

## APRIL MEETING, 2014

Approved by the  
Regents  
May 15, 2014

*The University of Michigan  
Ann Arbor  
April 17, 2014*

The regents met at 3:17 in the Anderson Room, Michigan Union. Present were President Coleman and Regents Bernstein, Darlow, Deitch, Diggs, Ilitch, Newman, Richner and White. Also present were Vice President and Secretary Churchill, Vice President Harper, Interim Vice President Hu, Chancellor Little, Vice President Lynch, Vice President May, Chancellor Person, Executive Vice President Pescovitz, Provost Pollack, Vice President Rudgers, Executive Vice President Slottow and Vice President Wilbanks.

### **Call to Order and President's Opening Remarks**

President Coleman began by welcoming Dr. Mark Schlissel to the meeting. President-elect Schlissel said that he looks forward being on campus full-time in July, and appreciated the warm welcome he has received.

President Coleman congratulated Executive Vice President and Chief Financial Officer Tim Slottow, who has been selected as president of the University of Phoenix after leading Business and Finance Office for the past 12 years. She credited Vice President Slottow's leadership for the strength of the endowment, the bond ratings and the University's overall fiscal health. This transition has led to the recommendation for approval of the appointment of CEO of UM Hospitals and Health Centers (UMHHC), Doug Strong, as interim executive vice president and CFO.

President Coleman noted the appointment of Susan Borrego as chancellor of UM-Flint, succeeding Chancellor Ruth Person. Dr. Borrego is currently vice president for enrollment

management, planning, and student affairs at California State University at Dominguez Hills, and with approval, will begin her work as chancellor on August 1st.

The men's gymnastics team won their third national championship in five years. Team captain Sam Mikulak won his third individual all-around championship, and finished his UM career as a 17-time All-American. She congratulated the team and Coach Kurt Golder on a remarkable season.

President Coleman noted that planning for commencement activities for the Class of 2014 is underway. General Motors CEO Mary Barra will deliver the keynote address at Michigan Stadium, and journalist Daniel Okrent is speaking at University Graduate Exercises at Hill Auditorium.

President Coleman introduced Dean Jeff Mackie-Mason for a presentation about the School of Information.

### **Presentation: School of Information**

Dean MacKie-Mason began by stating the School of Information mission, which is to create and share knowledge so that people can use information, with technology, to build a better world. The focus is on the intersection of people, information and technology, and is highly multidisciplinary. Faculty teaches and conducts research on the human-centered design of information systems, and the impact of information systems on education, communications, politics, commerce, health, and science. They are guided by asking the following three questions: what is needed to improve lives, how can information help, and how can technology make it happen.

President Coleman then introduced a Karen Staller, chair of the Senate Advisory Committee on University Affairs (SACUA), for a presentation.

## **Presentation: SACUA Annual Report**

Karen Staller, chair of SACUA. Ms. Staller spoke of the challenges of centralized and decentralized faculty governance, and provided real examples of the benefits and costs. She said that it is more difficult to implement centralized policies in a decentralized system, even when they may be beneficial to the university as a whole. She gave examples of faculty grievance procedure, and the SPG on minors involved in university programs, noting that the manner in which these programs are implemented in a decentralized model could lead to more risk. Tenure and promotion guidelines also vary between colleges and schools. She stressed the importance of a common commitment and vision, and cited communication, participation and transparency, balanced with a strong faculty voice as key factors for success. She called for a renewed commitment to faculty participation that transcends all colleges and schools, and builds on faculty expertise, for a new and even better future.

## **Public Comment**

Regents heard comments from the following individual on the topic listed: Douglas Smith, citizen, on the Central Student Government Report.

## **Committee Reports**

**Finance, Audit and Investment Committee.** Regent Richner, chair of the Finance, Audit and Investment Committee, said that he and Regent Darlow met with Vice President Slottow. They heard from David Brandon, Donald R. Shepherd director of intercollegiate athletics, Jim Balgooyen, executive director for Athletics business operations, and Nancy Hobbs, interim associate vice president for finance, regarding the Athletic Department's proposed FY 2015 budget. The committee also heard from Thom Madden, administrative services

transformation senior project director, Laura Patterson, associate vice president and chief information officer, and Brent Haase, internal controls compliance manager, on administrative shared services and IT rationalization internal controls strategy.

