

JUNE MEETING, 2020

*The University of Michigan
Virtual
June 25, 2020*

The regents met at 9:00 a.m. via a livestream link on the University gateway. Participating were Regents Acker, Behm, Bernstein, Brown, Ilitch, Ryder Diggs and Weiser. Regent White was absent. Also, on the call were Vice President Baird, Vice President Churchill, Interim Provost Collins, Vice President Cunningham, Chancellor Dutta, Chancellor Grasso, Executive Vice President Hegarty, Vice President Lynch, Vice President Michels, Vice President Pendse, Executive Vice President Runge, Interim Vice President Taylor and Vice President Wilbanks.

Call to Order and President's Opening Remarks

President Schlissel called the meeting to order. He welcomed everyone to the virtual June Board of Regents meeting and thanked the participants for wearing masks. He said, "Obviously the masks are symbolic right now because most everybody is in their homes by themselves, but I wanted to highlight the importance and the sense of personal responsibility and help the university, and our state confront the cover 19 pandemic."

He began with a roll call of the regents.

President Schlissel said, "As members of a public research university community, we share a responsibility that has been painfully and courageously brought to the forefront of our national conscience in recent weeks. We must use our power to address systemic racism. Black Lives Matter. George Floyd and far too many Black Americans have been killed by police who have forsaken their oath to protect and serve, or by vigilantes who

escape the consequences of their horrendous actions. These tragedies are crimes and an appalling consequence of systemic racism.

“I applaud all those who are demonstrating against injustice and working to create a better world. This especially includes the members of our community, past and present, and the many units at UM that have stepped forward to confront a society and institutions that that have devalued, dehumanized and perpetuated violence against African Americans for centuries. This activism inspires us as we continue our efforts to break down barriers to access through programs such as Wolverine Pathways and the Go Blue Guarantee. We’ve worked to make our campus more welcoming through actions in recent years such as building a new Trotter Multicultural Center in the heart of campus and removing the C.C. Little name from a building on our campus. We are looking at other actions that we can take in the coming months to live out our values.

“We all have a responsibility to advance justice, equality, peace and understanding. To challenge and ultimately end the evil of racism. And to ensure that our university lives up to its aspirations to make our world better for all. I ask us now to observe a moment of silence in honor and remembrance of the victims of hatred and racism in our nation.” The meeting paused for a moment of silence.

President Schlissel continued, “Earlier this week, we announced that the University of Michigan plans to offer a public health-informed in-residence semester this fall. For Ann Arbor, the semester will consist of a mixture of in-person and remote classes structured to reflect our commitment to promoting public health, while fulfilling our fundamental mission of transformative undergraduate, graduate and professional education. UM-Dearborn and UM-Flint announced their fall plans as well with elements

developed by members of their communities to be tailored to each campuses' individual needs. The thoughtful and deliberate efforts of hundreds of members of the UM community have given me confidence that we can do this safely while upholding the excellence of a Michigan education. We will continue to plan and prepare in the months ahead.

“We have personnel news regarding two of the many U-M experts who helped craft our plan for the fall. This is Simone Himbeault Taylor’s final board meeting as interim vice president for Student Life, as Dr. Martino Harmon will join us July 1. Dr. Taylor has led Student Life with the utmost distinction and has helped us ensure a smooth leadership transition during one of the most challenging periods in the history of our university. Over the past several months, she has demonstrated enormous care for our students, centering their needs despite the rapidly changing conditions of the pandemic. In addition to implementing important health and safety measures since the beginning of the outbreak, she and her team enriched our students’ remote educational experience by helping them connect with one another and engaging them in innovative efforts in leadership development, career skills and the planning process for fall. Thank you, Dr. Taylor.

“I am also pleased to recommend the reappointment of Dr. Preeti Malani as chief health officer. In this role, Dr. Malani advises the executive team and me on the health and wellness of our community, including disease management, public health preparedness and the promotion of healthy practices. She is a leading scholar and practitioner, recently emerging as trusted voice nationally on campus health and safety during the COVID-19 pandemic. Her collaborations across many units have enabled us

to plan and implement our gradual process of resuming activities at UM. Thank you, Dr. Malani.

