

NOVEMBER MEETING, 2013

Approved by the
Regents
December 19, 2013

*The University of Michigan
Ann Arbor
November 21, 2013*

The regents met at 3:00 in the Anderson Room, Michigan Union. Present were President Coleman and Regents Bernstein, Darlow, Diggs, Ilitch, Newman, Richner, and White. Also present were Vice President and Secretary Churchill, Vice President Forrest, Vice President Harper, Chancellor Little, Vice President Lynch, Vice President May, Chancellor Person, Executive Vice President Pescovitz, Provost Pollack, Vice President Rudgers, Executive Vice President Slottow and Vice President Wilbanks. Regent Deitch was absent.

Call to Order and President's Opening Remarks

President Coleman said that with the board's approval, Professor Jack Hu will be appointed as interim vice president for research. Professor Hu is the associate dean for academic affairs in the College of Engineering, and also serves as professor of mechanical engineering, professor of industrial and operations engineering, and the J. Reid and Polly Anderson Professor of Manufacturing Technology.

President Coleman continued, saying "Last week I joined a group of faculty in India to establish academic partnerships with several universities and institutes in Delhi and Mumbai. It was a highly productive visit that will broaden exchanges of students and faculty, as well as deepen our medical research and survey research."

President Coleman continued saying that the first presentation today is from a group of students who are with MPowered Entrepreneurship, a student organization that is expanding the campus culture of entrepreneurship. She introduced Cathy Huang, who introduced her team: Chris O'Neil, Michelle Lu, Lucy Zhao, and Shreyas Parat.

Presentation: MPOWERED Entrepreneurship

Chris O’Neil explained that MPOWERED encourages student entrepreneurship, showcases student projects, and provides seed funding to bring student projects to the marketplace. He spoke of the amazing talent on campus, and their successful track record of spinning off class projects, encouraging students to pitch their ideas, and to partner with other students in an interdisciplinary, and well-rounded approach. MPOWERED has expanded their reach to other universities, and works with high school students to introduce them to entrepreneurial thinking before they come to campus.

Presentation: Learning Analytics: Predicting Student Success

President Coleman introduced Tim McKay, director of the Honors Program, College of Literature, Science and the Arts who gave a presentation on Learning Analytics: Predicting Student Success

Mr. McKay said data plays a central role in improving teaching and learning. A Learning Analytics task force, created in May 2012, includes a symposium on using data for teaching and learning, learning analytics grants, and looking at teaching and learning evaluation systems.

He spoke about predictive modeling of student performance, exploring alternatives to the GPA, comparing performance between men and women, and with first generation college students. Challenging classes, such as physics, actually carry a “grade penalty” and also gender disparities, and ‘stereotype threat,’ is a condition that exists that when people are placed in an environment where they feel that they don’t belong, which causes them to do less well. All of this information can be used to work on creating an environment that can get the very best performance from all students.

Committee Reports

Finance, Audit and Investment Committee. Regent Richner, chair of the Finance, Audit and Investment Committee, said that he and Regents Bernstein and Darlow met with Executive Vice President Slottow, and David Brandon, athletic director, for an update on the Athletic Department five year strategic operating/capital plan, and a review of the NCAA Compliance Program with Elizabeth Heinrich, chief compliance officer. Rowan Miranda, associate vice president for finance, and Brent Haase internal control compliance manager, presented the annual Internal Control certification results for FY2013.

Health Affairs Committee. Regent Diggs, chair of the Health Affairs Committee, reported that she and committee member Regent Ilitch met with Executive Vice President Ora Pescovitz, Tim Lynch, general counsel, and Dean Woolliscroft. The committee received an overview of the last Health System board meeting from Doug Strong, UMHHC CEO, and an update on the October financial results from Paul Castillo, Health System CFO. The committee reviewed the strategic plan, and the dashboard of additional indicators. Jean Strickland, chief compliance officer, provided a compliance update on the hotline activity. The committee discussed the Health System strategic initiatives, and reviewed a fact sheet on the Affordable Health Care Act, and the Community Health Needs Assessment report.

