

**SEPTEMBER MEETING, 2015**

*The University of Michigan  
Ann Arbor  
September 17, 2015*

The regents met at 4:00 p.m. in the Anderson Room, Michigan Union. Present were President Schlissel and Regents Behm, Bernstein, Ilitch, Richner, Ryder Diggs and White. Also present were Chancellor Borrego, Vice President Churchill, Vice President Harper, Executive Vice President Hegarty, Interim Vice President Hu, Chancellor Little, Vice President Lynch, Vice President May, Provost Pollack, Vice President Rudgers, Executive Vice President Runge, and Vice President Wilbanks. Regents Deitch and Newman were absent.

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

President Schlissel began by thanking the students and parents who stopped by his Open House and those who participated in the New Student Convocation, including Central Student Government President Cooper Charlton who invited him to walk alongside the students into the Crisler Center.

He continued saying, "A week ago today two members of our community took center stage at the White House when President Obama presented the National Medal of Arts. The medal is our nation's premier honor bestowed upon artists and arts patrons. The recipients included Professor Emeritus George Shirley of the School of Music, Theatre & Dance and the University Musical Society (UMS) of the University of Michigan. Professor Shirley is a pioneering voice on both the grandest stages as a premier operatic tenor and as an educator and mentor to students at UM. He was the first African-American music teacher at the high school level in Detroit and the first

African-American tenor to perform a leading role at the New York Metropolitan Opera. He has taught here since 1987 and is the Joseph Edgar Maddy Distinguished University Emeritus Professor of Music.

“The medal for UMS marks the first time in history that the award has been given to a university-related arts presenter. It is a testament to the outstanding work of UMS President Ken Fischer and his entire team. The performances they have brought to UM enriched our lives and those in our entire region. They have included world-class performers, such as Leonard Bernstein, Vladimir Horowitz, the Royal Shakespeare Company, and the New York and Vienna Philharmonics. We take great pride in the arts and cultural opportunities we cultivate at the University. These opportunities are interwoven into all of the qualities that make our University great: leading research and creative work, the finest teaching and learning, and transformative public impact.” He added that Professor Shirley will be recommended for an honorary Doctor of Music degree at the December commencement ceremony.

President Schlissel then spoke of diversity, equity, and inclusion at UM and a luncheon he hosted with more than 250 people to formally launch the diversity strategic planning process. He commended the regents, the executive officers, and others for their commitment to these goals and thanked Regents Ryder Diggs and Bernstein for their participation. A charge for the planning process was developed that states, “our dedication to academic excellence for the public good is inseparable from our

commitment to diversity, equity, and inclusion.” He encourages innovative plans that are aspirational, concrete, measurable, and consistent across campus.

He turned the meeting over to Provost Pollack. Provost Pollack introduced Andrew Martin, dean of the College of Literature, Science, and the Arts.

**Presentation: College of Literature, Science, and the Arts**

Dean Martin provided an overview of the College of Literature, Science, and the Arts (LSA). He said, “LSA students acquire pragmatic and durable skills that hold their value for a lifetime.” LSA is recognized as having a large number of nationally ranked programs, including Social Psychology and Sociology of Population. The College is comprised of award-winning faculty, 17,000 undergraduate students, and 2,500 graduate students. The LSA Victors Campaign has raised \$331.8M of its \$400M goal, including \$161.5M for student support.

Dean Martin spoke of the College’s renewed focus on the Comprehensive Studies Program (CSP) and the Summer Bridge Program. These programs help more than 2,500 students, including many first-generation college students, underrepresented minority students from low-income families, and rural high school students with limited access to advanced placement courses, achieve academic success despite numerous obstacles.

Dean Martin also noted efforts that are underway to help students translate liberal arts degrees into post-graduate job opportunities by leveraging an innovative internship program. This program has provided over 1,000 domestic and international

internship opportunities and 250 scholarship awards totaling \$540,000 in 2015. He utilized a data visualization to graphically illustrate the pragmatic value and flexible nature of an LSA degree and the wide range of employment opportunities available to LSA graduates.

### **Public Comment**

Regents heard comments from Linda Martinson, citizen, on the minutes.

### **Committee Reports**

**Finance, Audit and Investment Committee.** Regent Bernstein, chair of the Finance, Audit and Investment Committee, said that he and committee member Regent White met with Kevin Hegarty, executive vice president and chief financial officer, Laura Patterson, chief information officer and associate vice president, and Don Welch, chief information security officer, to discuss strategy and planning to address the increase in the number and sophistication of IT security threats. They talked of “spear fishing, cyber kill chains, hacktivists, and weaponized PDFs” and the destruction they can cause.

