

MARCH MEETING, 2021

*The University of Michigan
Virtual
March 25, 2021*

The regents met at 4:00 p.m. via a livestream link on the university gateway. Participating were Regents Acker, Behm, Bernstein, Brown, Hubbard and Ilitch. Regents Weiser and White were absent. Also, on the call were Vice President Baird, Vice President Churchill, Provost Collins, Vice President Cunningham, Chancellor Dutta, Chancellor Grasso, Vice President Harmon, Executive Vice President Hegarty, Vice President Kolb, Vice President Lynch, Vice President Michels, Vice President Pendse and Executive Vice President Runge.

Call to Order and President's Opening Remarks

President Schlissel called the meeting to order. He called the roll of all the regents for the record and for those not able to see the screen.

President Schlissel said, “Executive Vice President and Chief Financial Officer Kevin Hegarty is retiring from his position at the end of April and joins us today for his last board meeting. We are a better university because of Kevin’s six years of leadership. I am among thousands on our campus who have had the privilege of seeing his teams at work every day. His division’s staff have helped us through snowstorms, completed major building projects, made our workplaces safer and much, much more.

“We’re also a better prepared university thanks to Kevin’s efforts. His teams quickly responded to the pandemic with innovation and commitment that made all of our activities possible over the last year. From our custodians and contact tracers stepping up mightily, to our HR professionals who established time off banks to support our employees, we were in a

position to weather a global pandemic and carry forward our mission of teaching, research and service. Additionally, UM's financial position remains sound, despite the tremendous challenges we have faced. Thank you, Kevin."

Regent Ilitch presented the following resolution to Executive Vice President Hegarty.

Resolution

The Regents of the University of Michigan extend their sincere congratulations to Kevin P. Hegarty who will retire in April after six years of service as executive vice president and chief financial officer.

Executive Vice President Hegarty created a positive and inclusive organization for the nearly 3,000 employees across Business and Finance -- a work environment in which people felt valued, believed that what they did mattered, and were empowered to make a difference. He oversaw important capital investments in a wide array of university facilities, with capital asset additions totaling nearly \$4 billion. Under his stewardship, the university successfully issued commercial paper and general revenue bonds to fund major capital projects that support the university's mission while maintaining the AAA bond rating, one of only seven public universities to carry this high rating.

During his tenure the endowment grew from \$10 billion to nearly \$14 billion, increasing financial resources that support scholarship and other priorities. Vice President Hegarty stepped up to the challenges presented by the COVID-19 pandemic creating time-off banks and support resources for employees. He leaves the university financially strong and well positioned for the future.

The Regents thank Executive Vice President and Chief Financial Officer Hegarty for his friendship and service and wish him a long, rewarding and happy retirement.

Executive Vice President and Chief Financial Office Hegarty thanked the regents and his colleagues. He said, "It's been truly an honor of mine to serve the University of Michigan administration and I'm so very appreciative of the many opportunities that you, the board,

President Schlissel, my EO colleagues and many others have given me over the past six years, and I am forever grateful that I can now say ‘Forever, Go Blue!’”

Regent Bernstein said, “As you know I chair the FAI Committee and in that role I have the opportunity to work closely with Executive Vice President Hegarty. It has been great to work with you. You are smart, you are thoughtful, you have integrity and you are unflappable. I would suspect your EO colleagues would confirm that. You’re always good counsel and never afraid to speak your mind. Thank you!”

Regent Brown said, “I’d like to second what Regent Bernstein said and point out that although the university’s infrastructure is important, it is made up of people and many of whom are unsung heroes. I believe this university probably experienced its first existential threat with this pandemic and financial crisis. The job and the hard work that Kevin and his team did during that ongoing process in many ways saved the university and everyone owes you a great debt of gratitude. We will miss you. You’re the best in the business.” Applause followed.

President Schlissel continued saying, “It was a year ago this month that we held our first virtual Board of Regents meeting. And while remote meetings have become a way of life, at the time it was very unfamiliar to us – and we had to make all of the arrangements very quickly. I want to take this opportunity to thank all of the staff who made this happen on the fly last March, and who have ensured these last several months that we can conduct the business of the university smoothly. The technical efforts are made possible by the Fleming IT group, Michigan Media, and the Office of the Vice President and Secretary. Thank you!” Applause followed.

President Schlissel said, “Over the past year our university has been put to the test in ways we could barely imagine. We’ve lost loved ones and colleagues to the virus, and had our

work and personal lives upended. But our community has persevered, and we are working to get us back to the University of Michigan that we all love: a vibrant, energized and ambitious community of students, faculty and staff; a residential university that teaches, learns, conducts world-class research, serves the public and cares for millions of patients. Thank you, everyone, for your commitment to UM.

“Last month, Regent Bernstein announced that we would share concrete next steps aimed at investing the university’s endowment funds in a way that recognizes the essential transition to a low carbon economy. The regents and university leaders have been engaging with members of our community, local and national climate change advocates and experts in sustainable investing over many months. We have also been reviewing UM’s investment strategies since announcing a pause on new direct fossil fuel investments last year.

“The culmination of these extensive efforts brings us to today. I am submitting a supplemental agenda item that asks the board to approve an approach to investments that will result in strategic changes that together are unique in our nation. Endowments by their very nature are future-looking. Today we position our investment strategies to meet the challenges of the future.

“The UM will be the first American university to publicly commit to a combination of three actions: We will achieve a net-zero endowment, discontinue direct investments into publicly traded companies that are the largest contributors to greenhouse gases, and discontinue investments in funds primarily focused on oil reserves, oil extraction or thermal coal extraction.

