

DECEMBER MEETING, 2023

*The University of Michigan
Ann Arbor
December 7, 2023*

The regents met at 3:00 p.m. at University Hall, Alexander G. Ruthven Building, and via a livestream link on the university gateway. Participating were Regents Acker, Bernstein, Hubbard and Ilitch. Regents Behm, Brown, Weiser and White participated via Zoom. Also attending were Vice President Baird, Executive Vice President Chatas, Vice President Churchill, Vice President Cunningham, Interim Chancellor Fry, Chancellor Grasso, Vice President Harmon, Vice President Kolb, Vice President Lynch, Provost McCauley, Vice President Pendse, and Executive Vice President Runge. Vice President Hunter also participated via Zoom.

Call to Order and President's Opening Remarks

President Ono called the meeting to order. He said, "We've had a fantastic year together. To be sure we have had our challenges. But we have also had a year of sustained growth and inspired achievement. To offer just one example, at our meeting in October, the Board approved construction of the University of Michigan Center for Innovation in Detroit (UMCI), and I remain so grateful for their approval and their confidence in our team. Next week, we will break ground on this new \$250M facility, which when complete will be a world-class research, education and entrepreneurship center, one that will empower the next generation of Detroiters to dream bigger dreams, and make their dreams into realities. We also recently hired Scott Shireman as UMCI's inaugural director. He's an experienced higher education administrator with deep expertise in global and online education. I'm delighted to welcome him to our team.

“I’m also pleased to announce that as so many members of our community continue to grapple with the violence in the Middle East, we are announcing a new, multifaceted effort to combat antisemitism and advance religious inclusion. We’ll do this through university-wide awareness, education, research and scholarship. These initiatives will take shape in the weeks and months ahead. I’m confident that we will bring together leading U-M expertise and diverse perspectives toward a safer and more inclusive world, and even more, a brighter world of peace.

“At our September meeting I promised to provide an update on the proposed unarmed non-police emergency response initiative. We’ve benchmarked comparable programs at other higher education institutions, gathered an inventory of existing UM services to support a collective crisis response, and identified a workgroup to address the best way forward. I am pleased with the limited actions to date and look forward to further progress in the new year.

“To start the new year, we’ll be cheering on our Wolverines in their quest for a National Championship, and I’d like to congratulate them again for not only winning a third consecutive Big Ten Championship, but for showing incredible character in the face of adversity this season.

“I’m also proud that UM continues to be a leader among higher education institutions for students studying abroad. In 2021-2022 – the most recent academic year with complete data – we had more than 2,000 students studying abroad, which placed us in the top ten nationally.

“Finally, I would like to welcome another individual – and possibly a family – that after an extended absence, has found a new home in our community. Last month, staff members at our Matthaei Botanical Gardens discovered that beavers were building a

dam across Fleming Creek. This is the first time beavers have been in the area since the gardens were established more than a century ago, and we're happy to welcome them.

“As we go to the rest of our business for this meeting, I'd like to wish all of you a safe and happy holiday season, one that is full of light and memories.”

Presentation: SACUA report. SACUA chair Tom Braun participated by zoom and gave an update on SACUA plans for the coming year. He said the major issue on faculty minds is the war between Israel and Gaza and the current campus tensions for faculty, students and their families. He repeated, and agreed with President Ono's recent message: it has to stop.

Endowment Report: Executive Vice President Chatas reported that the long-term portfolio generated a 5.2% return for fiscal year 2023, amongst the highest of the 25 largest university endowments. It has generated a 14.7% annualized return over the past three years, and a 9.9% over the last 20 compared to a 7.6% at the median of university. The University has focused its energy transitioning investments into areas that offer a strong risk-adjusted return, and significant near-term positive environmental impact. This includes investing in renewable energy, and lowering greenhouse gas emissions through industrial processes, and agriculture.

Committee Reports.

Finance, Audit and Investment Committee Regent Hubbard reported that the FAI Committee, including members Regents Weiser, met on November 17 for a financial update and a discussion on the long-term investment pool investment policy.

Health Affairs Committee Regent Bernstein reported that the Health Affairs Committee, including members Regents Behm Hubbard, met on Tuesday and received updates on strategy, financials, UM-Health and Emergency Services.

Chair Report. Regent Hubbard reported that on Nov. 13, she and Regent Bernstein took part in the Higher Learning Committee Reaccreditation evaluation meeting on the UM-Dearborn Campus with Chancellor Grasso.