**Health Affairs Committee.** Regent Ryder Diggs, chair of the Health Affairs Committee reported that she and committee members Regents Behm and Ilitch met with Dean Woolliscroft and Raj Mangrulkar, associate dean for medical school education, for an overview of the new medical student curriculum, which will transform medical education. They also heard from Paul Castillo, chief financial officer, who presented the August financial results. Executive Vice President Runge provided an update on the recent launch of the hand transplant program.

**Personnel, Compensation and Governance Committee.** Regent Richner, chair of the Personnel, Compensation and Governance Committee, said that he received updates from Chancellors Little and Borrego on their campuses and an update from Provost Pollack on current dean searches. He met with Vice President Churchill to review housekeeping revisions to the regents' bylaws and conflict of interest disclosure reports for the president and executive officers.

Regent Richner made the following statement:

*The most important responsibility of the PCG Committee is to lead the board's annual review of the president and recommend any salary adjustment for the following year. We have completed that process and are delighted to give a report.*

*President Schlissel's first year on the job has been devoted in part to learning about the University, getting to know its community in Michigan and around the country, and assessing its strengths and organization.*

*He has developed a long-term strategy to drive academic excellence, promote diversity, enhance campus climate and safety, increase access and affordability, and operate the business of the University with 'best in class' efficiency. He is focused on elevating the University's reputation as one of the nation's leading research universities, public or private, and bringing significant benefits to the economy and citizens of Michigan.*

*President Schlissel has made excellent hiring decisions. He is leading the effort to identify, recruit and retain the very best faculty and leadership in our schools and colleges and demands the highest standards for tenure. He is initiating programs to leverage our strengths in life sciences and promote synergies in the social sciences.*

*This past year, undergraduate selectivity and yield from those admitted has increased. He grew the budget for financial aid, while increasing the endowment. He has made numerous visits and meetings across the state and country to engage alumni and external constituencies, and build relationships, including relationships with key governmental officials.*

*His first-year budget restrained staff growth, while increasing faculty and reducing class sizes. He is demanding further efficiencies to produce significant future costs savings. President Schlissel launched a process to develop the first-ever campus level strategic plan for enhancing diversity and inclusiveness. He has asked for proposals to address alcohol and illegal drug use and sexual assault with the high level and sense of urgency and importance these issues demand. He deserves much credit for the first detailed survey of campus climate surrounding sexual misconduct.*

*President Schlissel is also spending considerable time and energy on reviewing the University's health care system, including healthcare quality and delivery and financial efficiency. He has, in this first year, had to deal with some unpredictable high-profile issues, including those relating to athletics, and has been widely recognized for the manner in which these issues have been handled and the positive path on which he has led the University.*

*Personally, he is a respected academician of the highest order. In recognition of his standing in the academic world, he was invited to provide the keynote address at a conference hosted by UC-Berkeley's Center for Higher Education on the future of undergraduate education at public research universities, was selected to receive a major distinguished alumnus award from The Johns Hopkins University School of Medicine, and was elected this year to membership in the American Academy of Arts and Sciences. We also know that he is a person of the highest character and integrity.*

*We very much appreciate the job President Schlissel has performed in his first year – he has hit the ground running and brought to the job a commitment to elevate the University's impact on the world. On the completion of President Schlissel's first year in office, the Board of Regents would like to recognize and acknowledge a job well done.*

Regent Richner moved that President Schlissel's base salary be increased by three percent, or \$22,500, effective September 1, 2015. Regent Ilitch supported the motion, which was unanimously approved.

President Schlissel thanked the board for their guidance, input and support.

Regent Ilitch said, "I want to applaud police officials and the work that they do at this University and around the country. I think they are amazing public servants and if I ever had any issue I would feel very safe in being able to call a police official. Having said that, I am absolutely appalled and outraged at what happened to James Blake with his arrest. I feel as though this is a trend that is very disturbing and is impacting a lot of citizens across the country. I want to lift up the article that Mitch Album wrote in the *Detroit Free Press* on September 14, which I thought was very thoughtful, and would like to sensitize all of us to treat others as we want to be treated. I can't think of a citizen in the United States that would want to be treated the way James Blake was treated. I want to encourage our University to continue to promote and educate for the just treatment of all."

Regent Ryder Diggs commended President Schlissel and Vice Provost Robert Sellers for the conversation at the inclusion and diversity luncheon last week. She noted the wonderful representation present from across campus. She said, “the engagement was palpable and I really look forward to learning the thoughts and strategies from the departmental and sectional work groups.”

