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comprehensive effort to meet both the letter and spirit of the new Health Insurance Portability and Accountability Act requirements, and he was instrumental in achieving full preparedness to meet emerging public health concerns, such as SARS and West Nile virus.

The Regents now express their deepest appreciation to Lazar J. Greenfield for his exemplary service as interim executive vice president for medical affairs and wish him well as he returns to his role as a distinguished faculty member in the Department of Surgery.

A standing ovation followed. Dr. Greenfield thanked the Regents and noted "what a privilege and pleasure it's been to work with you." He also commented about how much the Health System appreciates the Regents' endorsement and support.

University of Michigan Hospitals and Health Centers (UMHHC) Proposed FY 2004 Operating Budget

On a motion by Regent McGowan, seconded by Regent Maynard, the Regents unanimously approved the proposed FY 2004 University of Michigan Hospitals and Health Centers' Operating Budget.

A ten-minute break followed, beginning at 3:00 p.m. Regent McGowan left the meeting at 3:00.

Public Comments

The Regents reconvened at 3:10 p.m. and heard comments from the following speakers, on the topics indicated: Chetly Zarko, alumnus, on transparency in creating a new admissions process; Jim Mogensen, citizen, on the town-gown relationship for the handicapped; David Noel, citizen and member of V.O.I.C.E., on trespassing by the poor and homeless; Emily Russell and Chelsea Stroh, students and members of Anti-War Action!, on the Army Institute for Collaborative Biotechnologies.

Comments Regarding Supreme Court Admissions Cases

President Coleman commented that this is the first meeting since the announcement of the Supreme Court decision on June 23, 2003. She made the following statement:

I certainly believe that this is a watershed time for our country. The University of Michigan, and I was so proud of the University, has helped lead the nation in a critical dialog and in a powerful recommitment to the value of diversity. The Supreme Court recognized what we as educators have long known, the educational benefits of diversity in the classroom are vast. They have a ripple effect on every part of American society, from corporations to our national defense. This year it's been a real privilege for me to take the cases across the finish line. But my contribution is a very small part of the monumental effort during the course of the litigation, including Jim Duderstadt, Lee Bollinger, Nancy Cantor, Jeff Lehman, social scientist Pat Gurin and her faculty colleagues. Of course, I'm reminded that this university's commitment to diversity has been long and deep, with many tireless leaders in the effort over decades building the foundation on which we stand today.

Today I'd like to recognize the contributions of some of the people who played a role in that effort. Our general counsel, Marvin Krislov, led a spectacular legal team with outside counsels John Payton and Maureen Mahoney. He was the architect of the defense. The University committed to a vigorous public awareness effort as well, and that was handled in-house by our communications team, and I've received so many

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positive comments nationally about the skill and the expertise of that whole communications team. Our alumni and our current students provided important support. They shared their own voices as well as their personal experiences about what makes a Michigan education so valuable. But above all, today, I want to acknowledge the long-standing support of the University's Board of Regents, past and present. That support has been unwavering, and without it we couldn't have led one of the most important national debates of our lifetime.

There is much to do now. We've had a little time of celebration and that's been great, but we're already hard at work. We know the challenges are there. The Supreme Court provided us with guidance about how to consider race as one of many factors in selective admissions processes. And as a result, we're in the process now of redesigning our undergraduate admissions program to comply with that ruling. We will be ready for students who wish to apply to the University this autumn.

She then invited comments from the Regents.

Regent Deitch commented that "those of us who were in the Supreme Court that day found it an incredible experience as Americans, to think that difficult, contentious issues are resolved through thoughtful debate and interaction." He noted that President Coleman had skillfully assumed leadership of the cause upon her arrival. He expressed confidence that the University "will meet [coming] challenges wherever they'll be, and I'm very proud to be associated with it."

Regent Maynard associated herself with Regent Deitch's comments. She thanked President Coleman for her "articulate and strong leadership" as well as everyone else who contributed to the case's success. She stated that she was particularly appreciative of all of the amicus briefs that had been filed, which spoke to the national impact of the cases. She agreed with Regent Deitch that this is a marker in a long process, with much remaining to be done before racial inclusion is achieved. She paraphrased a report about the case that had appeared in a recent issue of the *Chronicle for Higher Education*, which stated that there is a need to embrace an expanded role for higher education so that it works in partnership with primary and secondary educators to improve the quality of education for poor children and children of color. It calls on institutions to "redouble our efforts to ensure that everyone who enrolls in this university experiences a rigorous, horizon-expanding and intellectually challenging education and to make sure that every student learns about the struggles for full inclusion in our democracy that have been a crucial part in our nation's history."

Regent Maynard said that "it is my hope and it is certainly my commitment that everybody at the University is committed to taking on these challenges, because there is much work to be done."

Regent White agreed with the remarks of Regents Deitch and Maynard. She noted that in the preface of the book, *The Shape of the River*, by Derok Bok and William Bowen, the authors compare Mark Twain's image of the Mississippi River as central to the progress of our country, to the image of the flow of talent moving through the higher education system, particularly that of underrepresented minorities. The image is often compared to a pipeline, but rather than being straight, it bends and curves like the shape of the Mississippi River. They note that the college admissions process and educational experience are complex in a similar fashion to the shape of the Mississippi River. "Surely," Regent White said, "We are looking to do more than just predict first

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year grades and even graduation rates when we are looking to admit people to this institution. It is the contributions that individuals make through their lives and the broader impact of higher education on society as a whole that is finally most relevant."

Regent Taylor congratulated all members of the team who had brought this matter to a successful conclusion and noted that former president Bollinger had "done a magnificent job" in assembling the legal team and the amicus briefs. He expressed pride at how successful the University had been in this effort.

Regent McGowan had pointed out in comments prepared prior to having left the meeting that moments after the announcement of the decision an observation had been made that the country was fortunate that the defense of the use of race as a contributing factor in admissions to colleges and universities had fallen to the University of Michigan, due to the University's commitment, achievements, resources, and will to sustain and succeed in this effort. She thanked everyone involved for the broad array of research, skills, and personal commitment brought to this effort, concluding that "It has been a long and remarkable road--and I am proud to have been a part of it." The complete text of these comments is on file in the Office of the Vice President and Secretary of the University.

Vice President Krislov acknowledged the contributions of University staff and outside counsel who had been involved in the litigation throughout the process. He also thanked the Regents for their steadfast support.

Committee Reports

Finance, Audit, and Investment Committee. Regent Brandon reported that the committee had met that morning and received information on three topics: the economic impact of the Supreme Court decision; M-Care financial performance; and recent internal audits.

Compensation and Personnel Committee. Regent Maynard noted that following last month's executive session, the committee had concluded its evaluation of President Coleman which had resulted in a very positive appraisal of her first year in office. She said that the committee would be meeting with President Coleman in September to set the agenda for the coming academic year.

The Regents then turned to the regular agenda.

Consent Agenda

Minutes. Vice President Tedesco submitted for approval the minutes of the meeting of June 19, 2003.

Reports. Executive Vice President Slottow submitted the Investment Report; the Plant Extension Report; the Regents Quarterly Report on Non-Competitive Purchases over \$5,000 from Single Sources, March 16-June 15, 2003; and the Human Resources and Affirmative Action Report. He noted that for the first time in three years, marketable securities have shown a positive trend. He also pointed out that there were no non-competitive purchases over \$5,000 for the period covered in this report.

Litigation Report. Vice President Krislov submitted the Litigation Report.