbor Campus

Professor Fred Askari, chair of the Ann Arbor Campus CESF, reported that his committee had met that morning with the Regents' Compensation, Personnel and Governance (CPG) Committee. Regent Taylor noted that the CPG Committee had thoroughly reviewed the reports of all three campus committees and had held an in-depth discussion with the three CESF chairs, and that the committee values this annual opportunity to review issues raised by the faculty.

Report of the Committee on the Economic Status of the Faculty - Flint Campus

Professor Steve Turner, chair of the Flint Campus CESF, commented that his committee had highlighted the "loyalty tax," or salary compression, affecting long-term employees, especially full professors. He also noted that salaries for faculty on the Dearborn campus are higher in all categories than those on the Flint campus, and the committee would like to see this discrepancy addressed.

Report of the Committee on the Economic Status of the Faculty - Dearborn Campus

Professor Lee Redding reported on the major concerns of Dearborn faculty, which include establishing a merit pay pool. He expressed appreciation to the Regents' CPG committee for reviewing the report and to the Dearborn administration for working with the committee.

Committee Reports

Finance, Audit and Investment Committee. Regent White reported that she and Regent Richner, along with President Coleman and Executive Vice President Slottow, had considered two agenda items, the FY2008 University of Michigan Hospitals and Health Centers (UMHHC) budget (with executives Doug Strong and Dave Morlock) and the FY2008 Athletic Department budget (with Director Bill Martin and Jason Winters, executive director of business

operations). She noted that the UMHHC is in excellent financial condition, as is the Athletic Department.

Personnel, Compensation and Governance Committee. Regent Taylor reported that the committee had spent most of its time meeting with the CESF committees from the three campuses and then had met briefly with Provost Sullivan for an update on pending issues.

The Regents then turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of May 17, 2007.

Reports. Executive Vice President Slottow submitted the Investment Report, the Plant Extension Report, and the Human Resources and Affirmative Action Report.

Litigation Report. Vice President Krislov submitted the Litigation Report.

Research Report. The Report of Projects Established, May 1 - May 31, 2007 had been submitted by Vice President Forrest.

University of Michigan Health System. There was no report from the University of Michigan Health System.

Division of Student Affairs. There was no report from the Division of Student Affairs.

University of Michigan-Flint. Acting Chancellor Kay had no additional report.

University of Michigan-Dearborn. Chancellor Little had no additional report.

Michigan Student Assembly Report. MSA Vice President Mohammad Dar reported on activities MSA had been involved with during the past month and on upcoming activities. He

noted that students have been doing advocacy work with state government officials on the importance of adequate funding for higher education.

Voluntary Support. Vice President May submitted the Report of Voluntary Support for May 31, 2007.

Personnel Actions/Personnel Reports. Provost Sullivan submitted a number of personnel actions and personnel reports. She called attention to the proposed appointment of Dr. James Wooliscroft as dean of the Medical School.

Retirement Memoirs. Vice President Churchill submitted memoirs for four faculty members.

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

Degrees. There were no actions with respect to degrees this month.

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

The Regents then turned to consideration of the regular agenda.

Report of University Internal Audits for March 1, 2007-May 10, 2007

Executive Vice President Slottow submitted the report of the Office of University Audits activities for the period March 1, 2007 through May 10, 2007.

Alternative Asset Commitments (*Udata Partners IV, L.P., Greenfield Acquisition Partners V, L.P., Greenfield Land Partners II, L.P., Thackeray Partners Realty Fund II, L.P.*)

Executive Vice President Slottow reported on the following follow-on investments that had been made with previously-approved partnerships: \$15 million to Udata Partners III, L.P.;

\$40 million to Greenfield Acquisition Partners V, L.P.; \$35 million to Greenfield Land Partners II, L.P.; and \$20 million to Thackeray Partners Realty Fund II, L.P.

Alternative Asset Commitments (Advent Latin American Private Equity Fund IV, L.P.; Acadia Strategic Opportunity Fund III)

On a motion by Regent White, seconded by Regent Newman, the Regents unanimously approved commitment of up to \$20 million from the Long Term Portfolio to Advent Latin American Private Equity Fund IV, and \$20 million to Acadia Strategic Opportunity Fund III.