### **Consent Agenda**

**Minutes.** Vice President Churchill submitted for approval the minutes of the meeting of July 16, 2015.

**Reports.** Executive Vice President Hegarty submitted the Investment Report as of August 31, 2015, the Plant Extension Report, and the 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 – August 31, 2015. He said that summer has been busy with the opening of the Mobility Transformation Center on July 20 that generated a great deal of media coverage and the September 8 launch of a new Data Science Initiative that will enhance opportunities to tap into the enormous potential of big data. He also noted that the July-August volume of awards increased 30% compared with last summer.

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

**Student Life.** Vice President Harper said that the move-in of 9,000 students was very successful. The West Quadrangle residence hall renovation was completed ahead of schedule and under budget. This marks the end of Residence Life Initiative II, which included the construction or renovation of all major residence halls on Central Campus. She thanked President Schlissel and the Board of Regents for their support. The Munger Graduate Residence has 638 residents from 19 schools and colleges, and the expectation of cross-cultural and interdisciplinary collaboration is taking place just as the donor, Charlie Munger, predicted.

President Schlissel thanked Vice President Harper and DPSS for a positive move-in experience.

**University of Michigan-Dearborn.** Chancellor Little said enrollment is up nearly three percent with the largest freshman class since 1979. Graduate student enrollment is up 20%. In addition, the freshman class had an increase in their GPA and ACT scores and *US News and World Report* ranked UM-Dearborn seventh in regional, public universities in the Midwest. He said that this is the third year of the impactful Public Allies Program, which provides students with internship opportunities and helps develop leadership skills

**University of Michigan-Flint.** Chancellor Borrego spoke to the recommended appointment of Kristin R. Lindsey as vice chancellor for university advancement, a new entrepreneurship major in management, and the kickoff of the \$40M Capital Campaign

on October 12. President Schlissel noted that the October meeting would take place on the UM-Flint campus.

**Central Student Government Report.** Central Student Government (CSG) President Cooper Charlton spoke of “Send Silence Packing,” a national campaign aimed at ending the stigma around mental health. Students placed 1,100 backpacks around the Diag to symbolize the number of students who end their lives each year. He asked for a moment of silence.

Mr. Charlton said that CSG has partnered with Michigan Dining to open dining halls early on home football game Saturdays to help combat problems associated with student drinking. The response was very positive with 2,635 students stopping in for breakfast during early morning hours when the dining halls are normally closed. He also spoke of work on the Statement of Student Rights and Responsibilities and the importance of the student voice in the sexual misconduct policy, safety, diversity and inclusiveness issues. CSG is also creating a commission to prepare for the University’s bicentennial celebration and they hope to engage the regents and their experiences as students as part of their project.

**Voluntary Support.** Vice President May submitted reports for June 30, July 31, and August 31, 2015. He said that for the second time in history more than \$400 million in cash and pledges were received, with the first-time being last year, and a record 129,600 donors made gifts. He spoke of School of Nursing student Jade Curl

from Jackson, Michigan who received a scholarship and has also raised more than \$100,000 in donations as a caller for the UM Telefund.

Vice President May said that Bruce and Jackie Cook of Owosso in Shiawassee County learned that students graduating from area high schools didn't apply to the University because they didn't think they could afford to attend. The Cooks promised financial support to every student in Shiawassee County who was accepted to the University and have already given nearly 300 scholarships. In addition, each year they provide funding for one four-year, full tuition scholarship, all in support of their belief that talent is evenly distributed across the populace, but opportunity is not.

Vice President May said that as of August 31, 2015, 276,000 donors have made gifts to the campaign; they have given \$2.97 billion towards the \$4 billion goal that includes \$513 million toward the \$1 billion goal for student support. He submitted the reports of voluntary support for June 30, July 31, and August 31, 2015.

**Personnel Actions/Personnel Reports.** President Schlissel made the following statement:

*I would like to discuss some recommended changes in the organization of our health system that I believe are necessary to keep us at the forefront of patient care, clinical education and discovery. I bring them forward to the regents for their consideration and request approval as a supplementary item to today's agenda. This is one of the most dynamic periods for health care in the last century. We have more to offer patients than ever before, especially at academic medical centers such as U-M. An unprecedented level of biomedical discovery and the combination of information technology with medicine and engineering are yielding great progress in our ability to diagnose and treat disease and to keep patients healthy.*

*Demand for health care is also increasing due to the growth and aging of our population.*

*The health care reform ushered in by the Affordable Care Act has opened the health insurance market to many new patients who could not previously afford it and presents an*

*enormous opportunity for health care providers who can deliver evidence-based effective care in efficient ways.*