“The June meeting is traditionally the time the regents vote on a new chair and vice chair of the board for the coming year. The election will take place later in the meeting but I would like to take a moment now to thank Board Chair Regent Weiser and also Board Vice Chair Regent Ilitch for their dedicated work over the last several months. It has been a pleasure working so closely with the two of you.

“Two rulings last week by the U.S. Supreme Court are victories for equity and inclusion in our nation. The court rejected attempts to dismantle the Deferred Action for Childhood Arrivals (DACA) program, which protects undocumented immigrants brought to this country as children. UM will continue to advocate for a permanent solution that will provide a pathway to citizenship for the estimated 650,000 ‘dreamers’ who enhance our nation’s communities.

“The court also ruled that gay, lesbian and transgender employees are included in the protection from discrimination based on sex by the 1964 Civil Rights Act. While UM’s existing non-discrimination policy already prohibited discrimination based on sex, sexual orientation, gender identity and gender expression, it’s wonderful to see protections extended by federal law.

“Unfortunately, this week’s executive order from the president that further restricts the immigration of talented students, scholars and highly skilled workers is gravely concerning. Such patterns of exclusion are antithetical to our view that we are strengthened as a university, a nation, and an economy when top minds from all parts of the world choose to study and work with us.”

President Schlissel announced that the Commission on Presidential Debates had granted UM's request to be released from its agreement to host a presidential debate on October 15. He said it was, "a disappointing, but necessary step as we continue to grapple with the impacts of the COVID-19 pandemic." Programming around the debate, including the Democracy and Debate Theme Semester, virtual watch parties and participation in the Big Ten Voting Challenge will continue.

The agenda includes the university's annual budget presentations, which are focused on strategic investments that enhance priorities of academic excellence, affordability and societal impact. He thanked Interim Provost Collins and Senior Vice Provost for Academic and Budgetary Affairs Amy Dittmar for their work and leadership.

President Schlissel said, "Our Ann Arbor budget continues its focus on academic excellence and affordability amidst challenging circumstances from the COVID-19 pandemic. The budget proposes investments in health and safety, instructional technology and a 5.6% increase in undergraduate financial aid. We have implemented new cost containment efforts as we anticipate decreases in state funding and out-of-state and international student enrollment. To balance the budget, provide higher levels of financial aid and adapt to the COVID-19 pandemic, we are proposing a 1.9% increase for in-state and out-of-state tuition on the Ann Arbor campus.

"The \$12.8 million increase in financial aid will mean that most in-state undergraduates receiving need-based grant aid will see no increase in tuition costs in the coming year. This budget also includes continuing the Go Blue Guarantee.

"Finally, I have arranged with Chancellor Dutta and Chancellor Grasso to make a \$10 million fund available to be shared by the UM-Flint and UM-Dearborn campuses.

These funds will be devoted to critical new student success initiatives identified by the respective chancellor and their strategic priorities. This is part of our ongoing commitment to our regional campuses to help them best serve their students and the state. I look forward to working with the new board committee to ensure the continued success and excellence of UM-Dearborn and UM-Flint.”

President Schlissel called on Vice President Churchill for public comments on agenda items. The regents heard public comments from the following students on tuition: Thomas Chung, Damian Chessare and Marianna Smith.

Revenue and Expenditure Operating Budgets for FY 2020-2021

President Schlissel called on Executive Vice President Hegarty who said, “I’m pleased to provide to the board the consolidated summary of the operating budget revenues and expenditures for fiscal year 2021. The consolidation reflects all operating units of the Ann Arbor, Dearborn and Flint campuses. This includes but is not limited to all academic, health, student life and athletic units. This presentation is summarized by funding source. When a budget is approved the line item details of the budget will be published and made available to the public.”

Ann Arbor FY 2020-2021 General Fund Operating Budget, Student Tuition and Fee Rates

Interim Provost Collins provided an overview of the budget recommendations and said, “The \$2.3 billion general fund budget detailed in our action item is based on a state appropriation of \$325 million, an incremental \$102 million in cost containment and reallocation, and a recommended tuition increase of 1.9%. This small tuition increase provides an expansion of financial aid to support Michigan families and it also offsets new health and safety costs associated with a public health informed academic year. This

budget recommendation includes a 5.6% increase in undergraduate aid to ensure that we can continue our aid commitments for all who qualify for need-based aid. An increased need-based grant covers the proposed increase in tuition. This equates to a zero percent change in that tuition for most in-state students who receive need-based grant aid. The increase in tuition rates is 1.9% or \$290 per year for most in-state students.”