“This discontinuation of investments would align us with similar commitments from other top universities, including Columbia University, Brown University, and the University of

California. And our net-zero endowment commitment is the first such commitment from an American public university.

“A net-zero endowment strategy considers the greenhouse gas emissions from all of the university’s investments. Substantial greenhouse gas emissions occur outside of the energy sector, and net zero applies broadly rather than targeting a single industry. We will complete this by 2050 and report regularly to the regents on our progress.

“UM will not directly invest in companies that are the largest contributors to greenhouse gases, currently defined as the top 100 coal and the top 100 oil and gas publicly traded reserve holders globally as compiled on the Carbon Underground 200 list. Over the past decade, UM has not invested in companies that extract thermal coal or oil from tar sands. And we will not invest in such companies going forward.

“UM will shift its natural resources investment focus away from oil extraction and reserves toward renewable energy investments with an attractive risk-adjusted return profile. We also will pursue infrastructure and services investments that support more efficient resource utilization, as well as investments into other emerging technologies that support the transition to a carbon-neutral economy.

“Three such investments into renewable energy and sustainable infrastructure development will be presented shortly for a vote of the board. Together, they amount to a \$140 million investment – so make no mistake, we are serious about the change in direction. This strategy is informed by the growing risk of investments in fossil fuels during the essential transition to a lower carbon economy. In addition, our investment decisions must take account of the fact that all successful companies will have to implement plans to achieve carbon neutrality.

Today's actions build upon leading efforts in sustainability research and operations across the university.

"The university continues its progress toward meeting its 2025 Sustainability Goals, established in 2011. The Ann Arbor campus is expected to meet its goal of cutting greenhouse gas emissions by 25 percent later this year on an annualized basis, and fully meet our annual goal in fiscal year 2022, three years ahead of schedule. That's nearly 200,000 metric tons of carbon dioxide per year, which is equivalent to removing 43,000 cars from the road.

"And last week, the President's Commission on Carbon Neutrality delivered its final recommendations to help UM achieve net-zero emissions universitywide. This includes all three of our campuses and Michigan Medicine. Recommendations were designed to be scalable, transferrable, financially responsible and environmentally just. Recommendations cover:

- Scope 1 emissions, from direct sources like campus buildings, UM vehicles and the Central Power Plant.
- Scope 2 emissions, from purchased electricity from local utilities.
- And Scope 3 emissions, from indirect sources like commuting, university-sponsored travel and food procurement.
- In addition, the commission highlighted an array of organizational and cultural recommendations, designed to foster a culture of sustainability across the university, and urged us to center environmental justice in our decision-making.

"I know the final report and list of recommendations incorporates important input from our community, and there are many exceptional ideas in it. I am carefully reading the commission's final report, and will identify the action steps I would like to take immediately and will discuss those steps with the regents, the campus leadership teams and deans. We anticipate

being able to announce specific actions in the next month or two. I again thank all of the students, faculty, staff, advocates and partners who helped us arrive at this important milestone.

Regent Bernstein motioned the approval of the Policy on Fossil Fuel Investments, seconded by Regent Behm. Discussion followed.

Regent Bernstein said, “Last February at our last in-person board meeting before COVID, this board announced that we would consider our investment policy with regard to fossil fuels. I am deeply grateful to my board colleagues, President Schlissel and everyone, especially our exceptional students and faculty, who participated in the thorough, inclusive process over the past year that impacted our work in this urgent and important deliberative process.

“The challenge we face is that we have to cut the 51 tons of greenhouse gases we produce every year to zero by 2050 in order to stop global warming and avoid the worst effects of climate change. At the same time, almost a billion people have no access to reliable energy sources, which is a huge problem if we want to improve global health and economic opportunity for impoverished nations and their citizens. It’s important to remember that participating as a global citizen is part of our university’s mission.

“In order to address this problem we have to do things differently - and that includes the way we invest our money. The University of Michigan must and will lead on this issue for six reasons:

1. This is the biggest, most urgent crisis we have ever faced. Everything is on the line here.

It has been said that ‘We are the first generation to feel the effect of climate change and the last generation that can do something about it.’

2. This is a big and complicated problem, and the University of Michigan is in the business of solving big, complicated, consequential problems. Leaders don't shy away from hard challenges. We must do this, as President Kennedy once said about a different daunting challenge, not because it is easy, but because it is hard. If we want to be the leaders and best, then we need to act like leaders and best.
3. This is about fairness and equity. Those who suffer the most due to climate change - the poorest and most vulnerable people on our planet - have done the least to cause the problem.
4. This is a global problem and, as we all agree, we're a global university. The massive scale of our international investment portfolio must address the risks of the climate crisis.
5. This is about managing investment risk and returns. Investments that do not fully address climate risk are bad investments that in addition to destroying our planet also damage the performance of the endowment that we depend upon to fund our mission of teaching, research and service.
6. This is uniquely related to the research, scholarship and teaching that occurs on our own campus that confirms the causes and consequences of climate change. We have a unique responsibility to address the very crisis we study every day.