*We are on solid footing, but we must do even more to position the health system to perform better and be more nimble in this quickly evolving landscape. We provide groundbreaking and compassionate patient care. We develop remarkable innovations in medical treatment that are used throughout the world. We have always been – and continue to be – leaders in medical education. We have one of the largest research portfolios among academic medical centers in the country. Our facilities are world-class, and our financial picture is strong. We have all the pieces in place for a thriving academic medical center.*

*And yet, the competitive landscape within our state and region has intensified over the last decade with many excellent hospitals and health centers throughout. Our ability to stay competitive depends on our ability to attract and retain the best faculty, compete successfully for research funding and deliver high quality, in-demand medical care in a cost-efficient manner. Again, on these dimensions we are doing well, but not excelling to the level of our potential, as the circumstances require. These factors place an increased premium on our ability to work across our institution in a seamless, integrated, collaborative fashion. We have a successful model of integration in place. To continue to thrive, we must adapt our organizational structure as the world around us changes to optimally leverage our strengths -- patient care and education linked directly and deeply to leading biomedical research and discovery. We must collaborate effectively across our institution and our multiple missions. We have achieved remarkable progress in creating seamlessness in our ambulatory care services, where we have successfully integrated our medical school faculty practices with the operation of our health system. We will remain competitive in the years ahead as we build on models like this.*

*This is, in fact, what the regents had in mind when they created the EVPMA position in 1996. Prior to that point, there had been separate leaders of the Medical School and the Hospitals and Health Centers. The EVPMA role combined responsibility and leadership for both in one position. A natural extension of this effort at integration is to bring together the roles of EVPMA and dean. By explicitly and visibly linking these pieces of our tri-partite mission of research, education and patient care in one person, we enable a seamless connection between the people and resources of the Medical School and the Hospitals and Health Centers – while creating a transparent structure for both timely action and accountability.*

*There is proven success with this approach by many top institutions around the country: my alma mater, The Johns Hopkins University, the University of Pennsylvania and the University of Washington, are examples. All have adopted a structure where the head of the hospitals and health centers also serves as the medical school dean.*

*After a thorough examination of our history and structure and with the input of internal and external advisors, I have decided to take the step of requesting the appointment of our EVMPA, Marschall Runge, to also serve as dean of the Medical School.*

*Part of what made Dr. Runge an ideal choice for EVPMA is his deep experience and indeed embodiment over the course of his career of the kind of integration I believe is necessary moving forward. He is a clinician who sees patients and helps to train new physicians, as well as a leading researcher with a first rate basic science laboratory. Teaching, research, and patient care. Dr. Runge is an ideal choice for this expanded role. I know he shares my enthusiasm for this enhanced alignment of all aspects of the mission. And he looks forward to carrying it forward throughout the health system organization. In the dean's role, Dr. Runge will, of course, continue to work in concert with Provost Pollack with respect to academic matters. Linkages and collaborations between the health system and the rest of the University remain as essential as ever – and in fact will be strengthened under Dr. Runge's expanded role.*

*I want to acknowledge and thank Dr. Jim Woolliscroft for the leadership he has provided for the Medical School for the last nine years as dean and interim dean and the many years before that as executive dean, chief of staff of the Hospital and Health Centers and associate chair of the Department of Internal Medicine. Under Jim's leadership our Medical School has continued to be ranked among the very best in the country and his efforts have positioned us well for taking the entire academic medical center to a new level with this restructuring. I want to especially note the innovative work he has pursued in the area of medical education, resulting in top rankings for our medical residency training programs and earning him the prestigious Flexner Award from the AAMC in 2014. Dr. Woolliscroft is supportive of this restructuring and has pledged to assist Dr. Runge and me in the months to come as we implement this change.*

Executive Vice President Runge thanked President Schlissel and made the following statement:

*After having completed my first six months, I want to say that I'm privileged to speak with you today about our future plans. And I echo President Schlissel's sentiments about the tremendous contributions Dean Woolliscroft has made to our Medical School and our students.*

*Today, I'd like to share with you what I've learned in the past few months. I've consulted with many of our faculty and staff, with leading academics, and with healthcare industry leaders. Their input has informed initial strategic priorities based on our greatest opportunities. First, why do we need to develop new strategic priorities? We need to do so to further our mission to improve patient lives. These new strategies will help us succeed in this changing healthcare industry.*

*During the past few months, I've learned that Michigan is a great institution with exceptional people at all levels of faculty and staff. I've also learned that contrary to the popular image that Midwesterners are understated; our faculty and leaders are not shy about giving feedback.*

*At UM, we have some of the world's finest healthcare providers, researchers, and educators. And we have equally high caliber leaders and staff that support our mission every day. For decades, Michigan has been a top academic medical center with upward trends in our rankings. But in the last 10-15 years, we have not consistently experienced the same upward trends.*