She participated in the portrait unveiling for UM's 13th President Emerita Mary Sue Coleman, President Ono's first State of the University address, and accompanied President Ono for his keynote at the Detroit Economic Club on November 29 highlighting the challenges and achievements over his first year at UM.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meetings of October 19, 2023.

Reports. Executive Vice President Chatas submitted the Investment Report, the Plant Extension Report, and the University Human Resources Report.

Litigation Report. Vice President Lynch had no report.

Research Report. Vice President Cunningham submitted the Research Award and Expenditures Report ending October 31, 2023.

University of Michigan Health System. Executive Vice President Runge reported on a number of recent recognitions: Michigan Medicine was named the best hospital in the state of Michigan; UM Health was recently ranked as a top hospital for nurses, and using national data resources, UM Health was ranked number six in the nation.

Earlier this year a 'star' rating for clinical faculty was implemented in partnership with Press Ganey, a company that collects data, and then calculates scores. It's perhaps the most recognized, and respected star rating for physicians available online. In the first report from

them, clinical faculty received an average of 4.9/5 stars which, we learned, is one of the highest ratings ever seen by Press Ganey.

He also gave an update on the new specialty pharmacy facility in Dexter, a highly automated pharmacy that is expected to begin filling prescriptions in January. The pharmacy will also become home to a fleet of drones which will have the capacity to deliver prescription drugs to patient homes within a 10 mile radius, later in 2024.

Executive Vice President Runge also spoke to an item that is on the agenda to approve a strategic alliance between UM-Health, and Highland Hospital in Holland, Michigan. This alliance will benefit healthcare patients across West Michigan by allowing both organizations to pursue opportunities that support high-quality clinical services locally.

Student Life. Vice President Harmon had no report.

University of Michigan-Dearborn. Chancellor Grasso reported a number of items including: plans for commencement to be held on December 16th, including over 700 graduates; the higher learning commission issued a ten-year reaccreditation, and he thanked Regents Bernstein and Regent Hubbard for their participation; a national advisory committee member announced a \$1 million gift to the campus; student government has developed a student government code of ethics; and finally, *24-7 Wall Street* issued a ranking of upward mobility campuses in the U.S. and UM-Dearborn was ranked 29th.

University of Michigan-Flint. Interim Chancellor Fry reported on a number of items including: UM-Flint received a \$30 million commitment from the state of Michigan to help fund phase two of the creation of an Innovation Complex featuring state-of-the-art instructional

laboratories for applied technology disciplines; the Management Center for Entrepreneurship and Innovation is one of four finalists for the Excellence and Innovation award from the U.S. Association of Small Business, and Entrepreneurship; and UM-Flint has developed a generative AI prompt literacy course that teaches students to master the art of AI prompting.

Student Government Reports. Rackham Student Government President Angelica Previero acknowledged that a lot of students feel hurt, and unheard in regards to the current unrest on campus. She provided an update on activities over the last year including academic and professional workshops; affordability concerns for graduate students coupled with inflation, and the rising cost of living in the area, and efforts to support students financially. She also thanked the associate deans for their willingness to listen to, and connect with graduate students.

Central Student Government President Meera Herle reported on new staff members, workshops on planning and affordability in Ann Arbor, the Airbus program which provides students with discounted rides to and from the airport, and programming focused on mental health.

She said that the last two months have not been easy and everyone has felt the impact of the global conflicts. The elevation of student voices and advocacy are at odds with campus mental health, and well-being, and she is grateful for the support they have received.

Voluntary Support. Vice President Baird had no additional report.

Personnel Actions/Personnel Reports. Provost McCauley presented a number of personnel actions and reports.

Retirement Memoirs. Vice President Churchill submitted retirement memoirs.

Memorials. No deaths of active faculty members were reported to the regents.

Degrees. Recommendations for honorary degrees were submitted.

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

University Real Estate Policy Annual Report on Leases Exceeding 50,000 Square Feet

Executive Vice President Chatas presented the annual report on leases exceeding 50,000 square feet as required by the university's real estate policy.

Fiscal Year 2025 Capital Outlay Submissions All Campuses

Executive Vice President Chatas reported that the university submitted to the State of Michigan capital outlay requests and five-year plans for the Ann Arbor, Dearborn, and Flint campuses for the 2025 fiscal year. The plans include information on the university's mission, instructional programming, staffing and enrollment data, facility condition assessment, and major projects anticipated over the next five years.

