

JULY MEETING, 2011

*The University of Michigan
Ann Arbor
July 21, 2011*

The regents met at 3:00 p.m. in the Regents' Room. Present were President Coleman and Regents Darlow, Ilitch, Maynard, Newman, Richner, and Taylor. Also present were Vice President and Secretary Churchill, Vice President Forrest, Provost Hanlon, Vice President Harper, Chancellor Little, Vice President May, Chancellor Person, Vice President Rudgers, Vice President Scarnecchia, Executive Vice President Slottow, and Vice President Wilbanks. Regents Deitch and White were absent.

Call to Order and President's Opening Remarks

President Coleman called the meeting to order. She called attention to the mock race recently completed by the UM solar car, "Quantum," in preparation for the upcoming World Solar Challenge. She also highlighted the proposal for a new master's degree in entrepreneurship to be offered jointly by the Ross School of Business and the College of Engineering. She noted that she and several other University officials had attended the recent funeral of Betty Ford, wife of former president Gerald R. Ford.

Presentation: University of Michigan Depression Center

President Coleman introduced Dr. John Greden, founder and executive director of the University of Michigan Depression Center. Dr. Greden described the history of the Depression Center, noting that at the time of its founding in 2001, it was the first comprehensive center in the country. He noted that depression, cardiovascular disease, and cancer constitute the three most prevalent and financially burdensome disorders in the world. The goals of this

comprehensive center were early detection, developing better treatments, developing strategies to maintain wellness once achieved, to overcome stigma, and to catalyze a national network of depression centers. He described how these goals have largely been achieved, with a large interdisciplinary cadre of faculty currently associated with the center and a number of early detection screening programs in place as well as programs aimed at special populations. The center has also developed successful philanthropy programs and has accomplished its goal of founding a network of leading depression centers.

The regents expressed strong support for the work of the Depression Center and requested that Dr. Greden continue to update the regents as a development campaign is initiated.

Committee Appointments

Regent Ilitch announced the committee membership for 2011-12. The Health Affairs Committee will consist of Regents Darlow, Deitch, and Newman, with Regent Darlow serving as chair. The Finance, Audit and Investment Committee will consist of Regents White, Maynard, and Richner, with Regent White continuing to serve as chair. She and Regent Taylor would serve on the Personnel, Compensation and Governance Committee, with Regent Taylor serving as chair.

Committee Reports

Finance, Audit and Investment Committee. Regent Ilitch reported on behalf of Regent White, chair of the Finance, Audit and Investment Committee. She noted that the committee, consisting of Regents White, Regent Maynard, and Richner had met that morning with Executive Vice President Slottow, and that President Coleman also was in attendance. The Personnel, Compensation and Governance Committee (Regents Ilitch and Taylor) attended the portion of the meeting that involved the human capital report and the annual review of the president's travel

and hosting expenses. The 2011 Human Capital Report, which provided updates of a number of key metrics involving faculty and staff, such as staffing trends, recruitment and retention, and retirement and financial profiles. Provost Hanlon, Associate Vice President Laurita Thomas, and University Human Resources Senior Business Analyst Tom Palmer participated in this discussion. The committee next conducted its annual review of the president's travel and hosting expenses, with Associate Vice President Rowan Miranda and Executive Director of University Audits Carol Senneff in attendance. The FAI Committee then met separately Ms. Senneff to receive the bi-monthly internal update.

Personnel, Compensation and Governance Committee. Regent Taylor, chair of the Personnel, Compensation and Governance Committee, reported that following its joint meeting with the Finance, Audit and Investment Committee involving the human capital report and the president's travel and hosting expenses, the committee discussed board and committee meeting schedules.