*In many areas, we continue to do well. But in others, we've missed opportunities to build on our past performance. Was this surprising? No. Is it an opportunity? Absolutely. There is no question that we can do better. We have the energy, resources, and talent to excel. Now is the time to do this, by focusing on key areas that will strengthen performance in our Hospitals and Health Centers, Medical School, and research facilities. But most importantly, we need to focus on our people.*

*As President Schlissel mentioned earlier, the healthcare environment is dynamic. That means we have to cultivate strong leaders. We need leaders who turn new ideas into daily practice. Our leaders must be change agents willing to take risks to make us better in the future. We have a lot of work to do. We need to prioritize our resources. We must translate our ideas into action. We have to get better at making decisions that support our strategies, and above all, it's critical that we leverage individual expertise across the health system and the University.*

*The second question: What changes do we need to make? We need two major changes. First, we need to integrate our clinical enterprise and our Medical School. This will drive*

*greater innovation and progress in how we deliver care. Second, we need greater collaboration between our Health System's research teams and the University's teams. This will allow us to leverage the breadth and depth of the University's broad resources and expertise in research. We are at our best when we find connections.*

*Let me give you an example of how activities in research can end up saving lives. ECMO (extracorporeal membrane oxygenation) is a technology first used in lab and clinical research. Much of the early research and implementation of ECMO was done here at the U-M. Today, ECMO has become a life-saving treatment for critically ill adults and children with heart and lung failure. And we are one of the largest clinical centers providing ECMO treatments in the world. When we apply our research to clinical practice, we make a huge difference in our patient's lives. I've talked about why we need to make changes and what those changes need to be.*

*The next question: What should we do? To support the changes we need, we need to restructure our organization. I'm proposing we add new leadership roles: 1 - Executive Vice Dean for Clinical Affairs and President of the Hospitals, Health Centers and U-M Medical Group. If approved, this role will be filled by Dr. Dave Spahlinger, who is a respected leader here and nationally. Currently Dr. Spahlinger has responsibility for our medical group practice and ambulatory care centers. His new role will now also include responsibility for the hospitals, Cardiovascular Center, and Cancer Center. 2 - The second position I'm proposing would be a key resource for Dr. Spahlinger. I'm asking you to approve a new position of Senior Vice President and Chief Operating Officer for Hospitals and Health Centers and U-M Medical Group. This job would be filled by Tony Denton, who is currently acting CEO of the Hospitals and Health Centers.*

*Moving forward, we also need to focus on three areas important for our success: 1- academic affairs and educational programs in the Medical School; 2 - our research enterprise and greater collaboration across the health system and University; and 3 - information technology with an integrated vision for how we leverage data and technology across the enterprise. Over the next several months, we will be searching for new leaders in each of these areas.*

*These changes are the next steps for greater integration, which began with the regents' vision when they created the EVPMA role almost seven years ago. I would like to recognize the key role of the Health Affairs Committee, chaired by Dr. Shauna Ryder Diggs. As we have thought through these changes, the committee and the entire board provided great vision and guidance throughout the process. Your input is very much appreciated. Thank you. I'm excited about our future. We have tremendous opportunity ahead of us to continue our mission to improve patient lives. At this time, I would like to bring forward two regental action requests for the positions to be filled by Dr. Spahlinger and Tony Denton.*

**Regent Ryder Diggs made the following statement:**

*First, as a physician and also as a regent, I feel like I have two roles here. I really appreciate the thoughtful review that has taken place by the leadership team at both the UM Hospitals and Health Centers and the University. And I appreciate the thoughtful conversation on the transition of the healthcare landscape. It's a difficult time in health care. As a private practicing physician, I realize that more than most people. I'd like to say a few words about Dr. Woolliscroft who is a very special person, and on behalf of the Health Affairs Committee and the board, I want to acknowledge his years of leadership. He has devoted his entire career to the University of Michigan, starting with his role as chief resident in internal medicine 1979-80. Since then he has served the institution in many ways. We met in 1993 when I was a medical*

*student and he was a faculty member. Since that time he has served as chief of staff of the Hospitals and Health Centers, associate chair of the Department of Internal Medicine, and various dean roles, including, of course, dean of the Medical School for the past nine years.*

*This is an extraordinary service to our University. He has impacted us in so many areas of our Medical School, including a transformation of our medical student curriculum, and we will see the impact of that for many years to come; and renovation of the Taubman Health Sciences Library, which had an event yesterday to improve learning facilities and prepare us for educating future physicians. He also was instrumental in the purchase and development of what is now the North Campus Research Complex and helped create the Medical School's global presence. We would like to become a leader in health care not only in our local area in our state, region and country, but also in the world.*