"With regard to University investments, the question, therefore, isn't should we do something about climate change?" but 'What should we do about climate change?' And the answer is 'everything!' We should do everything possible to tackle this problem - financially, that's what this is about, and operationally, that's what the President's Commission on Carbon Neutrality addresses. So what are we doing? Today, the University of Michigan adopts a

comprehensive, concrete investment plan to address the climate change crisis. A few top universities - like the University of California, Columbia University and Brown University - have already adopted some of these policies. But we want and must do more. That's why I'm proud to be the very first public university in the United States to adopt all of the following four commitments:

1. The university will not invest in companies that are primarily engaged in oil reserves, oil extraction or thermal coal extraction.
2. In addition to these companies, the university will not directly invest in companies that are the largest contributors to greenhouse gases, currently defined as the top 100 coal and top 100 oil & gas publicly traded reserve holders as identified on the Carbon Underground 200 list.
3. The university will shift our natural resources investment focus toward renewable energy investments; and
4. We are making a commitment to reduce all greenhouse gas emissions from our entire \$13B investment portfolio to net-zero by 2050, which aligns us with the deadline set by the 2015 Paris Climate Agreement. Importantly, the Investment Office will provide annual reports to the Board of Regents in public session, detailing the status of progress toward this commitment.

"Here's why our commitment to a net zero investment portfolio is essential. Carbon is used and greenhouse gas emissions are created throughout the economy. It's not just isolated to 'traditional' fossil fuel investments. In fact, these investments account for only 7.5% of our endowment and 18% of total greenhouse gas emissions in the global economy.

- 28% of total greenhouse gas emissions come from materials: steel, concrete, plastic and glass manufacturing
- Transportation, hospitality, health care, technology, real estate, consumer discretionary, consumer staples and service industries also produce tons of greenhouse gas emissions.

“So while discontinuing investments in fossil fuel companies is necessary - and we are doing this - we need to do more to get the job done. We can’t afford to only solve 18% of the problem. We have to solve 100% of the problem. A net-zero investment policy addresses 100% of the problem because it covers 100% of our investments, not just fossil fuel investments.

“Finally, I want to address our students who have been thoughtful, well informed, relentless and, in the end, successful in moving this issue to the very top of our agenda. We are among the first but certainly not the last university to make these commitments. So I say to the leaders of these institutions: listen to your students, they are knocking on your doors - let them in, sit down with them and learn from them. They will educate you and inspire you to do the right thing.”

Regent Acker said, “Thank you, President Schlissel, and thank you, Regent Bernstein, for your remarks. Thank you for your hard work on this existential issue. Without your leadership and the energy you have brought, we would not have reached this point. But I want to use my remarks to directly address our students, who have advocated so passionately.

“Throughout this process you’ve probably met negativity and nay-sayers. You have heard from people, saying ‘you are too young’ and that you couldn’t possibly understand. Many of you have been told that you have passion but no expertise. Likely, there were moments where

you felt like you were yelling into the void about the most important issue of our generation, the threat of climate change.

“Those voices are wrong because your activism matters. Your voice matters. Your passion matters. Your viewpoint matters. Many people of our generation — my generation — have missed this moment, you haven’t. You recognized the importance of this issue. And you saw the impact our institution could have in this fight. You spoke out. Your meetings and calls, including an impromptu one we had in the basement of Espresso Royale, they matter.

“Keep advocating, keep organizing, keep speaking out on this and other issues. There will be times we disagree. There will be times we agree. But through your advocacy, you have made our campus a better place, and the world a better one. Don’t ever let anyone tell you that you’re too young or too inexperienced to make a difference.”

The motion carried unanimously.

Alternative Assets Commitment

Vice President Hegarty presented the renewable energy investments mentioned earlier for a vote on each.

Executive Vice President Hegarty said, “D.E. Shaw is a well-respected, experienced solar and wind developer/operator that has built over 40 utility-scale projects nationally, including projects based in Michigan.”

On a motion by Regent Ilitch, seconded by Regent Behm, the regents unanimously approved up to \$30 million from the university’s Long Term Portfolio to D.E. Shaw Renewable Investments (“DESRI”) AssetCo III, L.L.C.

Executive Vice President Hegarty said, “The second manager, Aplomado, is an existing UM oil and gas manager that partners with solar developers.” Working with Aplomado allows

solar developers to use their time and capital more efficiently, which enables more projects to be built more quickly.”

On a motion by Regent Ilitch, seconded by Regent Acker, the regents unanimously approved a commitment of up to \$50 million from the university’s Long Term Portfolio to Aplomado Partners I, LP.

Executive Vice President Hegarty said, “The third, called the Cresta Sustainable Infrastructure, is also an existing UM manager. The fund has a broad investment scope all of which is focused on developing energy transition strategies and technologies and sustainable infrastructure.”

On a motion by Regent Acker, seconded by Regent Behm, the regents unanimously approved up to \$60 million from the university’s Long Term Portfolio to Cresta Energy Sustainable Infrastructure I, LP.

President Schlissel announced recommendations for honorary degrees that would be awarded at the Ann Arbor Commencement on May 1. The five individuals submitted for approval are remarkable in their achievements and impacts on our society.

Computer Engineer and University of Michigan Alumnus Robert Cailliau is a pioneer in the development of the World Wide Web. He is internationally recognized for envisioning information technology’s potential to streamline data sharing, and for proposing the first hypertext system for the European Laboratory for Particle Physics, or CERN. Cailliau earned his master’s degree in computer, information and control engineering from U-M.

University of Michigan Alumna Janet Guthrie made history in 1977 as the first woman to qualify for and start in the Daytona 500 and Indianapolis 500. Before turning to auto racing full

time, she was one of the few women working as an aerospace engineer, having earned a degree in physics from UM. Her physics background provided the foundation to master racing at a time when women were considered incapable of safely driving high-performance race cars.