Alternative Asset Commitments

Executive Vice President Chatas reported on follow-on investment with previously approved partnerships including a commitment of \$50 million to Investindustrial; and a commitment of \$40 million to Waterton Global Resource Management.

Electric Vehicle Center Battery Lab Expansion (1910 Ellsworth, Ann Arbor, Michigan)

On a motion by Regent Hubbard, seconded by Regent Acker, the regents approved the leasehold improvements project as described.

Observatory Hall Reserve Officers Training Corps Space Renovation

On a motion by Regent Ilitch, seconded by Regent White, the regents unanimously approved the Observatory Hall Reserve Officers Training Corps Space Renovation project as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

UM-Dearborn Renick University Center First Floor Renovations

On a motion by Regent Hubbard, seconded by Regent Bernstein, the regents unanimously approved the UM-Dearborn Renick University Center First Floor Renovations project as described, and authorized issuing the project for bids and awarding construction contracts provided that bids are within the approved budget.

School of Nursing Building 1 Classroom and Interior Renovation

On a motion by Regent Ilitch, seconded by Regent Acker, the regents unanimously approved the School of Nursing Building 1 Classroom and Interior Renovation project as described, and authorized issuing the project for bids and awarding construction contracts provided that bids are within the approved budget.

New Michigan Marching Band Practice Field

On a motion by Regent Acker, seconded by Regent Brown, the regents unanimously approved the revised project budget, and authorized proceeding with construction providing that bids are within the approved budget.

Marsal Family School of Education at Marygrove

Provost McCauley reported that the Marsal Family School of Education will offer a four-year undergraduate degree program on Learning, Equity And Problem-Solving (LEAPS) with a residential experience for one year on the campus of the former Marygrove College--now home to the Marygrove Learning Community: A Detroit P-20 Partnership in Northwest Detroit. The program was approved by the Provost's Office and by MASU in 2022 and blends research with community-based learning in Detroit. First year students will live and learn together before defining individualized career pathways. The initial cohort of 20 to 25 first-year students will enroll in Fall 2024.

On a motion by Regent Brown, seconded by Regent Acker, the regents unanimously approved the lease and the leasehold improvements as described.

Conflicts of Interest

On a motion by Regent Bernstein, seconded by Regent Ilitch, the regents approved the following conflict of interest items, excluding item 10. Freshstart Clubhouse, Inc., that fall under the State of Michigan Conflict of Interest Statute.

On a motion by Regent Bernstein, seconded by Regent Ilitch, the regents approved a conflict of interest item, Freshstart Clubhouse, Inc., that falls under the State of Michigan Conflict of Interest Statute. Regent Hubbard recused herself from voting. The following information is provided in compliance with statutory requirements:

Authorization for the University to transact with Arbor Medical Innovations, LLC

An agreement with Authorization for the University to transact with Arbor Medical Innovations, LLC was approved.

1. The parties to the contract are the Regents of the University of Michigan and its Internal Medicine - Division of Hematology and Oncology and Arbor Medical Innovations, LLC.

2. The agreement is for a one time fee at a total cost not to exceed \$6,000. Arbor Medical Innovations, LLC will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
3. The pecuniary interest arises from the fact that University of Michigan employees Grant Kruger and Steven Harte, are members of Arbor Medical Innovation, LLC.

Authorization for the University to transact with Dieta, Inc.

An agreement with Authorization for the University to transact Dieta, Inc. was approved.

1. The parties to the contract are the Regents of the University of Michigan and its Internal Medicine – Division of Gastroenterology and Hepatology and Dieta Inc.
2. The agreement is for a one time fee at a total cost not to exceed \$2,500. Dieta Inc. will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
3. The pecuniary interest arises from the fact that University of Michigan employee, William Chey, is a member of the medical advisory board for Dieta.

Authorization for the University to enter into an agreement with Freshstart Clubhouse Inc.

An agreement with Freshstart Clubhouse Inc. was approved.

1. The parties to the agreement are the regents of the University of Michigan, its Department of Community Health Services and Freshstart Clubhouse, Inc.
2. The agreement is for a duration of three years at a total cost not to exceed \$744,810. Freshstart Clubhouse, Inc. will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
3. The pecuniary interest arises from the fact that University of Michigan employees Apoorva Belle, Abigail Kunk, and Elizabeth Evans, are board members of Freshstart Clubhouse, Inc.