2020-2021 International Student fee; University Housing Residence Hall and Northwood Community Apartments Rates; Fee Assessments for Central Student Government (CSG), Student Legal Services (SLS), and School/College Governments; 2020-2021 University Health Service Fee; and Central Student Government (CSG) Financial Report

Interim Vice President Taylor continued with the recommendation for room and board rate increase of 1.9%. This increase will allow Michigan Housing and Dining to support the public health informed environment for our residents, which includes changes in housing and dining operations such as extending dining hours to enable social distancing, boxed meals and increased level of sanitation in bathrooms, showers and public spaces.

Interim Vice President Taylor said, “UHS is a primary care center for UM students and we are recommending a 1.9% base increase to provide resources to augment much needed mental health support, to hire additional counselors and to enhance access for students. With the prevalence of COVID-19 in our society, our goal is to provide the safest campus we can for our students. Student Life is seeking a COVID dedicated fee of \$50 per student per term. This one-time fee will be utilized to provide various preventative and responsive interventions and includes starter kits for students with masks, thermometers and sanitizers. There will also be quarantine and isolation spaces for impacted students, vaccines, testing, contact tracing and other such measures.”

She announced that there are no recommended changes in the Central Student Government (CSG), Student Legal Services (SLS) and School/College Government fees this year. She also presented the CSG financial report for 2018 and 2019 calendar years.

Comments from Regents:

Regent Ilitch said, “In the last 120 days we have seen unprecedented changes, challenges and volatility because of COVID-19. We are experiencing a global pandemic in which the entire world went into shelter in place and businesses were forced to temporarily close. Unemployment in the U.S. went from approximately 3% over 20% in a matter of weeks. The price of oil fell below zero, many well-known U.S. businesses are on the verge of bankruptcy, or have declared bankruptcy, and small business owners are experiencing the same. There’s not enough testing, little tracing and no vaccine. We have not yet felt the full effects and consequences of COVID-19.

“For at least the last 40 years the Board of Regents have voted to increase tuition, because the university has tremendous pricing power. The value of a UM degree is so high and the demand for admission is so strong that any increase is possible, notwithstanding the state’s intervention to cap tuition increases. That paradigm has shifted this year. And it’s incumbent on us to acknowledge that shift. This is nobody’s fault and the university will do the best it can to make a meaningful year for students but it’s just not the same.

“In the spring, the entire educational experience was remote at full price, in the summer the entire educational experience was remote at full price. If we are even able to complete this semester in Ann Arbor it will be a semester with a very high percentage of the educational experience being remote, and many experiences and services

compromised. Given these inescapable facts a tuition cut would actually be in order, but raising tuition 1.9 percent is simply tone deaf. Class action lawsuits have been filed across the country by students who want refunds. This is a national problem, where colleges and universities with endowments in the hundreds of millions and even billions of dollars are passing the entire burden of the pandemic onto students and their families. This is not fair. It is not right. This proposed increase in tuition is inconsistent with the pandemic mantra of 'we are all in this together,' raising prices when we have high unemployment and viable businesses are on the verge of bankruptcy. People in the private sector are taking 20-30% decreases in compensation, and up to 12% decrease in the value of equities.

“Dr. Anthony Fauci reports we are still in the first wave of this pandemic. Medical experts say there is a strong likelihood we will experience the second wave. As such, it is within the possibility, and some say probability, we will not be able to complete the fall semester. With this uncertainty, why would we increase the cost of tuition to our students and their families? And why would we increase the students' health service fee?

“The University of Michigan is a wealthy institution and can well afford to maintain the status quo in tuition cost during this pandemic. As our chief financial officer indicated in his annual report, and I quote 'the university's financial position remains very strong.' We have many financial levers we can pull to maintain our current tuition. We have a \$12 billion endowment and our spending policy can be changed to adapt to our new normal. We have a \$1 billion line of credit. We have multiple reserves to tap into. And we have many, many opportunities to control costs and spend money more efficiently. And again, as reported by our chief financial officer, and I quote, 'a revenue

diversification strategy has been in place at UM for years, enabling the institution to be financially stable through various economic cycles and avoid unnecessary dependence on student tuition and fee increases.’