Personnel, Compensation and Governance Committee. Regent White, co-chair of the Personnel, Compensation and Governance Committee, reported that she and Board Chair Regent Newman, received an update from Provost Pollack on current dean searches, and an update from Chancellor Little on the UM-Dearborn Campus regarding current dean searches, administrative appointments and retirements. Dean Munson gave an excellent presentation on the College of Engineering.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of October 18, 2013.

Reports. Executive Vice President Slottow submitted the Investment Report as of September 30, 2013, the Plant Extension Report, and the University Human Resources Report.

Litigation Report. Vice President Lynch submitted the Litigation Report.

Research Report. Vice President Forrest submitted the Report of Projects Established, July 1 – October 31, 2013.

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

Division of Student Affairs. Vice President Harper commented on the honest and painful conversations taking place in social media about the experience of African-American students on campus. She said that she is “listening and talking individually and collectively with students and will continue to do the work that reflects the commitment of this institution.”

University of Michigan-Dearborn. Chancellor Little said the campus is celebrating of the opening of the Public Allies program, that serves non-profits around metro Detroit and is an Americor service program. He said that commencement ceremonies are being finalized, and the morning ceremony features Lizabeth Ardisana, owner of ASG Renaissance, and the afternoon ceremony includes Paul Anger, editor and publisher of the Detroit Free Press.

University of Michigan-Flint. Chancellor Person commented on full accreditation recently extended to the English as a Second Language program, and the School of Education.

Central Student Government Report. Central Student Government (CSG) President Michael Proppe referenced a Twitter address “Being Black at the UM (#BBUM),” which

generated 10,000 tweets in 48 hours. He said that while some comments, “were positive and uplifting, many were troubling, all were powerful, and there is still work to do.” The CSC report to the Presidential Search Advisory Committee cited priorities including diversity and inclusion. He provided an example of Inter Group Relations (IGR) courses that focus on identity, and include multicultural discussions led by students. Students rave about these classes, but which do not fulfill the race and ethnicity requirement.

Mr. Proppe said that students need to know that they are heard on many of the issues on campus, whether it’s about fixing the Trotter Multicultural Center, concerns about the Munger graduate housing construction, the football ticket policy, the recreational sports facilities, late night transportation needs, or undocumented students. He said “Michigan has the smartest people in the world right here, and we can address these issues.”

Regent Ilitch thanked Mr. Proppe for his thoughtful remarks, and speaking on behalf of the board she said, “we are all listening very carefully, and working with the administration on programs and we hear you. Talk is not enough at this time. We need to do more. We are very, very aware and sensitive. Thank you for talking to us about this and please share with the students that we are on it. We are as frustrated as the students, but are very committed to this topic and to putting together the strongest programs. And we agree with you. The smartest people are here.”

Voluntary Support. Vice President May had no additional report.

Personnel Actions/Personnel Reports. Provost Pollack had no additional report.

Retirement Memoirs. Vice President Churchill submitted two faculty retirement memoirs.

Memorials. Vice President Churchill submitted faculty memorials for Curtis E. Huntington, J.D., professor of mathematics, and Marilyn M. McNitt, A.M.L.S., associate archivist, and expressed condolences.

Degrees. There was no report.

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

Report of University Internal Audits

Executive Vice President Slottow submitted the Report of University Internal Audits, July-September 2013.

Nichols Arboretum Boundary Line Established

Executive Vice President Slottow submitted information on the official property line and boundary of the Nichols Arboretum property that adjoins parcels of land owned by the City of Ann Arbor.

Alternative Asset Commitments

Executive Vice President Slottow reported on the University's follow-on investments with previously approved partnerships: €20 million to Orion European Real Estate Fund IV, C.V.

Public Equity and Absolute Return

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved the Vulcan Value Partners, with an initial funding of \$80 million from the Long Term Portfolio, and a commitment of \$25 million from the investment pool for working capital to Financial Credit Investment II, L.P.