Authorization for the University to transact with Growing Forward Together

An agreement with Growing Forward Together was approved.

1. The parties to the agreement are the regents of the University of Michigan, its Department of Obstetrics and Gynecology and Growing Forward Together.
2. The agreement is for a one time fee at a total cost not to exceed \$3,550. Growing Forward Together will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services' standard templates for other similar contracts entered into by the regents.
3. The pecuniary interest arises from the fact that University of Michigan employees Lisa Kane Low is a member of the board of directors, and Julia S.

Seng is co-founder, CEO, and director of Growing Forward Together.

Authorization for the University to transact with Morph Biosciences, LLC

Authorization for the University to transact Morph Biosciences, LLC was approved.

1. The parties to the contract are the Regents of the University of Michigan and its Office of Research Fast Forward Medical Innovation and Morph Biosciences, LLC.
2. The agreement is for a duration of three years at a total cost not to exceed \$157,636. Morph Biosciences, LLC will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
3. The pecuniary interest arises from the fact that University of Michigan employee, David C. Olson, is a member and owner of Morph Biosciences, LLC.

Authorization for the University to enter into an agreement Reames Consulting LLC

An agreement with Reames Consulting LLC was approved.

1. The parties to the contract are the Regents of the University of Michigan and its Michigan Medicine - Department of Psychiatry and Reames Consulting LLC.
2. The agreement is for a duration of one year at a total cost not to exceed \$43,000. Reames Consulting LLC will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
3. The pecuniary interest arises from the fact that University of Michigan employee, Griffin Reames, is owner of Reames Consulting LLC.

Authorization for the University to enter into an agreement with Ripple Science Corporation

An agreement with Ripple Science Corporation was approved.

1. The parties to the agreement are the regents of the University of Michigan, its Life Course Development Program and Ripple Science Corporation.
2. The agreement is for a duration of five years at a total cost not to exceed \$25,000. Ripple Science Corporation will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
3. The pecuniary interest arises from the fact that University of Michigan employee, Nestor Lopez-Duran, is founder, director, and owner of Ripple Science Corporation.

Authorization for the University to transact with SustainabiliD LLC

An agreement with SustainabiliD LLC was approved.

1. The parties to the contract are the Regents of the University of Michigan and its School for Environment and Sustainability, Office of the Vice President for Government Relations, and Frederick A. and Barbara M. Erb Institute for Global Sustainable Enterprise and SustainabiliD LLC.
2. The agreement is for a duration of eighteen months at a total cost not to exceed \$160,000. SustainabiliD LLC will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
3. The pecuniary interest arises from the fact that University of Michigan employee, Kerry Duggan, is owner of SustainabiliD LLC.

Authorization for the University to transact with Whip's Dog Days

An agreement with Whip's Dog Days was approved.

1. The parties to the agreement are the regents of the University of Michigan, its Radrick Farms Golf Course and Whip's Dog Days.
2. The agreement is for a duration of three years at a total cost not to exceed \$30,000. Whip's Dog Days will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
3. The pecuniary interest arises from the fact that University of Michigan employee, Leroy Whipple, is owner of Whip's Dog Days.

Authorization for the University to transact with Wise Work, LLC

An agreement with Wish Work, LLC was approved.

1. The parties to the agreement are the regents of the University of Michigan, its College of Literature, Science, and the Arts and Wise Work, LLC.
2. The agreement is for a one time purchase at a total cost not to exceed \$1,958. Wise Work, LLC. will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
3. The pecuniary interest arises from the fact that University of Michigan employee, Blaire Tinker, is owner of wise Work, LLC.

Authorize Execution of Investment Agreements Under the Accelerate Blue Fund for Refraction AI, Inc.

The agreements for Refraction AI were approved.

1. The parties to the contract are the Regents of the University of Michigan and Refraction AI, Inc.
2. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the Agreement. The A-B Fund is seeking approval for financing agreements up to a total of \$2,000,000 in

potential investments (through one or more rounds of financing) in the Company. It is understood that, upon approval of this item, A-B Fund will have no obligation to enter into the Agreements or proceed with any investment in the company.