Health Affairs Committee. Regent Darlow, chair of the Health Affairs Committee, commented that this committee had completed its first year of operation, and thanked Regent Deitch for his leadership and hard work as a driving force during this time. She noted that due to the importance and large scope of the committee's work, it planned to work closely with the entire board. She noted that the Health System workforce comprises more than half of the University's faculty and staff, and its revenues account for nearly 45% of the University's operating revenues, and the committee allows the Health System to share details behind strategic decisions, operating budgets, facility plans, and other areas integral to the system's overall success. She noted that the Health System's direction must continue to make sense both strategically and financially. "Together," she noted, "the Health System, the Health Affairs

Committee, and the whole board will assess current market conditions and forecast health care trends as the Health System develops the next stages of its strategic plans.” Regent Darlow reported that today’s meeting focused on the committee’s work for the coming year and on various communications and regulatory matters, noting that the committee expects bring information to the full board for review over time as appropriate. She commended Health System management, staff, and volunteers for the system’s “terrific achievement” in maintaining its position as the 14th-ranked health system in the nation in the *U.S. News and World Report* rankings, first in the state and in the Detroit area, with most specialty areas being in the top 30 or higher.

President Coleman then turned to the consent agenda.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of June 16, 2011.

Reports. Executive Vice President Slottow submitted the Investment Report, Plant Extension Report, the University Human Resources Report, and the Regents Report on Non-competitive Purchases over \$5,000 from Single Sources, March 16, 2011 through June 15, 2011.

Litigation Report. Vice President Scarnecchia submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Awards Established, July 1, 2010 – June 30, 2011.

University of Michigan Health System. Executive Vice President Pescovitz commented on the Health System’s achievement of being ranked #14 in the recent *U.S. News & World Report* honor roll rankings, as well as being ranked nationally in all 16 specialties for which there is a ranking. She noted that of the 4,825 hospitals in the country, only 140 were

ranked in even one specialty. In addition to being ranked first overall in the Detroit area, the UMHS is ranked first in 15 of the 16 sub-specialty areas.

Division of Student Affairs. Vice President Harper commented on the proposed East Quadrangle renovation project to be considered at this meeting. She noted that the renovation will update safety systems and infrastructure, and will install new plumbing, heating, cooling, and ventilation systems, in addition to other improvements. It will also make improvements to the Residential College facilities. Regent Newman commented about how important residence halls are, not only for current students, but for recruitment of future students, given the amenities provided by other institutions and by their home environments.

University of Michigan-Dearborn. Chancellor Little reported that a major emergency planning exercise is planned on August 9 involving the Dearborn campus, the city of Dearborn, and Oakwood Hospitals.

University of Michigan-Flint. Chancellor Person commented on the request in the agenda that involves moving the School of Management from the William S. White Building to leased space within the Riverfront Building. This is necessitated by the large growth in enrollment in the School of Management. Other expanding programs will be relocated to the William S. White Building.

Michigan Student Assembly Report. Mr. DeAndree Watson, president of the Michigan Student Assembly, updated the regents on activities planned to help welcome students to campus in the fall. He also announced that MSA is planning to evolve into more of a service-oriented body that will serve as a direct link between students and the administration, as opposed to its previous focus on providing educational programming.

Voluntary Support. Vice President May stated that the reports of voluntary support for June, July, and August, as well as the annual report of development, would be presented in September.

Personnel Actions/Personnel Reports. Provost Hanlon submitted a number of personnel actions and personnel reports. He highlighted the appointment of Marie Lynn Miranda as dean of the School of Natural Resources and Environment, effective January 1, 2012. He also called attention to four appointments to distinguished University professors, the highest honor the University can bestow upon a faculty member.

Retirement Memoirs. Vice President Churchill submitted memoirs for 3 retiring faculty members.

Memorials. No deaths were reported to the regents this month.

Degrees. Provost Hanlon submitted for approval final degree lists for the April 2011 commencements and changes to previously approved degree lists.

Approval of Consent Agenda. On a motion by Regent Taylor, seconded by Regent Maynard, the regents unanimously approved the consent agenda.

Alternative Asset Commitment

Executive Vice President Slottow informed the regents that follow-on investments had been made with the following previously approved firms: \$10 million to IDG-Accel China Growth Fund III, L.P.; \$10 million to IDG-Accel China Capital II, L.P.; and €11 million to HealthCap VI, L.P.

Alternative Asset Commitments

On a motion by Regent Ilitch, seconded by Regent Darlow, the regents unanimously approved commitment of \$20 million from the Long Term Portfolio to Green Courte Real Estate

Partners III, L.P., and \$15 million from the Long Term Portfolio to Kuramo Africa Opportunity Fund.