“In addition, maintaining our current tuition rate and the status quo will not compromise our ability to provide financial aid, and further, UM is becoming more and more dependent and accessible to the wealthy, particularly from out-of-state. Our student minority admissions remain low, with little if any growth, and continuing to increase tuition costs does not help this matter particularly now.

“We cannot fail our students and their families at this most critical in dire moment. And it’s for these reasons that I feel at this time I should oppose the proposed 1.9% increase in tuition.”

Flint Campus FY 2020-2021 General Fund Operating Budget, Student Tuition and Fee Rates; 2020-2021 University of Michigan-Flint Residence Hall Rates

Chancellor Dutta began by thanking the president for the significant investment in both the Flint and Dearborn campuses. These funds will be devoted to student success initiatives in support of strategic priorities of enrollment, retention and graduation. Assuming a flat state funding, he recommended a 3.9% increase in combined tuition and fees for both undergraduate and graduate students. This amounts to a \$243 per term increase for in-state undergraduates. Flint has rolled out plans for 75% of courses to be online. He announced the elimination of the long-standing \$46 per credit hour fee for online courses.

Comments from Regents:

Regent Bernstein said, “It’s an understatement to say we are deeply interested in knowing how best to address enrollment, retention and completion challenges at Flint and

Dearborn. I think it is an important and good start to address those issues, and I know my colleagues are very eager to understand, with some degree of specificity, what those efforts may look like from someone who is confronting those issues on a daily basis. It's a very important topic to me as well."

Chancellor Dutta said, "That is a very important project that my leadership team and I will engage in now that we know the significant investment from Ann Arbor. Areas that we will be looking at include increasing the number of advisors, which has a documented impact on retention rates. We are going to look at ways to support students at the end of their program, those that need some financial help to stay in the program to help graduation rates. And we will also be thinking about how best to provide academic support. There are students whose financial difficulties translates into lack of academic performance. And finally, we have in this budget for next year approximately \$11 million for institutional aid that we will continue to use to assist students that need financial support."

Dearborn Campus FY 2020-2021 General Fund Operating Budget, Student Tuition and Fee Rates

Chancellor Grasso also thanked President Schlissel for the investment in the two campuses. He too, will direct it towards student success initiatives and strategic initiatives. He said that the budget is based on a constant state appropriation, 89% of which is directly committed to financial aid and increasing financial aid by 11%. He said, "We're also going to block tuition, which means that any students who take 12 or more credits pay only one rate for tuition. So, if you take 12 credits or 18 credits you only pay one rate for that tuition, allowing students to graduate more quickly and efficiently and more cost effectively.

Chancellor Grasso said, “We are requesting a 1.9% increase, a modest increase, in our tuition for undergraduates, a 4.2% for non-residents and a 5% increase to our graduate rate. The undergraduate increase amounts to \$124 per semester. The additional funding will transform and enhance the undergraduate student experience and improve graduation rates. To answer an earlier question, about 82% of UM-Dearborn students receive financial support.”

FY 2021 UMHS and UM Health Operating Budgets

Dr. David Spahlinger, president, UM Hospitals and Health Centers and University of Michigan Medical Group, provided an overview of the Health System operating projections. He began by thanking all the physicians, nurses, physical therapists, respiratory therapists, environmental service workers and supply chain partners that enabled the UMHS to meet the challenges of the first wave of the pandemic.

Non-emergency services were ramped down, causing a significant impact on revenue. ICU beds expanded from 107 to 260. Redeployed staff, both nurses and physicians, covered those intensive care units and developed in-house testing for COVID-19. He said, “They didn’t have swabs or viral transport media so we developed 3D printing to create our own swabs, and our pharmacy made our own viral transport media so we could do testing. Because of mask shortages we developed a reprocessing protocol for N-95 masks in order to maintain masks for everybody. And we were the first major hospital in the country, one day ahead of Mass General, to require a mask for everyone. We streamlined the patient transfer process both to reduce exposure of our workers, as well as to improve the speed with which we could accept transfers from southeastern Michigan. That truly became life-saving for people because when somebody becomes

very ill, they become ill very quickly. At one point, we had around 230 patients, with over 160 on ventilators.”

