

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
February 14, 2008

ACTION REQUEST

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

Action Requested: Authorization for the University to Approve Purchases from Peaceful Dragon School (University of Michigan Employee Wasentha Young, Owner)

Background:

The University of Michigan MFit Health Promotion Division and Procurement Services seek approval to purchase Tai Chi and Qigong class registration and instruction respectively from Peaceful Dragon School for wellness programs implemented over the next three years. Peaceful Dragon School was selected based on discount, availability and the expertise of 40 years experience of Wasentha Young.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Wasentha Young is a University employee and would be a party to the contract by virtue of her role as founder, owner and director of Peaceful Dragon School. However, the Statute allows the University to enter into such contracts if the following conditions are met:

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

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

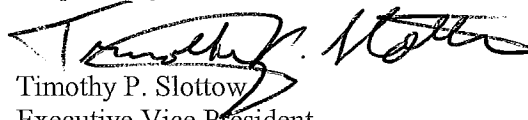
- i) The parties to the contract are the Regents of the University of Michigan and its MFit Health Promotion Division and Procurement Services and Peaceful Dragon School.

- ii) The purchase is class registration offered through MFit for a 15% discount and on-site class instruction in tandem with wellness programs over the next three years. The overall payment of reimbursed class registrations is not to exceed \$20,000 and cost of on-site instruction is not to exceed \$1,000.
- iii) The pecuniary interest arises from the fact that Wasentha Young, a University of Michigan Health System employee as a Health Educator in the Program for Multicultural Health, is founder, owner and director of Peaceful Dragon School.

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

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

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

February 2008