East Quadrangle Renovation

On a motion by Regent Newman, seconded by Regent Ilitch, the regents unanimously approved the East Quadrangle Renovation Project as described and authorized commissioning Integrated Design Solutions LLC for its design.

North Hall Infrastructure Improvements

On a motion by Regent Newman, seconded by Regent Maynard, the regents unanimously approved the North Hall Infrastructure Improvements 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-Flint Riverfront Building Leasehold Improvements for the School of Management

On a motion by Regent Maynard, seconded by Regent Ilitch, the regents unanimously approved the University of Michigan-Flint Riverfront Building Leasehold Improvements for School of Management Project as described in the Regents Communication.

417 South Division Street, Ann Arbor, Michigan

On a motion by Regent Darlow, seconded by Regent Maynard, the regents unanimously approved acquisition of the property at 417 South Division Street, Ann Arbor, Michigan at the negotiated price of \$698,364, subject to the university satisfying itself with the environmental condition of the site and otherwise completing due diligence. 7

Conflict of Interest Items

President Coleman announced that the agenda includes 10 conflict of interest items. Each of these items requires 6 votes for approval. On a motion by Regent Richner, seconded by Regent Taylor, the regents unanimously approved the following 10 items:

Purchase Services from Monkey Shavers Productions

The regents approved purchase of video production services from Monkey Shaves Productions by the School of Natural Resources. Because Josh Guillot, the owner of Monkey Shavers Productions, is the spouse of Shelie Miller, a University of Michigan employee, this purchase 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, the School of Natural Resources and Environment, and Monkey Shavers Productions.
2. The agreement is to purchase video production services to include the production of a 30-minute documentary on bio-fuels.
3. The pecuniary interest arises from the fact that Shelie Miller, a University of Michigan employee, is the wife of Josh Guillot, owner of Monkey Shavers Productions.

Purchase of Research Services from Arbor Research Collaborative for Health

The regents approved purchase by the Department of Internal Medicine-Gastroenterology of analytical and data housing services from Arbor Research Collaborative for Health. Because Dr. Robert M. Marion, a University of Michigan employee, is also president of Arbor Research Collaborative for Health, these agreements fall under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties involved in the agreement are the Regents of the University of Michigan and the University of Michigan Department of Internal Medicine-Gastroenterology and Dr. Robert M. Merion.
2. The agreement is to purchase analytical and data housing services from Arbor Research Collaborative for Health totaling \$43,705.

3. The pecuniary interest arises from the fact that Dr. Robert M. Merion, a University of Michigan employee, is the president of Arbor Research Collaborative for Health.

Purchase of CDs from Melisa Schuster

The regents approved purchase by the Department of Psychiatry of CDs from Melisa Schuster to support the “Mom Power” curriculum. Because Ms. Schuster is also a University of Michigan employee, this purchase 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, Department of Psychiatry, and Melisa Schuster.
2. The agreement is to purchase CDs which will be given to moms to take home as a way to extend their self-care education. The cost for said CDs is \$2,000.
3. The pecuniary interest arises from the fact that Melisa Schuster, a University of Michigan employee, is the creator and distributor of the CDs.

Authorization for the University to Subsidize an Internship at Sakti3, Inc.

The regents authorized the Zell Lurie Institute for Entrepreneurial Studies at the Ross School of Business (“ZLI”) to subsidize a Marcel Gani Internship (“MGI”) at Sakti3, Inc. (“Sakti3”). Because Marie Sastry, a University of Michigan employee, is also CEO and stockholder of Sakti3, 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, ZLI, and Sakti3.
2. The agreement is to subsidize 50% of the total salary of \$14,400 for a 12-week internship paid directly by Sakti3 to MBA student Jongeon Lee.
3. The pecuniary interest arises from the fact that Ann Marie Sastry, a University of Michigan employee, is CEO and stockholder of Sakti3.

Lease Amendment Agreement with Reveal Design Automation Inc.