*Of course, Dr. Woolliscroft will continue as a senior member of the faculty in the Department of Internal Medicine, and we look forward to benefiting from his talents and experience in the years ahead. I appreciate both of your comments today and the recommendation of the leadership team.*

*We are in a field that is changing rapidly and all of us in the medical profession are particularly aware of the challenges and opportunities these changes bring. Our institution must evolve as well to continue to remain a leading provider of quality health care, and to enhance our efforts to convert what we learn through research in our Medical School into better care for our patients. The vision described today helps us do this by continuing to make the most of our strengths in patient care, research and education. If we hold these three things in the forefront, I believe we will become leaders in health care.*

*It's this integration of the components of our mission that has been a key reason for our continued success, and it has long been the focus of the regents. The board's creation of the EVPMA position in the late 1990s was significant in better integrating our complex health system, and this further merging of responsibilities is the next logical step in our process.*

Provost Pollack presented a supplemental personnel agenda item appointing Robert L. Fishman as interim dean of the A. Alfred Taubman College of Architecture and Urban Planning effective January 1, 2016. She also submitted a number of personnel actions and personnel reports.

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

**Memorials.** Vice President Churchill submitted a memorial statement for David L. Ronis, Ph.D., research scientist.

**Approval of Consent Agenda.** On a motion by Regent White, seconded by Regent Ryder Diggs, the regents unanimously approved the consent agenda including the four supplemental personnel items presented.

**FY 2015-2016 All Campus Budget Book**

Executive Vice President Hegarty presented the University's All Campus Budget Book that sets forth the budget approved by the regents at their June 2015 meeting.

**Sale of Gifted Real Estate Sage Township, Gladwin County, Michigan**

Executive Vice President Hegarty reported on the sale of gifted real estate in Gladwin County, Michigan and noted that net proceeds of the sale will benefit the President's Unrestricted Funds/Unrestricted Gifts Fund.

**Sale of Gifted Real Estate West Bloomfield Township, Oakland County, Michigan**

Executive Vice President Hegarty reported on the sale of gifted real estate in Oakland County, Michigan and noted that net proceeds of the sale will benefit the School of Social Work Israeli Faculty Exchange Fund.

**Report of University Internal Audits**

Executive Vice President Hegarty reported on activities completed by the Office of University Audits for the period May 1, 2015 through June 30, 2015.

**Alternative Asset Commitments**

Executive Vice President Hegarty reported on the University's follow-on investments with previously approved partnerships with a commitment of \$35 million to Madison Dearborn Capital Partners VII, L.P.; €35 million (~ \$40 million) to EQT

VII, L.P.; \$30 million to Foresite Capital Fund III, L.P.; and \$3.0 million to Crow Holdings' Daniel Island Co-Investment.

**Public Equity**

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved a commitment of \$100 million commitment from the Long Term Portfolio to WindAcre Partnership.

**Absolute Return**

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved a commitment of \$100 million from the Long Term Portfolio to Alyeska Investment Group.

**Absolute Return**

Executive Vice President Hegarty withdrew the previously submitted commitment of \$25 million from the Long Term Portfolio to Risk Premium Investment Management Company.

**Alternative Asset Commitment**

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved a commitment of \$35 million from the Long Term Portfolio to Lovell Minnick Equity Partners IV, L.P.

**Financing of New Projects, Refinancing of a Portion of the Commercial Paper, and Potential Addition Refinancing of General Revenue Bonds**

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved the resolution (Appendix, page 105) authorizing the executive vice president and chief financial officer or the associate vice president for finance, or

the treasurer to: develop the terms, negotiate and execute the legal documentation for the financing with the assistance of the underwriter and outside legal counsel; obtain and approve a final proposal for the bonds; and obtain and accept a final proposal for any swaps and any liquidity agreements required for the University's variable rate debt; and execute and deliver the required documentation for the transaction.

**Art and Architecture Building A. Alfred Taubman Wing Project**

On a motion by Regent Ryder Diggs, seconded by Regent White, the regents unanimously authorized issuing the Art and Architecture Building A. Alfred Taubman Wing project for bids and awarding construction contract providing that bids are within the approved budget.

**Medical Center Drive Parking Structure Lighting and Emergency Power Upgrades**

On a motion by Regent Behm, seconded by Regent Richner, the regents unanimously approved the Medical Center Drive Parking Structure lighting and emergency power upgrades project as described, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

**Conflicts of Interest**

Regent Richner recused himself from two ArborMetrix items, and these items were removed from the regular agenda. Vice President Churchill noted that they would be brought back for approval at the October meeting. On a motion by Regent Bernstein, seconded by Regent White, the regents unanimously approved the following conflict of interest items that fall under the State of Michigan Conflict of Interest

Statue. The following information is provided in compliance with statutory requirements:

**Authorize Execution of Investment Agreement under the MINTS Program for Akadeum Life Sciences, Inc.**

The regents unanimously approved the execution of an investment agreement between the University of Michigan and Akadeum Life Sciences, Inc. (the “Company”) for a total of \$2.5 million in potential investment (through one or more rounds of financing) under the MINTS program.