Human Rights Activist and UM Alumnus James Toy has devoted his life to championing the rights of members of the LGBTQQA community and those experiencing discrimination. He co-founded the Detroit Gay Liberation Front and the Ann Arbor Gay Liberation Front, and his advocacy led to the creation of the UM Human Sexuality Office in 1971. Later renamed the Spectrum Center, it was the first on-campus office to support queer students at a higher education institution in the United States.

World-renowned Choreographer and Dancer Twyla Tharp will be the speaker at our virtual Rackham Graduate Exercises. She is a Tony- and Emmy Award-winning artist who was elected to the American Academy of Arts and Sciences in 1993, received the 2004 National Medal of the Arts and was a Kennedy Center Honoree in 2008. In addition to choreographing for her own company, Twyla Tharp Dance, she has created dances for the Joffrey Ballet, American Ballet Theatre, the Paris Opera Ballet, the Royal Ballet and the New York City Ballet.

Bryan Stevenson is a social justice activist, civil rights attorney and founder and executive director of the Equal Justice Initiative (EJI), a nonprofit that represents people who have been illegally convicted, unfairly sentenced, or abused in jails and prisons. EJI has won reversals, relief or release from prison for more than 135 prisoners on death row and hundreds of others wrongly convicted. Mr. Stevenson has won five U.S. Supreme Court cases, including a 2012 decision that found mandatory life sentences for minors unconstitutional. His memoir, *Just Mercy*, was turned into a feature film starring Michael B. Jordan and Jamie Foxx. We are

honored that Mr. Stevenson will deliver this spring's commencement address at our ceremony May 1.

President Schlissel said, "Regarding commencement, I am pleased to announce that we will open Michigan Stadium to graduating students during our May 1 Ann Arbor Commencement ceremony. Attendance will be ticketed and limited to graduates. We're adding this opt-in event for graduates who want to celebrate their accomplishments together with their classmates, and it follows two important changes: The state of Michigan has increased the allowed capacity of outdoor stadiums and we are seeing far fewer COVID-19 cases among students.

"The plans we've previously announced to celebrate commencement and honor our graduates have not changed. Our virtual ceremony with synchronous content will be viewable by everyone at home or from the Big House. And the Michigan Stadium photo opportunity will proceed as planned. To help us do this safely, we'll have a number of protocols and precautions in place. This will all be described on our commencement website.

"Whether graduates choose to view the ceremony remotely with family or friends, or alongside their classmates in the Big House, graduation is such a special time for all of us at UM, and we want to make this milestone in our graduates' lives as memorable as possible.

"We're grateful that changes in public health guidelines and conditions in our student community now allow us to offer the experience of being together in Michigan Stadium when their hard-earned degrees are conferred."

Regent Hubbard said, "I appreciate your announcement related to commencement today and I encourage students to take a look at that. Certainly, you shouldn't feel pressured to go if

you don't want to. You can see everything at home and online but it's a great opportunity to get in the Big House one last time and enjoy your friends and celebrate your day together with your classmates. I look forward to seeing you there.”

President Schlissel said, “I’d like to now take a moment to provide an update on some of the many activities that are underway as part of the work being done to implement the recommendations from the WilmerHale report regarding sexual misconduct by Martin Philbert.

“This important work is not just about meaningful policy and process reform to prevent and address sexual misconduct, but also about creating a new environment, and a renewed culture, where people can fully thrive in their studies and careers, and know they can report misconduct without fear of retaliation. A community with a heightened level of trust of one another and of campus leaders.

“We continue to work with Guidepost Solutions, the firm retained by the board and me to implement the WilmerHale recommendations. Guidepost and university leaders will continue meeting with faculty experts and engage broadly across the university as part of the implementation process.

“I anticipate providing additional resources and an enhanced organizational structure for our Office for Institutional Equity and Title IX efforts not just for investigations, but also for their important work in prevention, education and support. The leadership and staff of OIE are very dedicated to our community and we want to help enhance their effectiveness.

“OIE is also seeking community members to serve on an advisory committee of students, faculty and staff to provide perspectives and input on policies, procedures, prevention efforts and other matters related to sexual and gender-based misconduct. We expect that the umbrella sexual

misconduct policy will be finalized this summer, and I thank the many members of our community who provided feedback.

“As announced at the last board meeting, we will improve the channels for reporting misconduct, along with revamped protections against retaliation and greater clarity about what to expect when a complaint is filed. We are working with our faculty and staff to develop a policy that recognizes healthy relationships, while ensuring that all relationships are free from coercion, conflict of interest and favoritism. We want supervisors to act responsibly and those they supervise to feel safe and heard, and to be empowered to speak up. It is my expectation to announce this new policy in the coming months. We have taken a fresh look at how we vet candidates for internal promotions and new hires that includes incorporating better documentation and improved diligence practices.

“Finally, I want to speak to something I mentioned at last month’s board meeting, which is the commitment that the board and I share to change the culture of our institution. Together we will identify and create a set of unifying, shared values to help us set a high standard for campus behaviors, systems and practices.

“We will engage with faculty, staff and students on this cultural journey designed to capture feedback on how we define and shape these shared values and expectations. Our engagements will include many different opportunities for the community to provide input and be a part of the cultural change we aspire to make. Our shared, unifying values and expectations will guide our thinking, help us always act with integrity and give us the clear direction to make ethical decisions and ensure accountability.

“I have asked Sonya Jacobs to lead this effort along with a faculty co-lead we hope to announce soon. Jacobs is the chief organizational learning officer for the university and senior director for faculty and leadership development at Michigan Medicine, where she led a similar effort. We’ll also form an advisory committee to support this work – but our journey to a more positive culture will need to involve everyone in our community. We must embark on this together, create it together and develop a culture we can all be proud of at the University of Michigan.