The regents approved a lease amendment agreement with Reveal Design Automation Inc. for office space in the North Campus Research Complex start-up accelerator space, located at 1600 Huron Parkway, 2nd Floor, Ann Arbor, Michigan. Because Zaher Andraus, Suho Lee, Ryan Moore and Karem Sakallah, University of Michigan employees, are also partial owners of

Reveal Design Automation Inc., 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 lease amendment agreement are the Regents of the University of Michigan and Reveal Design Automation Inc.
2. The service to be provided is the lease of standard office space in the North Campus Research Complex start-up accelerator space on the second floor of Building 520, located at 1600 Huron Parkway, 2nd Floor, Ann Arbor, Michigan, for twelve months. The lease amendment agreement will begin in the summer of 2011 and will use the standard U-M accelerator lease template. Tenant will pay the standard accelerator rates of: \$200 per month for each office (maximum of 6), and \$65 per month for each cubicle (maximum of 8). Reveal Design Automation Inc. will be responsible for providing monthly updates concerning its business progress to the University of Michigan Office of Technology Transfer, and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
3. The pecuniary interest arises from the fact that Zaher Andraus, Suho Lee, Ryan Moore and Karem Sakallah,, University of Michigan employees, are owners of an equity interest in Reveal Design Automation Inc.

Subcontract Agreement between the University of Michigan and 3D Biomatrix, LLC

The regents approved a subcontract agreement with 3D Biomatrix, LLC (“Company”) for a portion of the work pursuant to an NIH funded project. Because Shuichi Takayama and Nicholas Kotov, University of Michigan employees, are also member of the scientific advisory board of the Company (Takayama) and founder, chief technology officer, and member of the board of directors of the Company (Kotov), 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 lease agreement are the Regents of the University of Michigan and 3D Biomatrix, LLC.
2. The terms of the agreement will conform to University policies, including those related to intellectual property and publication. Under the project, a total funding of \$99,900 is anticipated to cover a period of twelve months.

3. The pecuniary interest arises from the fact that Shuichi Takayama is a member of the scientific advisory board of the company, and Nicholas Kotov is founder, chief technology officer, and member of the board of directors of the company.

Research Agreement between the University of Michigan and Arbor Research Collaborative for Health

The regents approved a research agreement with Arbor Research Collaborative for Health (“ARBOR”) which will allow the University to subcontract a portion of the work under a contract with the Center for Medicare and Medicaid Services to ARBOR pursuant to the proposals entitled “End-Stage Disease Prospective Payment System and “Prospective Payment System for Outpatient End Stage Renal Disease Facilities Supplement.” Because Dr. Robert Merion and Dr. Robert Wolfe, University of Michigan employees, are also president and member of the board of directors of ARBOR (Merion) and vice president of biostatistics at ARBOR (Wolfe), 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 Arbor Research Collaborative for Health.
2. The terms of the agreement will conform to University policy. The period of performance for the project is 18 months from March 2010 through September 2011. The amount of funding support is \$118,111.
3. Neither Dr. Wolfe nor Dr. Merion are involved in this project.

License Agreement between the University of Michigan and Edington Associates, LLC

The regents approved a license agreement with Edington Associates, LLC (the “Company”) to license from the University of Michigan the University’s rights associated with the following technology: UM OTT File No. 4019, “Employee Perception of a Culture of Health” and UM OTT File No. 5044, “Health Risk Appraisal System.” Because Dee Edington, a University of Michigan employee, is also a partial owner of the Company, 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 agreement are the Regents of the University of Michigan and Edington, Associates, LLC.
2. Agreement terms include granting the Company a non-exclusive license. The Company will pay a royalty on sales and reimburse any patent or copyright 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, such as adding related technologies. 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. Edington arise from his ownership interest in Edington Associates, LLC.

Subcontract Agreement between the University of Michigan and Edington Associates, LLC

The regents approved a subcontract agreement with Edington Associates, LLC (the “Company”) to enable Dr. Louis Yen in the Health Management Research Center to provide various services to the Company. Because Dee Edington, a University of Michigan employee, is also the owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and Edington Associates, LLC.
2. The terms of the agreement will conform to University policy. The period of performance for the project is one (1) year. The amount of funding support is \$30,000.
3. The pecuniary interests of Dee Edington arise from his ownership interest in Edington Associates, LLC.