3. The pecuniary interest arises from the fact that university employee, Ram Vasudevan, is a partial owner of the company, and/or undertakes a senior company officer or board role.

Approval of Commercialization Agreements

Commercialization agreements with the University of Michigan were approved.

1. The parties to the contract are the Regents of the University of Michigan and the following companies: 1) GeneToBe Inc.; 2) Health Technology Innovations, LLC; 3) Lumetec Inc.; and 4) Prevada Medical, Inc.
2. The University will retain ownership of the optioned, licensed, or reassigned technologies and may continue to further develop and use them internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the Agreements. Standard disclaimers of warranties and indemnification apply, and the Agreements may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate. Terms specific to each Agreement are described in Attachment A.
3. The pecuniary interest arises from the fact that University of Michigan employees: 1) Yuqing Chen and Jie Xu; 2) David Hanauer; 3) Zack Spica; and 4) Kevin Ward; have activities, relationships, or interests in the companies.

Authorization to enter into or amend Agreements

Project agreements with the University of Michigan were approved.

1. The parties to the contract are the Regents of the University of Michigan and the following companies: 1) Eli Lilly and Company; 2) Energy Systems of Michigan; 3) MedSyn Biopharma LLC; 4) Navigation Solutions, LLC; 5) NX Fuels, Inc.; and 6) Theia Scientific, LLC.
2. The terms of the agreements and/or amendments conform to university policy. The funding support will not exceed the amount reported in Attachment A for each agreement and/or amendment. Since projects are often amended, these agreements and/or amendments include provisions for changes in time and scope. 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 arises from the fact that University of Michigan employees: 1) Marschall Runge; 2) Al-Thaddeus Avestruz; 3) Arul Chinnaiyan and Shaomeng Wang; 4) Lauro Ojeca; 5) Zetian Mi; and 6) Kevin Field, have activities, relationships, or interests in the companies.

Department of Voice - Rename as the Department of Voice & Opera

On a motion by Regent Bernstein, seconded by Regent Ilitch, the regents approved that the Department of Voice be renamed as the Department of Voice & Opera, effective January 1, 2024.

Establishment of the Technology Department, College of Innovation and Technology, University of Michigan-Flint

On a motion by Regent Bernstein, seconded by Regent Ilitch, the regents approved the Establishment of the Technology Department, College of Innovation and Technology, UM-Flint

College of Arts and Sciences, University of Michigan-Flint - Approval to change the name of the College of Arts and Sciences to the College of Arts, Sciences and Education

On a motion by Regent Bernstein, seconded by Regent Ilitch, the regents approved the to change the name of the UM-Flint College of Arts and Sciences, to the College of Arts, Sciences and Education effective December 1, 2023.

Holland Hospital Strategic Alliance

On a motion by Regent Bernstein, seconded by Regent Ilitch, the regents authorize the Executive Vice President for Medical Affairs and Dean of the Medical School and such other officers as he may designate to: (a) take any actions necessary or desirable to consummate the transactions described in this action request; and (b) to obtain or make, as applicable, all governmental and third-party approvals, consents, notices and authorizations that may be necessary.

Public Comment

The regents heard public comments from: Rawan Antar, student, on Arab Student Association concerns; Charles H.F. Davis III, faculty members, on structural limitations of DEI, systemic racism, and political suppression of student voice; Yamaan Saadeh, faculty member, on

ethics in medicine at UMHS; Elise Hocking, student, on campus climate (including in classrooms); Tyler Fioritto, student, on election day holiday; Conner Singh VanderBeek, student, on follow up on President Ono's support of an unarmed, non-police emergency response program; Sameera Ahmed, alum, on student mental health; Hana Chung, alum, on alumni connections and family; Penni Toney, staff, on introducing UMMAP; and Jim Mogensen, citizen, on UM health system funding.

Regent Hubbard thanked all the speakers for their comments.

Executive Vice President Runge introduced UM-Health Lindsey Heering, administrative director, Child & Family Life, Paws-4-Patients Program, and Brianna Solberg, specialist in senior health. They provided an overview of their therapy dog program and introduced handlers Chaplain LJ Brazier, and partner dog Anna, and Lana Berry, with partner dog Penny, who visited with meeting attendees. The program is endowed by the Lipschutz-Danzansky Family and involves many volunteers.

Adjournment

The meeting was adjourned at 5:45 p.m. The next meeting will take place on February 15, 2024.