

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to enter into an agreement with InGlobal Learning Design (University of Michigan Employees, Dr. Michael A. Fahy, Dr. Jeffrey A. Stanzler and Dr. Jeffrey Kupperman, Directors).

Background:

The University of Michigan-Flint Early Childhood Development Center seeks approval to enter into an agreement with InGlobal Learning Design, a non-profit organization, in support of the project entitled "Flint Early Childhood Provider Mentor Program" to develop a prototype program designed to improve the overall quality of childcare in the greater Flint area by supporting the professional development of childcare providers.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Michael A. Fahy, Lecturer II, Dr. Jeffrey A. Stanzler, Lecturer IV and Dr. Jeffrey Kupperman, Lecturer I are University employees with the School of Education. Dr. Michael A. Fahy, Dr. Jeffrey A. Stanzler and Dr. Jeffrey Kupperman would be parties to the agreement as Directors of InGlobal Learning Design.

However, the Statute allows the University to enter into such agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body, which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

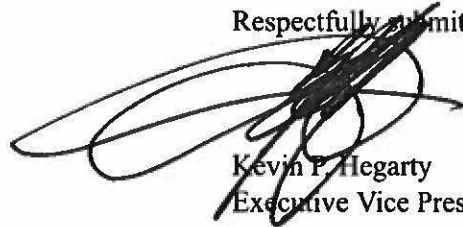
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Flint Early Childhood Development Center and InGlobal Learning Design.
- ii) The agreement is for a duration of two years at a total cost not to exceed \$225,000. InGlobal Learning Design 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.
- iii) The pecuniary interest arises from the fact that University of Michigan employees, Dr. Michael A. Fahy, Dr. Jeffrey A. Stanzler, and Dr. Jeffrey Kupperman are Directors of InGlobal Learning Design.

Dr. Michael A. Fahy, Dr. Jeffrey A. Stanzler and Dr. Jeffrey Kupperman have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisors of Dr. Michael A. Fahy, Dr. Jeffrey A. Stanzler and Dr. Jeffrey Kupperman, under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the contract between the University of Michigan and InGlobal Learning Design subject to requirements, if any, that the supervisors of Dr. Michael A. Fahy, Dr. Jeffrey A. Stanzler and Dr. Jeffrey Kupperman or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'Kevin P. Hegarty', is written over the typed name and title.

Kevin P. Hegarty
Executive Vice President and Chief Financial Officer

February 2019