He thanked the community for their support through the Donation Center, which provided meals, coffee, emergency medical needs, funds and personal protective equipment for staff.

Dr. Spahlinger said, “All this had an impact on our finances. As of March 15, we were on pace to have an \$18 million March margin for the fiscal year. By the end of March, we had lost \$45 million. We were losing \$4 million a day caring for patients and ramping down of other operations, so that our estimated actual operating margin for a year end was a loss of \$139 million. We did, however, receive some government assistance and right now have a \$3 million loss for this year. For FY 21, we originally forecast a \$26 million loss. But we implemented a number of things, including no salary program for non-bargained faculty and staff, suspended retirement contributions for one year and executives took a pay cut. So, our new current operating projection is a \$44 million margin. But there is still significant risk with executing plans. We also are concerned about legislative environment, whether we will get any additional legislative relief and whether there will be some changes in reimbursement rates going forward. More than 14,000 surgeries were delayed during this three month period of time. Improvement in patient and employee safety, reducing health disparities and supporting the educational research mission continue.

Comments from Regents:

Regent Acker said, “I am not just a regent. I’m also a patient in the university hospital. I went last week for my appointment and the thing that I was struck by was how

I heard from everyone about how quickly and steadfastly your team moved to keep the employees safe. And like you said, the number of people who acquire COVID-19, as employees, was very low. I think that speaks to the dedication you had not just to treating your patients but to keeping everyone safe. You should be really commended for that. Thank you.”

FY 2021 University of Michigan Athletic Department Operating Budget

Director Manuel provided an overview of the Athletic Department budget saying, “This has been an unprecedented year. We had a significant decrease in the expenses of somewhere near \$8 million in savings because our teams weren’t traveling, we weren’t participating, our staff wasn’t traveling and we weren’t hosting games.

“It is a year where we are projecting a deficit of \$26 million. We have reserves and have worked with our CFO Kevin Haggerty and the president on a debt service plan to cover it, but I did want to bring it to the board for understanding of exactly the impact that could be had on this season from a revenue and operating expense standpoint.

“We have great fans, great donors and great staff who are all pulling together to reduce as best we can. We will adjust accordingly and move forward, so I want to give a lot of credit to my staff, my coaches and our student athletes as we have brought student athletes back. Those who are already back are following the protocols we have in place. They have been wonderful about it and we just need to keep staying diligent. We will continue to practice and participate in competition if we get to that point.”

On a motion by Regent Weiser, seconded by Regent Bernstein, the Regents voted on the FY2021 Revenue and Expenditure Operating Budgets.

Regent Behm said, “I think it’s important to note that an in-state student with a family income up to \$170,000 will not be receiving an increase. And if we don’t vote for this tuition increase with this budget then all of the monies that would be derived from this increase, that are spread out to those who least can afford to pay, will be borne by those who can afford to pay it and not carried by those who can least afford to pay.

Regent Bernstein said, “I want to just state very generally, my philosophy. We use a very small tuition increase to keep college affordable for those students who need the most financial help. I just believe fundamentally that those who can pay more should pay more so that those who can’t pay more don’t have to pay more. The provost can correct me if I’m wrong but 70% of our students in Ann Arbor are receiving some form of significant financial aid. That’s a very large number of students, and any agreements about the systemic challenges that the university faces with respect to funding, separate from COVID-19, need to be made to state and federal government that have just defunded higher education and all of education for that matter for years and years. We absolutely have a responsibility to be disciplined, to be deliberate and to be thoughtful about how we spend money. But I fundamentally believe that to not raise tuition in a very modest way at this moment deprives the university of the resources and desperately needed financial aid for the students who need it.