1. Parties to the agreement are the Regents of the University of Michigan and Akadeum Life Sciences, Inc.
2. The University will receive an equity interest in the entity in return for its investment(s). No use of University services or facilities, nor any assignment of University employees is obligated or contemplated under the agreement. Under MINTS, the University must co-invest in a financing round together with at least one qualifying venture capital investment firm. Agreements standard for venture capital investing will be executed. The Investment Office may execute finance agreements up to a total of \$2.5 million in potential investments (through one or more rounds of financing) under MINTS.
3. The pecuniary interest arises from the fact that University of Michigan employees Brandon H. McNaughton and John G. Younger are part owners of Akadeum Life Sciences, Inc.

**Authorization for the University to transact with Institute for Social and Environmental Research-Nepal (ISER-N)**

An agreement with the Institute for Social and Environmental Research-Nepal (the “Company”) for data collection and processing in Nepal was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its Institute for Social and Environmental Research-Nepal.
2. The agreement is to purchase data collection and processing services in Nepal for a total cost of \$100,000 through July 31, 2016.
3. The pecuniary interest arises from the fact that University of Michigan employee Dirgha Jibi Ghimire is a member of the Board of Directors of ISER-N.

**Authorization for the University to Contract with Roberts & Limbrick Enterprises, LLC**

An agreement with Roberts & Limbrick Enterprises, LLC (the “Company”) to provide teaching, training and parent liaison work in the outreach programs for the

University of Michigan College of Engineering, Center for Engineering Diversity and Outreach (CEDO) was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its College of Engineering's Center for Engineering Diversity and Outreach and Roberts & Limbrick Enterprises, LLC.
2. The agreement is to facilitate the CEDO 2015 summer workshop sessions at a cost of \$40,000.
3. The pecuniary interest arises from the fact that University of Michigan employee Byron Roberts is a partner of Roberts & Limbrick Enterprises, LLC.

**Authorization for the University to transact with Johnson Hill Land Ethics Studio**

An agreement with Johnson Hill Land Ethics Studio (the "Company") for land and management plan improvement services was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its School of Natural Resources and Environment and Johnson Hill Land Ethics Studio.
2. The agreement is for land and management plan improvement services to be completed by December 31, 2015 at a cost not to exceed \$2,600.
3. The pecuniary interest arises from the fact that University of Michigan employee Mark Robinson is an employee of Johnson Hill Land Ethics Studio.

**Authorization for the University to transact with PHASIQ, Inc.**

An agreement with PHASIQ, Inc. (the "Company") for the Zell Lurie Commercialization fund to invest in PHASIQ, Inc. was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its Stephen M. Ross School of Business' Zell Lurie Institute and PHASIQ, Inc.
2. The agreement is considered an investment and is structured under a simple agreement for future equity and has no maturity or expiration date. The investment in PHASIQ will be \$36,000 and the fund would receive a return on investment when there is an event, such as a public offering or issuance of stock or other change in equity.
3. The pecuniary interest arises from the fact that University of Michigan employee Shuichi Takayama is a stockholder in PHASIQ, Inc.

**Authorization for the University to enter into an agreement with Avicenna Medical Systems, Inc.**

An agreement with Avicenna Medical Systems, Inc. (the "Company") to modify AviTracks Cardiology Electrophysiology Reporting Software (ERPS) to successfully integrate with installed Epic software was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its Health System and Avicenna Medical Systems, Inc.
2. The agreement is for programming and project management services for a total cost of \$6,200.
3. The pecuniary interest arises from the fact that University of Michigan employees Frank Pelosi, Erdwing Coronado and Khaled El-Safty are owners of Avicenna Medical Systems, Inc.

**Subcontract Agreement between the University of Michigan and Alluvium Biosciences, Inc.**

A subcontract agreement with Alluvium Biosciences, Inc. (the “Company”) to fund a Department of Defense (prime) SBIR Phase I project entitled, “Discovery of Natural Product Antibiotics from the Antibiotics from Marine Microbiome” (ORSP#15-PAF07539) was approved.

1. Parties to the agreement are the Regents of the University of Michigan and its Life Sciences Institute and Alluvium Biosciences, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately nine (9) months. The amount of funding support will not exceed \$14,594. Since research projects are often amended, this agreement includes provisions for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional conflict of interest reviews will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employees David H. Sherman and Jeffrey Kittendorf are part owners of Alluvium Biosciences Inc.

