

The University of Michigan Regents Communication

Request for Action

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 ArtSpective LLC (University of Michigan Employee Clayton Shuman, partial owner.)

Background:

The University of Michigan Department of Anesthesiology seeks approval to enter into an agreement with ArtSpective LLC for the purpose of collaboration under a sponsored project.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Clayton Shuman, Associate Professor with the Department of Systems, Populations and Leadership, is employee of the University and would be party to the agreement as partial owner at ArtSpective LLC.

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

- 1) 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.
- 2) 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.
- 3) The official body discloses the following summary information in its official minutes:
 - a) The name of each party involved in the contract.
 - b) 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.
 - c) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (3) above:

- a) The parties to the agreement are the Regents of the University of Michigan and its Department of Anesthesiology and ArtSpective LLC.
- b) The agreement is for the purpose of collaboration under a sponsored project funded by the National Institute of Health titled "Improving Perioperative Care for Patients with Opioid Use Disorder." The agreement is for a duration of eighteen (18) months at a total cost not to exceed \$26,800. ArtSpective LLC will be supplying all the necessary resources and personnel to fulfill this agreement. The remaining base agreement terms and conditions will comply with appropriate University requirements and are typical for other similar agreements entered into by the Regents. Since projects are often amended, the agreement will include provisions for changes in time, amount and scope.
- c) The pecuniary interest arises from the fact that University of Michigan Employee Clayton Shuman is partial owner at ArtSpective LLC.

Clayton Shuman has met state law requirements with the disclosure of his pecuniary interest and formal appointment arrangement with the University of Michigan. Requirements, if any, that may be applicable by the supervisor of Clayton Shuman 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 agreement between the University of Michigan and ArtSpective LLC subject to requirements, if any, that the supervisor of Clayton Shuman or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Robert A. Hewlett III
Interim Executive Vice President
and Chief Financial Officer

July 2026