Authorization for Expenditures in Fiscal Year 2007-2008 for University Operations

On a motion by Maynard, seconded by Regent White, the Regents unanimously approved temporary expenditure authorization for fiscal year 2007-2008 for University operations beginning July 1, 2007, as described in the Regents Communication.

Authorization for Expenditures in Fiscal Year 2007-2008 for the University Health System

On a motion by Regent Taylor, seconded by Regent White, the Regents unanimously approved temporary expenditure authorization for fiscal year 2007-2008 for the University of Michigan Health System, as described in the Regents Communication.

Michigan Memorial Phoenix Laboratory Renovation

On a motion by Regent Taylor, seconded by Regent Maynard, the Regents unanimously approved issuing the Michigan Memorial Phoenix Laboratory Renovation Project for bids and awarding construction contracts providing that bids are within the approved budget.

1024 Maiden Lane, Ann Arbor, Michigan

On a motion by Regent Taylor, seconded by Regent White, the Regents unanimously approved purchase of the property at 1024 Maiden Lane, Ann Arbor, Michigan, at the negotiated

price of \$335,000, subject to the University satisfying itself with the environmental condition of the site and otherwise completing due diligence.

A. Alfred Taubman Medical Library Elevator Replacement

On a motion by Regent Taylor, seconded by Regent Maynard, the Regents unanimously approved the A. Alfred Taubman Medical Library Elevator Replacement Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Ingalls Substation to Wall Street Utility Duct Bank

On a motion by Regent White, seconded by Regent Taylor, the Regents unanimously approved the Ingalls Substation to Wall Street Utility Duct Bank 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 Hospitals and Health Centers University Hospital Operating Room Expansion

On a motion by Regent Taylor, seconded by Regent White, the Regents unanimously approved the University of Michigan Hospitals and Health Centers University Hospital Operating Room Expansion Project as described, authorized commissioning the architectural firm of Harley Ellis Devereaux for its design, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

William W. Cook Legal Research Library and Hutchins Hall Lighting Improvements

Executive Vice President Slottow reported that this infrastructure project has been partially funded by an anonymous, \$3 million gift from a Law School alumnus. On a motion by

Regent Richner, seconded by Regent White, the Regents unanimously approved the William W. Cook Legal Research Library and Hutchins Hall Lighting Improvements Project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

North Quad Residential and Academic Complex

On a motion by Regent White, seconded by Regent Darlow, the Regents unanimously approved issuing the North Quad Residential and Academic Complex Project 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 11 conflict of interest items, each of which requires 6 votes for approval. These would be considered as a block, in one vote, as no Regent had requested recusal from voting on any of the items.

On a motion by Regent Maynard, seconded by Regent Newman, the Regents unanimously approved the following 11 agreements. Regent Taylor was not present when the vote was taken.

Approval of Payment to GoKnow Learning, Inc.

The Regents approved a payment by the Institute for Entrepreneurial Studies to GoKnow Learning, Inc. to fund a portion of the compensation for an MBA intern. Because Elliot Soloway, a University of Michigan employee, is also CEO and stockholder of GoKnow Learning, Inc., the 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 Institute for Entrepreneurial Studies and GoKnow Learning, Inc.

2. The service provided is placement of a student intern. The cost for the service is \$4,950.00.
3. The pecuniary interest arises from the fact that Elliot Soloway, a University of Michigan employee, is a CEO and stockholder of GoKnow Learning, Inc.

Approval of Payment to Soar Technology, Inc.

The Regents approved a payment by the Division of Computer Science Engineering to Soar Technology, Inc., for workshops that will be attended by students and faculty. Because John Laird, a University of Michigan employee, is also a stockholder and board member of Soar Technology, Inc., 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 Division of Computer Science Engineering and Soar Technology, Inc.
2. The service to be provided is workshops to be attended by faculty and students. The cost for the service is \$100.00 per attendee.
3. The pecuniary interest arises from the fact that John Laird, a University of Michigan employee, is a stockholder and board member in Soar Technology, Inc.

Approval of Payment for Avidimer Therapeutics, Inc.