“Before we move to our agenda, I congratulate our men’s and women’s basketball teams and our ice hockey team. Both basketball teams have advanced to the Sweet 16 of the NCAA Tournament. Our ice hockey team was selected for the men’s championship tournament as well. Michigan is the only school still playing in all three tournaments. Go Blue!

Committee Reports

Finance, Audit and Investment Committee. The committee meeting yesterday included Regent Bernstein. They reviewed the fiscal 2020 audit completion and the fiscal 2021 external audit plan and fees. The committee also discussed investment manager diversity and fossil fuel investments.

Health Affairs Committee. The committee meeting yesterday included Regents Brown and Hubbard. They discussed the West Michigan Cardiovascular network, brand architecture and CIT naming. The committee also received a financial update.

Personnel, Compensation and Governance Committee. The committee meeting included Regents Acker, Behm, Brown, Hubbard and Ilitch. They began the conversation on the president’s annual evaluation.

Committee on Flint and Dearborn. The committee meeting yesterday included Regents Acker and Ilitch. They had a conversation with the chancellors about their strategic initiatives and planning.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of February 18, 2021.

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

Litigation Report. Vice President Lynch had no additional report.

Research Report. Vice President Cunningham submitted the Report of Projects Established through February 28, 2021.

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

Student Life. Vice President Harmon reported on the difficulty the past year has been for our students, especially first-year students. He shared findings from a fall survey conducted by Student Life in collaboration with academic affairs. He said, "Students are feeling isolated, lonely, exhausted and are unable to make friends and special connections. In response, a task force was formed to find meaningful engagement opportunities for students. The task force work includes: increased student awareness of existing engagement opportunities through new communication channels; expanded the number of opportunities for students to build community by facilitating, strengthening and highlighting cohort initiatives, which connects students with their peers and small groups; created an outreach initiative called Resource Navigation that

provides a direct check-in conversation from over 120 resource navigators from Student Life to 2000 first and second- year students; and reached out to academic partners in schools and colleges to make them aware of these resources and encourage them to share the information with students.

“Next fall, Welcome Week will be expanded to include programming that is designed to appeal to second-year students. Vice President Harmon thanked those on the task force, including Will Sherry, director of the Spectrum Center, for his work on this matter.”

University of Michigan-Dearborn. Chancellor Grasso reported on the launch of the Focus on the Finish Program, which focuses on two of Governor Whitmer’s initiatives, Future for Frontliners and Michigan Reconnect. This is an attempt to encourage students to finish their 4-year degrees at UM-Dearborn. The campus has launched the state’s first artificial intelligence master’s degree program. Recently, they received a large, major grant from the National Science Foundation that was awarded to a team of faculty in the College of Engineering and Computer Science to study and develop cybersecurity protection for autonomous vehicles. The commencement speaker will be Nikki Giovanni, a well-known and one of the most celebrated poets in the U.S. Regent Hubbard will deliver a congratulatory greeting on behalf of the board. Finally, athletic teams have safely returned to competition.

University of Michigan-Flint. Chancellor Dutta reported on the fall 2021 semester plans to return to normal classes and activities. They have collaborated with the county health department to vaccinate hundreds of people. UM-Flint and its faculty are gaining national visibility, including Professor of Chemistry Nick Kingsley who was invited to speak at the National Academies of Science, Engineering and Medicine at their Board of Chemical Sciences

and Technology. This year's Giving Blue Day was an unprecedented success. Past years raised around \$40,000, while this year, over \$800,000 was raised. He noted that the search for the vice chancellor for university advancement has begun, and wished Vice President Hegarty the best on his retirement.

Student Government Reports. Central Student Government President Amanda Kaplan reported on recent CSG initiatives including the election, and reflected on her year of service.

Regent Acker thanked CSG President Kaplan and said, "This is the strangest year for CSG but it would be an understatement to say how wonderful they were to work with and how productive their relationship was with the regents, especially for me. I wish them incredible success as they move on. I know that during job interviews in the future and if they are asked what's the most difficult thing you've ever done, they will have a very good answer."

Voluntary Support. Vice President Baird had no additional report.

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

Retirement Memoirs. Vice President Churchill submitted ten retirement memoirs.

Memorials. Vice President Churchill submitted a memorial statement for William Grosky, Ph.D., professor of computer and information science, UM-Dearborn.

Degrees. Honorary degree recommendations were submitted.

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

Alternative Asset Commitments

Executive Vice President Hegarty reported on the university's follow-on investments with previously approved partnerships with a commitment of \$10 million to an 8VC sponsored investment; a commitment of \$15 million to Accel Leaders III, L.P.; a commitment of up to \$25 million to two Hydrazine Capital sponsored investments; a commitment of \$29 million to two Matrix Partners sponsored investments; a commitment of up to \$15 million to SDC Allo Co-Invest, L.P.; and a commitment of up to \$20 million to two Sequoia Capital sponsored investments.

Sale of Gifted Real Estate

Executive Vice President Hegarty reported on the sale of one and one half vacant lots in Pontiac, Michigan that were donated to the university by Victor L. Schneider, Joyce Schneider and Lorraine S. Cooper in 1979.

President Schlissel announced two additional supplemental agenda items.

Center Name Change

Executive Vice President Runge said, "Today I have the privilege of sharing very exciting news about our Depression Center. Thanks to various donors and their generosity, the UM opened the nation's first Depression Center nearly 20 years ago. This has been tremendously successful and today leads a national network of similar centers across the country.