William L. Clements Library Infrastructure Improvements and Addition

On a motion by Regent Darlow, seconded by Regent Richner, the regents unanimously authorized issuing the William L. Clements Library Infrastructure Improvements and Addition project for bids and awarding construction contracts providing that bids are within the approved budget.

Michigan Stadium

On a motion by Regent Richner, seconded by Regent Newman, the regents unanimously approved the close proximity fireworks display for the 2014 Bridgestone National Hockey League Winter Classic event as described.

New Department of Intercollegiate Athletics Operations Center

On a motion by Regent Richner, seconded by Regent Bernstein, the regents unanimously approved the New Department of Intercollegiate Athletics Operations Center project as described and authorized commissioning Niagara Murano for its design.

UM-Dearborn Science Building and Computer Information Science Building Renovation

On a motion by Regent Ilitch, seconded by Regent White, the regents unanimously authorized issuing the UN-Dearborn Science Building and Computer Information Science Building renovation project for bids and awarding construction contracts providing that bids are within the approved budget.

Conflict of Interest Items

President Coleman said the agenda includes 7 conflict of interest items, each of which requires six votes for approval, and which would be approved via a single motion.

On a motion by Regent White, seconded by Regent Newman, the regents unanimously approved the following 7 items:

Authorization for the University to transact with the Institute for Social and Environmental Research Nepal

The Regents unanimously approved an agreement with the Institute for Social and Environmental Research Nepal (the “Company”) to extend the Lease Agreement on the facility used by ISER-N for data collection and to purchase services to collect data and process it in Nepal.

Because Dr. Dirgha Jibi Ghimire, University of Michigan employee, is also a member of the Board of Directors of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and its Population Studies Center at the Institute for Social Research and ISER-N.
2. The agreement is to extend the Lease Agreement on the facility used by ISER-N for data collection for an additional five (5) years at a total cost of \$113,000 to be paid in monthly installments and to purchase services to collect data and process it in Nepal, at a cost of \$8,300.
3. The pecuniary interests arise from the fact that University of Michigan employee, Dr. Dirgha Jibi Ghimire, is also a member of the Board of Directors of ISER-N.

Authorization for the University to enter into an Agreement Maize Analytics, LLC

The Regents unanimously approved an agreement with Maize Analytics, LLC (the “Company”) in support of the project entitled “1-Corps: Explanation-Based Auditing: Improving the Security of Electronic Medical Records.”

Because Dr. Daniel Fabbri, University of Michigan employee, is also the owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and its Electrical Engineering and Computer Science Department and Maize Analytics, LLC.
2. The Electrical Engineering and computer Science Department received a National Science Foundation Innovation Corps Teams Program grant for the purpose of commercializing technology developed by Dr. Fabbri. The agreement is to provide reimbursement for the company's start-up activity costs totaling \$9,250.
3. The pecuniary interest arises from the fact that University of Michigan employee, Dr. Fabbri, is owner of Maize Analytics, LLC.

Authorization for the University of Michigan to purchase from SciFab

The Regents unanimously approved an agreement with the SciFab (the "Company") to purchase a Locomotor Activity Monitoring system from SciFab to monitor rodent ambulatory activity.

Because Marc Bradshaw, University of Michigan employee, is also owner of SciFab, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and its Pharmacology Department and SciFab.
2. The agreement is to purchase a Locomotor Activity Monitoring System to monitor rodent ambulatory activity. The total cost for this one-time purchase is \$3,500.
3. The pecuniary interests arise from the fact that University of Michigan employee, Marc Bradshaw is owner of SciFab.

Authorization for the University to transact with Jazz Pie Music

The Regents unanimously approved an agreement with Jazz Pie Music (the "Company") for musical performances at law school events from 2013 through 2015.

Because Christopher Smith, James Dapogny, and Roderick McDonald, University of Michigan employee, are also partners of Jazz Pie Music, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and its Law School and Jazz Pie Music.
2. The agreement is for musical performances at law school events from 2013 through 2015. The total cost during this time period is not to exceed \$3,500.
3. The pecuniary arises from the fact that University of Michigan employees, Christopher Smith, James Dapogny, and Roderick McDonald are partners of Jazz Pie Music.