The Regents approved a payment by the Institute for Entrepreneurial Studies to Avidimer Therapeutics, Inc., to fund a portion of the compensation for an MBA intern. Because James Baker, a University of Michigan employee, is also founder, scientific advisor, and minority shareholder of Avidimer Therapeutics, Inc., 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 Institute for Entrepreneurial Studies and Avidimer Therapeutics, Inc.
2. The service provided is placement of a student intern. The cost for the service is \$6,600.00.
3. The pecuniary interest arises from the fact that James Baker, a University of Michigan employee, is a founder, scientific advisor, and minority shareholder of Avidimer Therapeutics, Inc.

Maintenance Agreement with Arbor Networks

The Regent approved a maintenance agreement between the Medical Center Information Technology department and Arbor Networks for Internet usage software. Because Farnam Jahanian, a University of Michigan employee, is also a stockholder and board chairman of Arbor Networks, 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 Medical Center Information Technology department, and Arbor Networks.
2. The product to be provided is software maintenance for three years, at a total cost not to exceed \$68,559.15.
3. The pecuniary interest arises from the fact that Farnam Jahanian, a University of Michigan employee, is board chair and stockholder of Arbor Networks.

Option Agreement between the University of Michigan and GeneVivo, LLC

The Regents approved an option agreement with GeneVivo (the "Company") to commercialize the following technology from the University: UM OTT File No. 3350, "A Method and Reagent for Generating Transgenic Animals," and UM OTT File No. 3660, "A Method of Delivering DNA to the Developing Embryo." Because Michael Welsh, a University of Michigan employee, is also a partial owner of GeneVivo, 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 GeneVivo, LLC.
2. Agreement terms include granting the Company an exclusive option with a limited license. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interests of Dr. Michael Welsh arise from his ownership interest in GeneVivo.

Amendment to License Agreement between the University of Michigan and ImBio, LLC

The Regents approved an amendment to a license agreement with ImBio, LLC, to add the following technology to their existing license: UM OTT File No. 3676, "An Imaging Biomarker for Treatment Assessment in Focal and Multi-Focal Metastatic Bone Cancer and Multi-Focal Tumors of the Soft Tissues." Because Professors Brian Ross and Alnawaz Rehemtulla are both University of Michigan employees and principal owners, directors and officers of ImBio, LLC, 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 ImBio, LLC.
2. Agreement terms include granting ImBio, LLC an exclusive license with the right to grant sublicenses. ImBio, LLC will pay a royalty on sales and reimburse patent costs. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Drs. Ross and Rehemtulla arise from their ownership in the company.

Non-Disclosure Agreement between the University of Michigan and Incept BioSystems, Inc.

The Regents approved a non-disclosure agreement between the University of Michigan and Incept BioSystems, Inc. ("Incept") for the disclosure of certain confidential information related to each other's technologies, business plans, development plans, and other unpublished information. Because Professors Shuichi Takayama and Gary Smith are both employees of the University of Michigan and are partial owners of Incept, 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 Incept.
2. Agreement terms include requiring each party to mark all information provided as confidential and requiring that the other party maintain the confidential nature of the received information for five years from disclosure giving Incept an exclusive license with the right to grant sublicenses. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement.
3. The pecuniary interests of Drs. Shuichi Takayama and Gary Smith arise from their ownership interest in Incept.

Subcontract Agreement between the University of Michigan and Soar Technology, Inc.

The Regents approved a subcontract agreement between the University of Michigan and Soar Technology, Inc. Because Professor John Laird is both a University of Michigan employee and an owner of Soar Technology, 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 Soar Technology, Inc.
2. The subcontract agreement conforms to University policy. The period of performance is February 28, 2007 - November 27, 2008. The University's standard subcontract provisions will apply. Since research agreements are often amended the subcontract includes provisions for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. John Laird's pecuniary interest arises from his ownership interest in Soar Technology, Inc. He is not involved in this agreement in his capacity as a University of Michigan employee or as a representative of Soar Technology, Inc.