"Today, we would like to recognize and thank Frances and Kenneth Eisenberg, who have committed a total of \$30 million to depression research and scholarship. We propose that we rename the center in their honor, now to be known as the Frances and Kenneth Eisenberg and Family Depression Center. These gifts from the Eisenbergs will allow us to continue the momentum and the incredible work to accelerate the pace of mental health prevention, detection,

treatment and support. The past year, the pandemic underscored, more than ever before, the need for increased awareness of mental health and the severity of conditions alike across the country.

“I’d like to also recognize Dr. John Greden, the center’s founding director and former chair of the Department of Psychiatry. His leadership over the past two decades has guided and shepherded a broad array of research programs that have been critical to discovery science and early-stage findings. These programs have been instrumental in gaining federal funding and supporting large scale efforts to improve mental health knowledge and care. We know that this legacy will continue with the center’s new director, Dr. Srijan Sen, who is also the university’s associate vice president for research and health sciences. Thank you all for making this important research and program possible to improve the lives of those with mental illness or mental health issues and in particular we owe a gratitude of thanks to the Eisenberg family.”

Vice President Baird said, “We are so grateful to Frances, Kenneth and the Eisenberg Family for their generous commitment to the university and especially to the Depression Center. The Eisenbergs have been long-time dedicated volunteers and advocates for the University of Michigan, actively serving on many volunteer boards across campus. Their generous support to the university now totals \$30 million, including gifts to Michigan Medicine, LSA, the School of Education, the School of Social Work, Michigan Athletics and the UMS. Five years ago, the Eisenberg family made a bold commitment to advance research and scholarship at the UM Depression Center. Today, they have expanded that support as we heard to \$30 million at a time when awareness, advocacy and advancements are so desperately needed. I am humbled and honored to support this request for a new name that honors the family’s commitment and

advocacy: The Frances and Kenneth Eisenberg Family Depression Center. Thank you so much.”

President Schlissel added, “Ever since I’ve arrived here, I’ve been struck by the breadth of its activity in fighting depressive illness, all the way from clinical care down to very basic mechanisms: ways to use induced pluripotent stem cells; to look for abnormal physiology; neuroma cells from depression patients; to testing new drugs; to working out new ways to treat; to explorations of the use of artificial intelligence in the treatment of depression and the diagnosis of depression. It is really a remarkable multi-disciplinary center that has served as a fantastic model for other centers and the leader of a network around the United States. Thank you to the Eisenbergs and all the other donors that have made the UM one of the leading centers for the study and treatment of this critically important set of illnesses.”

Regent Ilitch moved the approval of the name change, with Regent Behm seconding.

Regent Ilitch thanked the Eisenbergs and said, “When I first met Dr. Greden, the Depression Center was new and I considered him a rockstar. He had indicated to me that it was quite innovative and risky to call it the Depression Center. There were other universities and medical centers across the country that really did not want to do that. I thought it was such great courage on behalf of Michigan and Dr. Greden to call it what it is and to impact the stigma of mental challenges and depression. It is such important work. Thank you again to the Eisenbergs. During my tenure as regent, I have seen and referred many people to the Depression Center that has really transformed their lives, and on some occasions has saved their lives, particularly younger people. It really makes a difference. I do want to acknowledge the Heinz Prechter Bipolar Research Program that’s at the center that continues to do great research to help

people. Thank you again to the Eisenbergs for this important donation that makes an impact at the university. You are saving lives.”

The motion carried unanimously.

Building Name Change

President Schlissel calls for a motion and a second on the supplemental agenda item to name the Life Sciences Building after President Emerita Coleman. Regent Ilitch made the motion, seconded by Regent Behm.

Vice President and Secretary Churchill said, “It is my great honor to submit for the board’s consideration a supplemental agenda item that proposes naming the building that houses the Life Sciences Institute in honor of the University’s 13th president and my friend President Emerita Mary Sue Coleman.

“President Coleman served as president from August 2002 to June 2014. She left a major imprint on the campus’ physical footprint, residential life, library resources and life sciences research. President Coleman spearheaded the purchase of the North Campus Research Complex from Pfizer, positioning the university to become a major force in economic development in Ann Arbor and across the state; launched the Residential Life Initiatives that focused on upgrading and renewing residence halls and dining facilities; led the recruitment of 100 new interdisciplinary junior faculty; led the Google partnership that digitized the University Library’s collection of 7 million volumes; and not insignificant to this proposed naming, assisted in the completion and early development of the Life Sciences Institute. After stepping down at U-M, Dr. Coleman was appointed president of the Association of American Universities (AAU), our

nation's most important research university organization in Washington D.C., a position from which she retired last summer.

"President Coleman led the 'Michigan Difference' campaign to raise \$2.5 billion for the future of the institution, and by its conclusion in December 2008, the campaign had raised \$3.2 billion – the most ever raised by a public university at the time. The university launched its \$4 billion 'Victors for Michigan' campaign under her leadership in November 2013. That campaign was completed in December 2018 and raised \$5.28 billion. She and her husband Kenneth Coleman have endowed several funds: the Mary Sue and Kenneth Coleman Endowed Rackham Graduate Fellowship Fund, the Mary Sue and Kenneth Coleman Endowed Undergraduate Scholarship Fund, the Mary Sue and Kenneth Coleman Endowed Life Sciences Institute Lecture Fund, the Mary Sue and Kenneth Coleman Global Student Experience Fund and the Coleman Family LEAD Fund at the Alumni Association.