**License Agreement between the University of Michigan and Clarity Lab, Inc.**

A license agreement with Clarity Lab, Inc. (the “Company”) to license from the University of Michigan the University’s rights associated with the following technology: UM OTT File No. 6739, entitled, “A Platform and System Architecture for Intelligent Cloud Services” was approved.

1. Parties to the agreement are the Regents of the University of Michigan and Clarity Lab, 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 disclaimers 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 reviews will be done as appropriate.

3. The pecuniary interests of University of Michigan employees Jason Mars, Lingjia Tang, Johann Hauswald, Yiping Kang, and Michael Laurenzano arise from their ownership interests in Clarity Lab, Inc.

### **Material Transfer Agreement between the University of Michigan and Ecovia Renewables, LLC**

A material transfer agreement with Ecovia Renewables, LLC (the “Company”) to provide certain bio-polymer producing *Bacillus subtilis* strains for the purpose of potentially improving the strains (“Incoming MTA”) was approved.

1. Parties to the agreement are the Regents of the University of Michigan and Ecovia Renewables LLC.
2. Material transfer agreement terms include granting the University the right to use the materials provided by the Company for the above-referenced purposes. The University will not provide the obtained materials to any third party and will provide all the data and results to the Company. The Company will retain ownership of the materials provided to the University. 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. University procedures for approval of these changes will be followed and additional conflict of interest reviews will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Xiaoxia (Nina) Lin is part owner of Ecovia Renewables, LLC.

### **Material Transfer Agreement between the University of Michigan and Ecovia Renewables, LLC**

A material transfer agreement with Ecovia Renewables, LLC (the “Company”) to obtain gamma-polyglutamic acid generated from microbial fermentation at UM to evaluate its performance in commercial applications (“Outgoing MTA”) was approved.

1. Parties to the agreement are the Regents of the University of Michigan and Ecovia Renewables LLC.
2. Material transfer agreement terms include granting the University the right to use the materials provided by the Company for the above-referenced purposes. The University will not provide the obtained materials to any third party and will provide all the data and results to the Company. The Company will retain ownership of the materials provided to the University. 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. 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 employee Xiaoxia (Nina) Lin is part owner of Ecovia Renewables, LLC.

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

A research agreement with OcuSciences, Inc. (the “Company”) to fund a project entitled “Effects of Oral T-3550549 on the Pathological Responses to Retinal Ischemia-Reperfusion Injury” (ORSP# 16-PAF00709) was approved.

1. Parties to the agreement are the Regents of the University of Michigan and OcuSciences, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$105,300. Terms of the agreement will include up front payment of no less than 75% of the total funding. Since research projects are often amended, this agreement includes a provision for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional conflict of interest reviews will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employees Victor Elner and Howard Petty are part owners and officers of OcuSciences.

#### **New Undergraduate Degree Program in the School of Public Health**

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved the new Bachelor of Arts in public health and Bachelor of Science in public health degree programs in the School of Public Health as presented.

#### **Name Change for Academic Department in the College of Pharmacy**

On a motion by Regent White, seconded by Regent Behm, the regents unanimously approved the name change of a College of Pharmacy academic department from the Clinical, Social and Administrative Sciences Department to the Department of Clinical Pharmacy.

#### **Non-tenure-track Clinical Appointment Sequence in the College of Engineering and Computer Science, University of Michigan-Dearborn**

On a motion by Regent White, seconded by Regent Richner, the regents unanimously approved the non-tenure track clinical appointment sequence in the

College of Engineering and Computer Science at the University of Michigan-Dearborn as presented.

**Public Comment**

The regents heard public comments from the following individuals on the topics listed: Melissa Geers, citizen, on Melissa Geers; Brenda Burns, citizen, on the Naomi Burns case; Rosanna Hoffmann, citizen, on shaken baby syndrome; Matt Eckman, citizen, on the Torn Family Trust; Katrina Steele, citizen, on the Torn Family; Mark W. Doran, citizen, on shaken baby syndrome/abusive head trauma; David Hall, citizen, on concerns regarding UM Hospital's reputation; Alyssa Stevens, citizen, on the Torn Family; Yusong Gong, citizen, on covering up misconducts, retaliations, and discrimination; and Teresa Ennis-Decker, alumna, on the removal of Dr. Robin Ross from the Grand Blanc Kellogg Office.

**Adjournment**

There being no further business, the meeting was adjourned at 6:20 p.m. The next meeting will take place on October 15, 2015 on the UM-Flint campus.