Amendment to License Agreement between the University of Michigan and NanoBio Corporation

The Regents approved an amendment to a license agreement with NanoBio Corporation ("NanoBio") to add the following technologies from the University into NanoBio's existing license: UM OTT File Nos. 3309.1, 3309.2, 3309.3, 3309.4, "Nanoemulsion Vaccines"; UM OTT File No. 3309.2, "Compositions and methods for bacillus anthracis vaccination"; UM OTT

File No. 3309.3, "Compositions and methods for orthopox virus vaccination"; UM OTT File No. 3309.4, "Compositions and methods for immunodeficiency virus vaccination"; UM OTT File No. 3722, "Methods and compositions for the treatment of infections in cystic fibrosis patients". Because Professor James R. Baker, Jr. is a University of Michigan employee and also is an owner, director and officer of NanoBio Corporation ("NanoBio"), 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 NanoBio Corporation.
2. Agreement terms include giving NanoBio an exclusive license with the right to grant sublicenses. NanoBio will pay a royalty on sales and reimburse patent costs. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest of Dr. Baker arises from his ownership interest in NanoBio. He has waived any personal participation in the sharing of revenue received by the University.

Option Agreement between the University of Michigan and SensiGen, LLC

The Regents approved an option agreement with SensiGen, LLC for commercialization of the following technology: UM OTT File No. 2383, "Treatment of Lupus," UM OTT File No. 2839, "Sequence Specific DNA Demethylation as a Lupus Biomarker," UM OTT File No. 3116, "DNA Test for Lupus Erythematosus," and UM OTT File No. 3723, "Diagnostic Markers for Lupus and Acute Coronary Syndromes."

Because Professor David Kurnit is both a University of Michigan employee and a partial owner, director, and officer of SensiGen, 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 SensiGen, LLC.
2. Agreement terms include granting SensiGen an exclusive option. The University will retain ownership of the optioned technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interests of Dr. Kurnit arise from his ownership interest in SensiGen, LLC.

New License Agreement between the University of Michigan and Ascenta Therapeutics, Inc.

The Regents approved a license agreement with Ascenta Therapeutics, Inc. ("Ascenta") for commercialization of the following technologies from the University: UM OTT File No. 2784, "Apogossypolone and the Method of Use of Treatment for Human Cancer," UM OTT File No. 2808, "Treatment of Cancer," UM OTT File No. 2891, "Apoptosis Promoting Agents," UM OTT File No. 3017, "A Novel Class of MDM2 Inhibitors," UM OTT File No. 3147, "New Classes of Inhibitors of the P53-MDM2 Interaction," UM OTT File No. 3295, "Conformationally Constrained, Bivalent Small-molecule SMAC Mimetics," UM OTT File No. 3301, "Gossypol Analogs and the Uses Thereof," UM OTT File No. 3414, "Non-Peptide Small Molecule Inhibitors of the MDM2-p53 Interaction," UM OTT File No. 3514, "New Small Molecule Inhibitors of MDM2," and UM OTT File No. 3721, "Diazobicyclic SMAC Mimetics."

Because Professors Shaomeng Wang and Marc Lippman are both University of Michigan employees and partial owners of Ascenta and directors and members of Ascenta's scientific advisory board, this agreement falls under the State of Michigan's 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 Ascenta Therapeutics, Inc.
2. License terms include giving Ascenta an exclusive license with the right to grant sublicenses. Ascenta will pay a royalty on sales, certain milestone payments and reimburse patent costs. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or

facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the agreement may be amended by consent of the parties. Additional review by the Medical School Conflict of Interest Board will be done as appropriate. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interest of Drs. Wang and Lippman arise from their ownership interests in Ascenta.

Transfer of Michigan Visiting Nurses from Michigan Health Corporation (MHC) to the University of Michigan Hospitals and Health Centers (UMHHC)

The Regents were informed of the transfer of the Michigan Visiting Nurse Corporation from Michigan Health Corporation (MHC) to the University of Michigan Hospitals and Health Centers (UMHHC).

Reorganization of Academic Departments in the College of Pharmacy

On a motion by Regent White, seconded by Regent Darlow, the Regents unanimously approved the merger of the Department of Clinical Sciences and the Department of Social and Administrative Sciences in the College of Pharmacy into a new Department of Clinical, Social and Administrative Sciences, as described in the Regents Communication.

Program in Biophysics

On a motion by Regent Newman, seconded by Regent White, the Regents unanimously approved transfer of the reporting line of the Biophysics Research Division (BRD) from the Office of the Vice President for Research to the College of Literature, Science, and the Arts, to rename the BRD the Program in Biophysics, and to authorize the Program in Biophysics to be a tenure home for faculty.