"And of course, she oversaw the construction of one of our 'jewels in the crown', a cutting-edge life sciences building that houses the labs and technology in support of the Institute's research and helped recruit stellar faculty who have been conducting high-impact discovery work for over a decade. The Life Sciences Institute continues to grow in stature and is fulfilling the vision of interdisciplinary and groundbreaking research upon which it was founded. In 2004, the Institute's Salteil Life Sciences Symposium initiated the Mary Sue and Kenneth Coleman Life Sciences Lecture in her honor and a few years later, in 2008, the Board of Regents recognized her efforts by approving the establishment of the endowed directorship – Mary Sue Coleman Director of the Life Sciences Institute.

“Naming the Life Sciences Institute Building in honor of Dr. Coleman recognizes her distinguished leadership at UM and her contributions as a scientist and leader in higher education. It’s particularly timely to consider this naming today, as March is Women’s History Month. This will be the first academic building to be named for a female member of the faculty or female leader.

“This request complies with the board’s 2008 policy for naming facilities, and following the reviews, the nomination received enthusiastic support from President Mark Schlissel, the executive officers and the Facilities Naming Steering Committee to name this building ‘Mary Sue Coleman Hall.’

“In conclusion, in honor of President Emerita Coleman’s distinguished leadership and accomplishments, I recommend that the Board of Regents change the name of the Life Sciences Institute Building to Mary Sue Coleman Hall effective immediately.”

Regent Ilitch said, “My colleague Regent White and I are the two regents who had the pleasure of working the longest with Mary Sue Coleman while she was president. Regent White could not be here today due to her service in the National Guard.

“This honor of our former president is so welcomed and so exciting. When you read this supplemental agenda item and consider President Coleman’s accomplishments at UM and then her distinguished presidency at AAU, you cannot help but think of how fitting this honor is. Although I was not on the board when we hired President Coleman, my former colleagues have told me that she was someone that the board knew could fulfill the vision of the Life Sciences Initiative -- from completing the building, to hiring our amazing faculty, to supporting the

research in all ways possible. It was not a given at the time, but her laser focus, support and attention paid off, helping to create the wonderful Institute that we are so proud of today.

“I will not repeat all of her many accomplishments but do want to call out the very generous philanthropic support of President Coleman and her husband Ken. Their support of students and our researchers will make us a better institution for generations to come. And she has remained supportive of UM since she left. President Coleman generously hosted the board for our strategic session in DC last January at the AAU offices and she spent time with us updating the board on strategic initiatives for higher ed.

“I am proud to have served with such a leader and proud to vote in support of this naming of the building Mary Sue Coleman Hall. This is a wonderful day for our university.”

The motion carried unanimously and was followed by enthusiastic applause.

Conflicts of Interest

On a motion by Regent Hubbard, seconded by Regent Behm, the regents unanimously approved the following conflict of interest items that fall under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

Authorization for the University to enter into an agreement with Health Patroller, LLC, doing business as Eebu Health.

An agreement with Health Patroller, LLC, doing business as Eebu Health was approved.

1. The parties to the agreement are the Regents of the University of Michigan, its Department of Urology and Health Patroller, LLC, doing business as Eebu Health.
2. The agreement is for a duration of three years at a total cost not to exceed \$261,420. Health Patroller, LLC, doing business as Eebu Health 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 John Hollingsworth and Mark Newman, are co-founders and equity stakeholders of Health Patroller, LLC, doing business as Eebu Health.

Authorization for the University to transact with Morph Biosciences, LLC

An agreement with Morph Biosciences, LLC was approved.

1. The parties to the agreement are the Regents of the University of Michigan, 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 \$135,000. 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 Olson is a member and owner of Morph Biosciences, LLC.

Authorization for the University of Michigan to Enter into License Agreements with Venture Accelerator Firms Located at the North Campus Research Complex

An agreement with Venture Accelerator Firms located at the North Campus Research Complex was approved.

1. The parties to the agreement are the Regents of the University of Michigan and the companies listed.
2. The service to be provided is the license of space in the North Campus Research Complex Venture Accelerator located at 1600 Huron Parkway, Ann Arbor, Michigan with access to common area space within the building. The license durations, including all options for renewal are outlined in the spreadsheet. The licenses will use the standard University of Michigan Venture Accelerator license template. The licensee companies will pay the rates as stipulated in the attached spreadsheet for the current term and option years as indicated. The licensee companies will be responsible for providing monthly updates concerning their business progress to the University of Michigan's Office of Technology Transfer, and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising or other business services.
3. The pecuniary interest arises from the fact that the individuals listed are University of Michigan employees and owners and/or officers of the licensee companies.

Authorization for the University to transact with Packard Health, Inc., a Michigan non-profit corporation

An agreement with Packard Health, Inc., a Michigan non-profit corporation was approved.

1. The parties to the agreement are the Regents of the University of Michigan and Packard Health, Inc., a Michigan non-profit corporation.
2. The service to be provided is the use of the following: Open floor space (the "iGYM Space"), designated restrooms, and interior and exterior common

areas at the Packard Health Inc. building located at 5200 Venture Drive, Ann Arbor, Michigan for 1-year, beginning April 1, 2021 through March 31, 2022. The term may be renewed for one (1) additional year, if both parties execute a renewal agreement. There is no fee for use of the space. University of Michigan will be responsible for providing internet services for its sole use, and for janitorial services within the licensed area.

3. The pecuniary interest arises from the fact that University of Michigan employees Nora Maloy and Raymond Rion are an officer and executive director, respectively of Packard Health, Inc., a Michigan non-profit corporation.