**Health Affairs Committee.** Regent Diggs reported that she and committee members Regent Deitch and Regent Ilitch received an update on Quality and Safety with Dr. Skip Campbell, chief medical officer, who provided an update on the Collaborative Quality Initiative, a partnership between the UMHS and Blue Cross Blue Shield of Michigan (BCBSM) involving ten collaboratives and 66 hospitals statewide. It focuses on self-optimization of clinical care by physicians, and has resulted in improved quality and lower costs. The committee heard from Doug Strong, CEO of the UMHHC, who commented on the last Hospitals and Health Centers Executive Board meeting and pending leadership transitions.

Health System CFO Paul Castillo presented the March financial results. Denise Gray-Felder, chief communications officer for the health system, was introduced. The committee received an update on recent strategic initiatives, and a fact sheet on philanthropy that described the key role of donors in education, research and care, and the \$1B health system campaign. Notably, 85% of the donors to the Victors for Michigan campaign have given gifts under \$1,000, and current medical students have raised \$1.56M to date.

**Personnel, Compensation and Governance Committee.** Regent Newman, co-chair of the Personnel, Compensation and Governance Committee, met with Vice President Churchill and received a report from Chancellor Little on the UM-Dearborn Campus, and an update from Provost Pollack on various searches. Law School Dean Mark West provided a report on the recent Law School rankings, and SACUA Chair Karen Staller, gave the SACUA annual report.

## **Consent Agenda**

**Minutes.** Vice President Churchill submitted for approval the minutes of the meeting of March 20, 2014.

**Reports.** Executive Vice President Slottow submitted the Investment Report as of March 30, 2014 and the Plant Extension Report, and the Regents Report on Non-Competitive Purchases over \$5,000 from Single Sources for December 16, 2013 – March 15, 2014. There was no University Human Resources Report.

**Litigation Report.** Vice President Lynch submitted the Litigation Report.

**Research Report.** Interim Vice President Hu submitted the Report of Projects Established, July 1 – March 30, 2014.

**University of Michigan Health System.** Executive Vice President Pescovitz had no additional report.

**Student Life.** Vice President Harper commented on working with student leaders and thanked outgoing CSG president, Michael Proppe, adding that, “the real test of leadership often comes during tough times, and Michael, you have had some tough times, and your leadership has made an incredible difference.” She complimented his focus in the midst of many varied perspectives that helped to turn the corner on an important issue, complimenting him for being, “clear on your role, and firm in your resolve.”

**University of Michigan-Dearborn.** Chancellor Little noted that the April 27 UM-Dearborn commencement speakers are Nathan Forbes, managing partner for the Forbes Company, and Lolita Hernandez, award-winning author, poet and the first woman to achieve a UAW journeyman card. He mentioned the Commission for Women and their Susan B. Anthony Awards event at which Regent Diggs provided the keynote address. The Commission honored

Grace Lee Boggs, and Dr. Gloria House, both for their contributions to human rights causes, and also Ghassan Kridli, associate professor of industrial and manufacturing systems, for his efforts in encouraging women in engineering.

**University of Michigan-Flint.** Chancellor Person said that the UM-Flint Campus was honored to have recently accepted all the official papers of Congressman Dale Kildee who served for 37 years. She noted that the first user of these papers was by an Ann Arbor doctoral student writing a dissertation on fair housing practices.

**Central Student Government Report.** Central Student Government (CSG) President Michael Proppe reported that since the IM building began opening two hours early, over 200 students have taken advantage of the new hours. The CSG conducted a survey, the results of which were supportive of the new football ticket policy, the night owl bus route, and the Intra-Fraternity Council ban on hard liquor at parties. Students oppose the shortening of Welcome Week and believe that there could be unintended consequences, such as having a football Saturday be the first full day of college for incoming freshman. This could negatively impact meeting the people in their dorm, exploring Ann Arbor, and other new student initiatives.

The survey also provided constructive feedback, and he commented that listening and having conversations were both very important. The CSG report on the new Student Sexual Misconduct policy cited some encouraging information, and also some concerns, especially regarding completion time for follow-up.

Looking forward, Mr. Proppe recommended working with CSG to revise the Regents' Bylaws to codify student input in decision-making, and he introduced the 2014-15 CSG President Bobby Dishell.

Mr. Dishell said that he and vice president Megan Shorkal were looking forward to working with the regents and the administration. He called the Alumni Association an underutilized resource and highlighted plans work with this group to help increase minority enrollment, and to connect UM students with local alumni while they are studying abroad or interning off campus. He mentioned the priority of student safety and plans to implement the Wolverine Support Network – a peer support network to help improve mental health by creating a safe space to talk about everyday life, led by seniors, where students can talk freely, and hopes that this will help to de-stigmatize mental health issues.