Revision of Regents' Bylaw 11.52

On a motion by Regent Newman, seconded by Regent Taylor, the Regents unanimously approved the following revision to Regents' Bylaw Section 11.52: The School of Public Health: The Executive Committee:

Revised Bylaw (*Additions are underlined; deletions are crossed out.*)

Sec. 11.52. The School of Public Health: The Executive Committee

The executive committee will consist of the dean and six members of the faculty to be appointed by the board on recommendation by the president. The appointed members will hold office for three two years, with reelection for a second consecutive term permitted. If a committee member has served two consecutive terms, he/she must sit out one election cycle before being eligible for reelection. ~~and the terms will be adjusted so that two will expire each year. Members will not be eligible for reappointment until after the lapse of one year.~~ The dean will be chair of the committee.

Approval of Academic Calendar for 2009-2010

Regent Taylor moved approval of the Ann Arbor campus academic calendar for 2009-2010; Regent White seconded the motion. Provost Sullivan noted that the proposed calendar will have 66 meeting days in the Fall Term, one less day than the established goal of at least 67 meeting days, as explained in the Regents Communication. Regent Newman noted that the accrediting body recommends 70 meeting days per term, and questioned why the University has a policy that classes cannot begin before Labor Day. Provost Sullivan and President Coleman responded that the origin of this policy is unclear and the issue would be explored.

The vote was then taken and the Ann Arbor academic calendar for 2009-2010 was approved.

Public Comments Policy

Vice President Churchill commented that the original guidelines establishing a process by which members of the public could address the board were adopted in March 1977, and that in light of changes in communication methods and meeting practices that have occurred since that

time, it seemed advisable to revisit this policy. The proposed revised policy updates the 1977 guidelines to conform to current practices with respect to signing up speakers and allows for a broader array of speakers to address the board. She recommended adoption of the following proposed new policy, to take effect with the September 2007 Regents Meeting.

Public Comments Policy*

Effective with September 2007 Meeting

1. As a part of their regular monthly meeting agenda, the Regents will set aside time for the purpose of enabling individuals to address the Board. It should be understood that the Board will not necessarily respond to such comments, since they may require study and recommendations on the part of others at the University.
2. Speakers will have up to five minutes to address the board. There will be a limit of ten speakers per session and five speakers on the same topic.
3. Requests to address the Board of Regents must be submitted to the vice president and secretary of the University prior to the Regents' meeting. The requests must be in writing, preferably through the form provided on the website www.regents.umich.edu. Requests to speak must identify the individual making the presentation, the subject matter of the presentation, the individual's relationship, if any, to the University, and the organization they are representing, if any. There shall be no substitutions of speakers without approval by the vice president and secretary, which may only be granted prior to the deadline for signing up to speak that is referenced at www.regents.umich.edu.
4. All requests to address the Regents must be received before the deadline posted on the website. Requests will be scheduled on a first come, first served basis until the available time is used up. No waiting list will be kept from month to month.
5. Speakers who have addressed the board within the previous two months may submit a request to speak, but the request will only be granted if there are available slots remaining after the sign-up deadline has passed.

*Supersedes "Formal Guidelines for Members of the Public Who Wish to Address a Meeting of the Regents," adopted March 1977.

Regent Taylor moved adoption of the proposed Public Comments Policy; Regent Newman seconded the motion. Regent Richner commented that the Regents had received feedback in recent months about public comments, many of them related to the fact that some people have not been allowed to speak due to a lack of available spaces. He noted that the revised policy addresses this concern, allowing people who had not recently spoken before the board to supersede people who had spoken more recently. However, he noted that some people

have pointed out that sometimes, by the time the meeting agenda is made public, no slots remain for people who wish to speak on an item related to the agenda. To address this concern, he offered an amendment that would allocate two additional speaker slots for speakers who sign up to speak after the agenda book is released, as follows (additions in *italics*):