“With respect to Flint and Dearborn, I am certain that I speak on behalf of everybody on this board that we are deeply concerned about issues related to equity and fairness on those campuses when it comes to the success of our students, and also recognizing that those campuses face very unique challenges - each one different from the next. So, through all of this, many of our students, faculty, staff and their allies have

been deeply and effectively involved in advocating for smart and equitable investment in these campuses and this progress. I think that is reflected in the plans that the chancellors have outlined and that need more detail and more work. The investment that the president introduced at the beginning of our meeting is a good start for now. I don't believe it's enough, but it's an important down payment on the programs and efforts that are necessary to address the unique challenges that these campuses and the students on these campuses face. I believe that this money will jumpstart the funding for programs necessary to address the enrollment, retention and completion challenges on these campuses. And so, for those reasons, I intend to vote yes on this budget."

Regent Diggs said, "There's some parts of the budget that I really agree with and appreciate, and there are other parts to the budget that I do not. And this is the first time I think that I really have had to weigh those two differently, with really nine different parts to this budget. I think the uncertainty that lies before us is something that really causes me to pause and the information that we've been able to receive to date is honestly somewhat limited just because of the circumstances right now. There are no true numbers. These are all predictions done by the best minds. And so I appreciate the projections but the uncertainty, really is a challenge for me."

Regent Brown said, "I concur with everything that's been said by my colleagues for the most part, especially the wise words by Regent Ilitch early in the meeting. I just want everyone to be clear that I'm not so much a tuition hawk as I am an affordability hawk. And unfortunately, state government, as Regent Bernstein has said, has all but abandoned its major role of funding the majority of tuition. Therefore, I'm not opposed to the increases in tuition for those who are fortunate enough to be able to afford it,

especially if those increased revenues are used to support students with less ability to pay, in order to make the tuition more affordable to them. I want to commend the staff and the administration for doing that with this proposed increase.

“As many of you know, the board and the administration have been working very hard to develop and fund the plan to make Flint and Dearborn campuses wildly successful for its students and community, and I’ve been clear that I do not think we have invested enough in those two campuses. And the fact of the matter is that this is a consolidated budget and we lack line item veto, so to speak. I have to weigh all of the aspects of this budget in making that measurement. I come out not in support of the current budget and plan.

Comments by President Schlissel:

President Schlissel said “Before calling for a vote I just want to offer a brief comment. In a typical year, I speak to the board about the investments necessary to maintain and enhance academic excellence at the University of Michigan.

“Your stewardship, and 200 years of investment by the state of Michigan, has resulted in the top public research university in the country. As we look around ourselves in the state of Michigan, there are very few things that are top in the nation, although we aspire for the state to resume its position as the founder of the middle class for the United States, the home of a thriving auto and manufacturing industry- a place where a person could get a great public education and then a great university education. I’d argue that we’re not doing very well as a state in that regard.

“However, I think it would go without saying, not just in a room full of Michigan alumni and regents but around our state that the University of Michigan is a jewel of the

state of Michigan. It's really been the collective commitment of not just this group of eight regents, but the many regents that have preceded them through the 202 year history of the university that places benefits out into the world. Do the subtraction test. What would the state of Michigan be like without the University of Michigan, as a top public research university? We're in the middle of the most severe recession, certainly in my life, with tremendous uncertainty looking forward. What I'm asking for from the board is the ability to have confidence in the executive team, and invest along with us in the continuation of the University of Michigan and in our prioritization of keeping kids in school. The dollars that you're voting on in this budget will provide special financial aid to families whose circumstances have changed. It's our responsibility to make sure we have the money to invest in keeping kids in school so this doesn't become a lost generation.

“The resources we're investing in Ann Arbor and the supplemental resources for Flint and Dearborn will endeavor to make sure that this terrible pandemic doesn't have effects that last a lifetime for the young people whose window of time is right now. The other reason to invest in the university now is health and safety- in order to have students come back to Ann Arbor, in order to have our researchers in the labs and in order to have our staff who have to come to work be safe. We need to be able to invest in the public health informed safety measures that are necessary for best practices in order to keep the university moving forward.

“We have endeavored to maintain the employment of people at the university regardless of this terrible economy and we're trying our very best to do this. Great sacrifices have been made by people all across the institution. The signal of not

supporting a budget with such a de minimis increase in the presence of these great difficulties in our society; the commitment not to have aided students have to bear the brunt of a 1.9% increase in cost; and the commitment to invest in keeping kids in school and keeping our students, faculty and staff safe while they carry out the mission of the university in this time of uncertainty is very important, and that's my strongest argument for supporting the consolidated budget of the University of Michigan.