Regent Richner thanked Mr. Proppe for this service and said, “I look forward to seeing you in your new position at PWC in the elevator bank we will share in Detroit.”

**Voluntary Support.** Vice President May submitted a report for March 30, 2014. He said that support continues at record-breaking levels. He also spoke to the establishment of an endowed deanship made possible by a gift from the Graham Foundation for the Samuel A. Graham Dean, School of Natural Resources and Environment.

**Personnel Actions/Personnel Reports.** Provost Pollack spoke to the following appointments on the meeting agenda: James Dalton, dean of the College of Pharmacy, is a former professor of pharmaceutical chemistry now leading research and development efforts in the pharmaceutical industry; Andrew D. Martin, dean, and professor of LSA, is the Charles Nagel Chair of Constitutional Law and Political Science and vice dean in the School of Law at Washington University in St. Louis; and Robert M. Sellers, vice provost for equity, inclusion and academic affairs, has chaired the Department of Psychology since 2011.

**Retirement Memoirs.** Vice President Churchill submitted four faculty retirement memoirs.

**Memorials.** Vice President Churchill reported that no deaths of active faculty members were reported to the regents this month.

**Degrees.** There was no report.

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

### **Alternative Asset Commitments**

Executive Vice President Slottow reported on the University's follow-on investments with previously approved partnerships with CREA Partners, I, L.P., a commitment of \$20 million; CP Investment Fund V, L.P., a commitment of \$25 million; and Dyal Capital Partners II, L.P., a commitment of \$50 million.

### **Absolute Return and Public Equity**

On a motion by Regent Richner, seconded by Regent White, the regents unanimously approved the following three commitments: \$50 million from the University's investment pool for working capital to III Credit Opportunities Fund, Ltd.; \$35 million from the Long Term Portfolio, to Mittleman Investment Management; and €30 million from the Long Term Portfolio to Metric Capital Partners Private Capital Fund II, L.P.

### **North Campus Grove Approval of Project and Authorization to Appoint an Architect**

On a motion by Regent Richner, seconded by Regent Darlow, the regents unanimously approved the North Campus Grove project as described and authorized commissioning Stoss for its design.

### **Department of Intercollegiate Athletics Operations Center Approval of Schematic Design**

The schematic design was presented by David Barczys, president, Niagara Murano, LLC. This facility will centralize functions such as maintenance, laundry and shipping and will improve efficiency. It will be situated on State Street just south of Stadium Boulevard. A visual representation of the new brick, cast stone and glass facility was presented and the design allows for landscaping between the sidewalk and building.

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the schematic design for the Department of Intercollegiate Athletics Operations Center project as presented.

### **Stephen M. Ross School of Business Kresge Business Administration Library Renovation, Computer and executive Education Building Demolition, New Academic Building, and Exterior Cladding Project Approval of Schematic Design**

Jill Lerner, principal at Kohn Pedersen Fox Associates presented the schematic design. This project touches the business school campus in its entirety, and includes a new academic building with classrooms of the future. She reviewed the floor plans, linking the main Business School buildings. In addition to classrooms, this project will add study space, faculty and research offices, and enhance many of the non-academic operations. Three elevators will be centrally located for efficiency. The lower level features open student study space, recruiting space and classrooms. This renovation will create a beautiful new entrance for the complex.

On a motion by Regent Richner, seconded by Regent Deitch, the regents unanimously approved the schematic design for the Stephen M. Ross School of Business Kresge Business Administration Library Renovation, Computer and Executive Education Building Demolition, New Academic Building, and Exterior Cladding Project as presented.

### **Dental Building to Palmer Commons Chilled Water Interconnection**

On a motion by Regent Richner, seconded by Regent Newman, the regents unanimously approved the Dental Building to Palmer Commons Chilled Water Interconnection project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

### **East Hall Masonry Cornice and Window Soffit Repairs Approval to Proceed with Project**

On a motion by Regent White, seconded by Regent Diggs, the regents unanimously approved the East Hall Masonry Cornice and Window Soffit Repairs project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget

### **Glen Avenue Parking Structure Elevator Replacement and Improvements**

On a motion by Regent Newman, seconded by Regent Richner, the regents unanimously approved the Glen Avenue Parking Structure Elevator Replacement and Improvements project as described, authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

### **North Campus Research Complex Building 28 Renovations for the College of Engineering**

On a motion by Regent Deitch, seconded by Regent White, the regents unanimously approved the North Campus Research Complex Building 28 Renovations for the College of Engineering project for bids and awarding construction contracts providing that bids are within the approved budget.