Public Comments Policy*

Effective with September 2007 Meeting

1. As a part of their regular monthly meeting agenda, the Regents will set aside time for the purpose of enabling individuals to address the Board. It should be understood that the Board will not necessarily respond to such comments, since they may require study and recommendations on the part of others at the University.
2. Speakers will have up to five minutes to address the board. There will be a limit of ten speakers per session and five speakers on the same topic *except as provided in Paragraph 6.*
3. Requests to address the Board of Regents must be submitted to the vice president and secretary of the University prior to the Regents' meeting. The requests must be in writing, preferably through the form provided on the website www.regents.umich.edu. Requests to speak must identify the individual making the presentation, the subject matter of the presentation, the individual's relationship, if any, to the University, and the organization they are representing, if any. There shall be no substitutions of speakers without approval by the vice president and secretary, which may only be granted prior to the deadline for signing up to speak that is referenced at www.regents.umich.edu.
4. All requests to address the Regents must be received before the deadline posted on the website. Requests will be scheduled on a first come, first served basis until the available time is used up. No waiting list will be kept from month to month.
5. Speakers who have addressed the board within the previous two months may submit a request to speak, but the request will only be granted if there are available slots remaining after the sign-up deadline has passed.
6. *Two additional speaker slots will be available to individuals who sign up after the agenda book is posted to the website to speak about an item on that month's agenda. The other provisions of this policy are applicable to these two additional speaker slots.*

*Supersedes "Formal Guidelines for Members of the Public Who Wish to Address a Meeting of the Regents," adopted March 1977.

It was noted that Regent Richner's proposed amendment would result in continuing the policy of up to 12 speakers per meeting, except that two slots would be allotted to agenda-related items only.

The vote was taken on the amendment, and then on the main motion, and the policy, as amended, was approved unanimously. Vice President Churchill clarified that the two additional speaker slots made available after the posting of the agenda book are reserved only for comments on agenda-related topics, and that the other provisions of the policy apply to these speaker slots. The approved version of the Public Comments Policy is below:

Public Comments Policy*
Effective with September 2007 Meeting

1. As a part of their regular monthly meeting agenda, the Regents will set aside time for the purpose of enabling individuals to address the Board. It should be understood that the Board will not necessarily respond to such comments, since they may require study and recommendations on the part of others at the University.
2. Speakers will have up to five minutes to address the board. There will be a limit of ten speakers per session and five speakers on the same topic except as provided in Paragraph 6.
3. Requests to address the Board of Regents must be submitted to the vice president and secretary of the University prior to the Regents' meeting. The requests must be in writing, preferably through the form provided on the website www.regents.umich.edu. Requests to speak must identify the individual making the presentation, the subject matter of the presentation, the individual's relationship, if any, to the University, and the organization they are representing, if any. There shall be no substitutions of speakers without approval by the vice president and secretary, which may only be granted prior to the deadline for signing up to speak that is referenced at www.regents.umich.edu.
4. All requests to address the Regents must be received before the deadline posted on the website. Requests will be scheduled on a first come, first served basis until the available time is used up. No waiting list will be kept from month to month.
5. Speakers who have addressed the board within the previous two months may submit a request to speak, but the request will only be granted if there are available slots remaining after the sign-up deadline has passed.
6. Two additional speaker slots will be available to individuals who sign up after the agenda book is posted to the website to speak about an item on that month's agenda. The other provisions of this policy are applicable to these two additional speaker slots.

*Supersedes "Formal Guidelines for Members of the Public Who Wish to Address a Meeting of the Regents," adopted March 1977.

Election of Board Officers for 2007-2008

Regent Maynard called for the election of the new board chair and vice chair for next year. She thanked all the members of the board, along with President Coleman and Vice President Churchill, for all of their efforts in support of the work of the Board. She thanked Regent

Taylor and Regent McGowan for their service as chair, respectively, of the Compensation, Personnel and Governance Committee and the Finance, Audit and Investment Committee.

Regent Maynard nominated Regent S. Martin Taylor as chair of the Board of Regents for 2007-2008 and Regent Katherine E. White as vice chair of the Board of Regents for 2007-2008, and Regent Darlow seconded the motion. The vote was then taken and the motion was approved unanimously. The term of office for both positions is July 1, 2007-June 30, 2008.

A five-minute break followed.

Public Comments

The Public Comments session began at 4:45 p.m. The Regents heard comments from the following people, on the topics indicated: Jenny Huang, student, Shara Cherniak, student, Brett Ehrmann, student, and Dan Nye, III, student, on the Michigan Reach-Out Mentoring Program; Jim Mogensen, citizen, on diagnosing town/gown issues; and Mike Wrathell, alumnus, on our relationship with the NCAA.

There being no further business, the meeting was adjourned at 6:00 p.m. The next meeting is scheduled for July 19, 2007.