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

The regents approved a fourth amendment to a license agreement with NanoBio Corporation (“Company”) to add the following technology from the University to its existing license: UM File No. 4731, “Nanoemulsion Vaccines.” Because Dr. James R. Baker, Jr., a University of Michigan employee, is also an owner, director and officer of the Company, 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.
2. Agreement terms include giving the Company an exclusive license with the right to grant sublicenses. The Company 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, such as adding related technologies. 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. Baker arise from his ownership interest in NanoBio.

New Joint Graduate Degree Program between the College of Engineering and the Stephen M. Ross School of Business

On a motion by Regent Maynard, seconded by Regent Darlow, the regents unanimously approved establishment of a new joint graduate degree program, “Master’s in Entrepreneurship,” to be offered by the College of Engineering and the Stephen M. Ross School of Business

Renaming the Department of Geological Sciences as the Department of Earth and Environmental Sciences

On a motion by Regent Maynard, seconded by Regent Richner, the regents unanimously approved changing the name of the Department of Geological Sciences to the Department of Earth and Environmental Sciences.

Proposed Regents’ Bylaws Revisions

On a motion by Regent Richner, seconded by Regent Maynard, the Regents unanimously approved revisions to Regents’ Bylaws 1.06, 11.31, 11.32, 11.43, and 13.11, as described in the Regents Communication and noted below (additions are underlined, deletions are ~~erossed-out~~).

Sec. 1.06. Officers of the Board (revised ~~June 2004~~ July 2011)

A. President and Secretary of the Board

The president of the university will preside at meetings of the board, without the right to vote. The vice president and secretary of the university will act as secretary of the board.

B. Chair and Vice Chair of the Board

1. Selection:

- a) There will be a chair and vice chair of the board, each of whom will serve a one-year term commencing on July 1 of each year and ending on June 30 of the succeeding year. This process will commence on July 1, 2004. The positions of chair and vice chair will be based on seniority and will rotate through the board based on seniority.
- b) The chair will be the board member with most seniority on the board, and the vice chair will be the board member with second most seniority on the board. Board members must have served for at least one year to be eligible to become chair or vice chair. The vice chair will automatically become chair after serving one term as vice chair. If two or more board members have equal seniority, the chair or vice chair, as applicable, will be chosen through a random selection process. At a meeting before July 1 of each year the board will take a public vote confirming the officers for the subsequent year.
- c) A board member who has served as chair or vice chair is ineligible to serve again in that capacity until all other eligible members of the board have served or forfeited the opportunity to serve. If the vice chair elects not to serve as chair, or the board member next eligible to serve as vice chair elects not to serve as vice chair, then he or she forfeits the opportunity to serve as chair or vice chair until all other members of the board have served in such capacity or forfeited the opportunity to serve.
- d) The chair and/or vice chair may be removed by vote of at least six members of the board. If the chair is removed as chair by vote of the board, resigns, or otherwise is unavailable or unwilling to serve as chair for the remainder of the term, the vice chair will automatically assume that position for the remainder of the term and the board member with the next most seniority will automatically become vice chair for the remainder of the term. If a vice chair is removed as vice chair by vote of the board, resigns, or otherwise is unavailable to or unwilling to serve as vice chair for the remainder of the term, the board member with the next most seniority will automatically serve as vice chair for the remainder of the term. If two or more board members have equal seniority to fill a vacancy, the chair or vice chair, as applicable, will be chosen through a random selection process and confirmed through a vote of the board at its next meeting. A chair or vice chair who serves a partial term may serve a full one-year term after the partial term ends.

Sec. 11.31. The College of Literature, Science, and the Arts: Laboratories and Museums Collections (revised February July 2011)

All special laboratories, ~~and all~~ working collections, and museums in the College of Literature, Science, and the Arts will be under the immediate direction of the chair of the departments of which they are a part, except for the ~~collections maintained by the~~ Museum of Anthropology, the Kelsey Museum of Archaeology, ~~and the~~ Museum of Paleontology, and the Museum of Natural History. Each of these units will be in the charge of a director appointed by the board, on recommendation by the president and responsible to the dean and the executive committee.