Authorize Execution of Investment Agreements for the Michigan Biomedical Venture Fund for FlexDex Inc.

An agreement with Michigan Biomedical Venture Fund for FlexDex Inc. was approved.

1. The parties to the agreement are the Regents of the University of Michigan and FlexDex Inc.
2. The Michigan Biomedical Venture Fund will execute applicable standard agreements for venture capital investing. The university will receive future equity in FlexDex Inc., along with the right to purchase more equity. 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 ownership interest of University of Michigan employees Dr. James Geiger and Shorya Awtar.

Authorize Execution of Investment Agreements for the Accelerate Blue Fund (“A-B Fund”) for Movellus Circuits, Inc., a Delaware corporation

An agreement with Blue Fund (“A-B Fund”) for Movellus Circuits, Inc., a Delaware corporation was approved.

1. The parties to the agreement are the Regents of the University of Michigan and Movellus Circuits, Inc.
2. A-B Fund will execute applicable standard agreements for venture capital investing. The university will receive future equity in Movellus Circuits, Inc., along with the right to purchase more equity. 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 University of Michigan employee David Wentzloff is a board director of Movellus Circuits, Inc.

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: Ascentage Pharma Group Corporation, Ltd. Research Amendment 19-PAF08517; Eli Lilly and Company Research Agreement 21-PAF03791 COVID-19; EVOQ Therapeutics, LLC Other Sponsored Activity Agreement 21-PAF04551; Healthmetryx, Inc. Research Agreement 21-PAF05570; Kinetica Labs, Inc. Subcontract Agreement 21-PAF00931; MONSTR Sense Technologies, LLC Subcontract Agreement 21-PAF05141; Sarcoma Alliance for Research through Collaboration Research Agreement 21-PAF03773; and Sarcoma Alliance for Research through Collaboration Research Agreement 21-PAF06122.
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.

Approval of Technology Transfer Agreements

Technology Transfer agreements were approved.

1. The parties to the contract are the Regents of the University of Michigan and the following companies: Lysoway Therapeutics, Inc. License Agreement; Metimum LLC License Agreement; and Pyogenix Inc. Option Agreement
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.

Public Comment

The regents heard public comments from: Mary Cafmeyer, citizen, on handling of the pandemic; Aurora Harris, UM-Dearborn faculty, on LEO contract negotiations; Jamie Wraight, UM-Dearborn Faculty, on LEO contract negotiations; Jennifer Cummings, UM-Ann Arbor faculty, on LEO contract negotiations; Kelly Hurley, citizen, on Class of 2021; Tammy Robinson, citizen, student concern; Maria Joseph, UM-Dearborn student, on One University

Campaign; David Faltys, citizen, UMICH parents 2021; Sharon Stemme, citizen, on student support mental health; Tammy Dahlstrom, citizen, on in-person, safe graduation; Robert Schatz, alumnus, on Fall 2021; Fernando Ramirez-Medina, UM-Flint student, on equity for Flint & Dearborn; Cindy Schnoll, citizen, on alumni donation; Dana Wilson, citizen, on the students experience; and Debra Crystal, citizen, on graduation.

Regent Ilitch thanked all the speakers for their comments. She said, "While we don't respond to every speaker, I want to reassure speakers that we listen to what everyone says. Some issues are simple, some are more complex. Your comments result in very robust discussions amongst the board. I do want to say to Dana Wilson that I take to heart your observations on the ballpark and the arena and we have abided by the governor's 20%. I really encourage the administration and board members to come and see how it's handled. I would advocate that it is safe and we abide by all of Michigan laws and the requirements of the governor."

President Schlissel said, "I do appreciate the concerns expressed by many parents and students. Believe me, I've been hearing, listening and studying the best course forward. Unfortunately, the event doesn't only involve students and parents who can choose whether or not to come. It would involve hundreds of the staff, many of whom are not vaccinated. It's not their turn yet to be vaccinated. And although a stadium of our size can certainly spread people out, they have to get in and out of the building and they have to do so safely and without congregating. At the end of the day, balancing the need to commemorate the important passage in the life of our students with the health and safety with the many people that work here that I

am responsible for. That is the balance. It is not a matter of what legally we are allowed to do, it is a matter of balancing the responsibility for many different people that are involved.

“My heart does go out to the seniors, to our freshmen, to all of our students. It is incredibly unlucky and unfortunate that they had to struggle through a pandemic year. The university did its very best to support our students. I am always certain that we can do better and I always aspire to do better. I thank those that have spoken up. It is not for lack of will or effort. It is not for lack of working hard. It’s really a matter of balancing the health and safety of a very large community. The state of Michigan had been doing extremely well during the pandemic and lately not so much. Many of our students are from around the state bringing people to Ann Arbor, where the rate is thankfully low, from parts of the state where the rates are growing faster than most any other place in the country. It might not be a smart thing. It is very hard to predict what’s going to happen four weeks from now but it is very challenging today. It is a complicated decision. It’s not for lack of empathy. We hope to be able to have fun and enjoyable events to welcome our students back in the future, to invite them to attend another graduation, to come and celebrate and watch the event in the Big House together with their classmates, which we have been able to do with minimal staffing and safety with everyone being tested before they come in. I am truly sorry that your children had the bad timing of coming of age during a once in a lifetime event. Thank you again for all the speakers and for the regents for their hard work today.”

Adjournment

The meeting was adjourned at 6:10 p.m. The next meeting will take place on May 20, 2021.