Research Agreement between the University of Michigan and 3D Biomatrix, Inc.

The Regents unanimously approved an agreement with Biomatrix, Inc. (the “Company”) for work to be done at the University in support of an NIH funded project under the STTR program entitled: “High Throughput 3D Cell Assay for Metastatic Prostate Cancer” which has recently received a funding supplement (“Proposed Project”).

Because University of Michigan employees, Dr. Nicholas Kotov in an officer and a member of the board of directors, and Dr. Shuichi Takayama, is a stockholder of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and 3D Biomatrix, Inc.
2. The terms of the agreement conform to University policy. The period of performance for the project was previously just under twelve (12) months, with the amount of funding support from the Company not to exceed \$99,946. With the supplement the period of performance for the Proposed Project will be just under eighteen (18) months, with the amount of funding support from the Company not exceeding \$119,104. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each sponsored project. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interests of Drs. Nicholas Kotov and Shuichi Takayama, arise from their service as officers, on the board of directors, and as a stockholder of 3D Biomatrix, Inc.

Subcontract Agreement between the University of Michigan and ImBio, LLC

The Regents unanimously approved an agreement with ImBio, LLC (the “Company”) to fund a project entitled “CT-Based Biomarker for Diagnosis of COPD” (13-PAF02924) to develop a commercial parametric response mapping (PRM) diagnostic software application and to validate PRM as a surrogate marker of patient health status suing images and patient information obtained from the NIH-sponsored clinical trial COPDGene.

Because Professors Brian Ross and Alnawaz Rehemtulla, University of Michigan employees, are also partial owners of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and ImBio, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately 3.5 years. The amount of funding support will not exceed \$783,730 for the Agreement.
3. The pecuniary interests of Drs. Brian Ross and Alnawaz Rehemtulla, arise from their ownership interest in ImBio, LLC

Material Transfer Agreement between the University of Michigan and Cardiavent, Inc.

The Regents unanimously approved a material transfer agreement with Cardiavent, Inc. (the “Company”) for the purpose of providing proprietary compounds to enable studies, under the direction of Dr. Robert U. Simpson, to determine the efficacy of each compound to affect levels and activities of cell products such as blood calcium, blood cytokines (e.g. TGFs,) and blood hormones (e.g. calcitriol), enzymes (e.g. cytochrome P450s, blood renin).

Because Professor Simpson, University of Michigan employee, is also owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Cardiavent, Inc.
2. The terms of the agreement conform to University policy. The agreement may be modified to include additional compounds that are memorialized in addenda to the agreement upon mutual agreement of the parties. University procedures for approval of these changes will be followed and additional conflict of interest will be done as appropriate.
3. The pecuniary interest of Dr. Robert U. Simpson, arises from his ownership interest in Cardiavent, Inc.

Other

FY2015 response to the Budget Development Letter from the Michigan State Budget Office

Provost Pollack said that the State Budget Office invited universities to respond to a series of questions to help them better understand the strategic challenges and opportunities facing Michigan's public universities. The letters in response to the State from President Coleman, on behalf of the Ann Arbor Campus, and Chancellors Little and Person on behalf of the Dearborn and Flint Campuses, respectively, are included in the materials.

Public Comments

Regents heard comments from the following individuals on the topics listed: Douglas Smith, citizen, on multiple topics; Celeste Brusati, faculty, on the Administrative Services Transformation; Chelsea Del Rio, student, on health care coverage; Katherine Lelito, student, on health care coverage for fertility treatments; Elizabeth Rodrigues, student, on health care coverage; Alexandra Brewer, student, on the Administrative Services Transformation; Elizabeth Walker, staff, on health care coverage; Linda Martinson, alumna, on General Counsel's closing

comments at the September Board meeting; Maria Cotera, faculty, on the Administrative Services Transformation; and Sara Feldman, student, cost savings at UM.

Adjournment

There being no further business, the meeting was adjourned at 4:52 p.m. The next meeting will take place on December 19, 2013.