Sec. 11.32. The College of Literature, Science, and the Arts: Exhibit Museums

~~There will be maintained in the University Museums Building appropriate exhibits in natural history and anthropology for the educational benefit of the University community and the general public. These exhibits and the staff required to prepare and maintain them will be under a director appointed by the board on recommendation by the president, and responsible to the dean and executive committee.~~

Sec. 11.43. The University of Michigan Hospitals and Health Centers Executive Board (revised November 2009 July 2011)

There will be an executive board of the University of Michigan Hospitals and Health Centers composed of the president, the dean of the Medical School, the dean of the School of Nursing, the provost and executive vice president for academic affairs, the executive vice president and chief financial officer, the vice

president for government relations, the executive vice president for medical affairs, the chief of staff for clinical affairs of the University of Michigan Hospitals and Health Centers, the chief medical officer of the University of Michigan Health System, the director and chief executive officer of the University of Michigan Hospitals and Health Centers, the chief of nursing affairs of the University of Michigan Hospitals and Health Centers, and two nominees from the medical staff of the University of Michigan Hospitals and Health Centers.

The president of the university will serve as chair of the University of Michigan Hospitals and Health Centers Executive Board.

The nominees of the medical staff will be appointed by the Board of Regents, and will serve four-year terms, so staggered to provide one replacement each two years.

Sec. 13.11. The Board for Student Publications (revised July 1992 2011)

The Board for Student Publications is an agency of the Board of Regents of the University and as such has authority and control over all nontechnical newspapers, magazines, periodicals, programs, and other publications edited, managed, or promoted by students or student organizations of the University of Michigan, Ann Arbor, for local sale or circulation.

The Board for Student Publications shall have nine members. At least four members shall be selected from alumni of the University student publications, and at least three members shall be selected from the University community, which includes students, faculty, and staff. Each member shall serve for three years. Members may serve no more than ~~two~~ three consecutive terms. The editors in chief and the business managers of the governed publications shall serve ex officio on the board without vote.

The president of the university shall appoint the nine members of the initial board, three each for terms of one, two, and three years. The president shall seek nominations widely from publications alumni, members of the University community, and members of the community at large for the initial board members. Thereafter, the board shall choose three new members each year and present them as nominations to the president, who shall have power of appointment.

Whenever a vacancy on the board occurs, it shall be announced, and calls for nominations and applications for appointment shall be widely advertised. Appointment shall be by the board. Such interim appointment shall expire at the end of the term of office of the board member replaced.

The officers of the board shall consist of a chair and a secretary/treasurer. The chair shall be nominated by the board through an internal election. The board will present its nomination to the president of the university for appointment; the secretary/treasurer shall be designated by the board.

The Board for Student Publications shall have full authority with respect to the assets, budget, financial, and legal affairs of the corporation. The board shall also have the authority to consider its scope and to increase or decrease the number of publications over which it has authority. In all other matters, including editorial control, the board shall act in an advisory capacity. The Daily staff shall consult with the board with respect to the appointment of the senior editors. The details of the consultation shall be devised jointly by the Daily and the board to the mutual satisfaction of both.

The board shall adopt written operating procedures for all of its functions and responsibilities. These shall include the number of publications over which it exercises control, the procedures for advertising vacant positions and selecting nominees, the procedures for the election and term of the chair, the position descriptions and supervisory procedures for professional employees, and the processes by which any of these procedures may be changed.

The bylaws of the Board for Student Publications shall provide that all surplus funds above an amount sufficient for properly conducting the business of the board be invested through the Investment Office of the University. Such securities and funds derived therefrom shall constitute a trust fund for the general purposes connected with student publications and shall be subject to the control of the Board of Regents. All its bylaws shall be consistent with the bylaws of the Board of Regents.

Comments from Regent Taylor

Regent Taylor noted that he is on the board of directors, the executive committee, and finance committee of Blue Cross-Blue Shield of Michigan. This raises the potential that a conflict of interest could develop with respect to the board's ongoing discussions about the University Health System. Regent Taylor stated that the board is mindful of this situation, and that at some point he may need to excuse himself from the discussions if appropriate.

Public Comments on Non-Agenda-Related Topics

The regents heard comments from Daniel K. Benefiel, citizen, on "China: The Trojan Horse in America."

Adjournment

There being no further business, the meeting was adjourned at 4:20 p.m. The next meeting will take place September 15, 2011.