## **Conflict of Interest Items**

President Coleman said the agenda includes three conflict of interest items, each of which requires three votes for approval and which would be approved by a single motion.

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the following three items:

### **Patent Option Agreement between the University of Michigan and Diapin Therapeutics, LLC**

The Regents unanimously approved an agreement with Diapin Therapeutics, LLC (the “Company”) to obtain an option from the University of Michigan for the University’s rights associated with the following technologies: UM OTT File No. 5574, entitled: “Mixed Disulfide Conjugates of Thienopyridines as Antiplatelet Agents.”

Because University of Michigan employee, Yuqing (Eugene) Chen, is 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. Parties to the agreement are the Regents of the University of Michigan and Diapin Therapeutics, LLC.
2. Agreement terms include granting the Company an exclusive option to the technology. The Company will reimburse ongoing patent costs, perform technical diligence, and provide a business plan that describes the Company’s intention and ability to develop and commercialize the licensed technology. Terms of the subsequent license agreement would include a royalty on sales and reimbursement of 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 disclaimer of warranties and indemnification apply, and the Agreement 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.
3. The pecuniary interests of Yuqing Chen arise from his ownership interest in Diapin Therapeutics, LLC.

### **License Agreement between the University of Michigan and Inmatech, Inc.**

The Regents unanimously approved an agreement with Inmatech, Inc. (the “Company”) to license from the University of Michigan the University’s rights associated with the following technologies: UM OTT File No. 4794, entitled: “High Performance Transition Metal Carbide and Nitride Based Asymmetric Supercapacitors.”

Because University of Michigan employees, Levi Thompson, Paul Rasmussen and Saemin Choi, are also partial owners 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 Inmatch, Inc.
2. Agreement terms include granting 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 may receive equity in the Company, along with the right to purchase more equity. 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 disclaimer of warranties and indemnification apply, and the Agreement 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.
3. The pecuniary interest of Levi Thompson, Paul Rasmussen and Saemin Choi, arise from their ownership interest in Inmatch, Inc.

### **Research Agreement between the University of Michigan and OncoFusion Therapeutics, Inc.**

The Regents unanimously approved an agreement with OncoFusion Therapeutics, Inc. (the “Company”) to fund a project entitled “BET Bromodomain Inhibitors” (ORSP#14-PAF05038) in Internal Medicine.

Because Arul Chinnaiyan, Shaomeng Wang, and William Brinkerhoff, University of Michigan employees, are also partial owners 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 OncoFusion Therapeutics, Inc.
2. The terms of the Agreement conform to University policy. The period of performance is two (2) years. The amount of funding is an amount not to exceed \$6,750,000. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. 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 Arul Chinnaiyan, Shaomeng Wang, and William Brinkerhoff arise from their ownership interest in OncoFusion Therapeutics, Inc.

### **New Master Degree Program**

On a motion by Regent Bernstein, seconded by Regent Ilitch, the regents unanimously approved the new Master of Design program in the Penny W. Stamps School of Art and Design.

### **Approval of Renaming of an Institute**

On a motion by Regent Richner, seconded by Regent White, the regents unanimously approved the renaming of the Institute for Human Adjustment as the Mary A. Rackham Institute, effective July 1, 2014.

### **Approval to Change Name of Department**

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved renaming the Department of Medical Education to the Department of Learning Health Sciences.

## **Approval of University of Michigan Health System (UMHS) Appointments to the Board of Directors of the Washtenaw Community Health Organization (WCHO)**

On a motion by Regent Diggs, seconded by Regent Ilitch, the regents unanimously approved the appointments to the Board of Directors of the Washtenaw Community Health Organization as recommended.

### **Public Comments**

Regents heard comments from the following individuals on the topics listed:

C.W. Kauffman, citizen, on duty, honor, country; Kat Steih, student, on finding a new room for the Gamelan; Elizabeth McLain, student, on the Gamelan Ensemble at the University of Michigan; Susan Pratt Walton, faculty, on finding a permanent home for the gamelan.

Provost Pollack commented that building renovations currently underway include a space for the Gamelan.

### **Adjournment**

There being no further business, the meeting was adjourned at 4:45 p.m. The next meeting will take place on May 15, 2014 on the UM-Dearborn Campus.