“At the same time, I make a personal commitment to the regents to continue to work together with our new committee focused on the regional campuses to develop thoughtful and strategic ways to invest in their future success and to develop budget models that support their future success. There's no investment that Ann Arbor could make if enrollment continues to dwindle on regional campuses that will keep those campuses strong and viable, so we need to be strategic and we need to be collaborative here. And that takes time and it takes goodwill. Certainly I pledge my part in working together to ensure that that happens in the months and years ahead.

“I don't subscribe in magical thinking, hoping that we don't have to do things and saying that we shouldn't charge for things that are important to charge for. That's not a strategy, at least for me, because I'm ultimately responsible for implementation. I thank the regents for their incredibly thoughtful approach to this budget as we've had many conversations about this over many, many months. And we are where we are now, and tomorrow will still be a university working together, struggling to fulfill our mission on behalf of our students and then all the residents of the state, and dare I say the nation and the world that are counting on us.

Comments by Regent Acker:

Regent Acker said, “To you and to your executive team, I really appreciate all of the work that you’ve put in over the last couple of months, really since our March meeting. We had no idea how this was going to hit our campus so hard and so quickly, and the work that you and your team did to move us online was really yeoman’s work and I want to first applaud you for that. And I want to echo what Regent Ilitch said. I thought that her thoughts on this were profound and absolutely right for the moment. But also, I agree normally with Regent Bernstein. I think that in a normal year, thoughts about raising tuition on the most well off of students to fund all of these other things that make our university great is important. And I understand it. But then I think about the numbers and I look at my senior year at the university, which was 2005. It was not that long ago. I paid \$10,000. Today, that’s over \$15,000 for an in-state student. I look where the economy has gone. I look at where jobs are in the state. Unemployment is massive. We are facing severe downturn, and yet I look at this budget and all I see is not opposition, but uncertainty.

“From the Flint and Dearborn campuses to the Ann Arbor campus I think about what this fall is going to look like and I appreciate and I believe that in your role as president, you should be optimistic about what the fall looks like. But I feel maybe as board members, we should be a little pessimistic and a little more realistic about what that looks like. I think we would be extraordinarily lucky to get through a semester. I think it’s quite frankly near impossible that we see fans in our football stadium in the fall semester. Whatever it looks like it’s going to look very, very different. And so I find myself there and also thinking that we could do more to not put the burden on our students this year but to put the burden elsewhere. Because ultimately, like Regent Ilitch said, I

think that we can continue to do what we need to do in Flint and Dearborn, and also not break our commitments for student aid in Ann Arbor. I do want to echo Regent Ryder Diggs because I think she really hits on an important point that the uncertainty is perhaps the most difficult part of voting for this budget. I do appreciate your commitment, President Schlissel. Over the next year, I'd like to see that commitment and transparency that we talked a lot about internally. I am a big transparency hawk. I think over the next year we need to do a lot of work to show our work when it comes to the investments in the Flint and Dearborn campus."

President Schlissel said, "The last comment I'll make before calling the vote is, that you know, I am very sensitive as many of you have pointed out to the state of the economy this year and the difficulty in having a tuition increase or, what Regent Ilitch called tone deafness. So that is a very sensitive point and the economy now is far worse than any of us imagined that it would be. Like most things though you know the effects are disproportionate. The people that we're calling upon to pay an extra \$400 or \$300 actually aren't the ones who are being affected by this awful economy. And the reason we're asking them to do that is so we can maintain the excellence of the university, while at the same time supporting those who have been disproportionately affected by the pandemic. One final point: every year we have a challenge around tuition. And I agree completely that eight or nine years ago when Regent Acker graduated it was less expensive, and 40 years ago when Regent Weiser graduated school it was way less expensive. I would say the University of Michigan today is getting the same support from the state that it got 20 years ago. The university has yet to recover from the last round of budget cuts. This budget projects a flat state allocation. I'd be willing to bet anybody

that it won't be a flat allocation, it'll be a decreased allocation. And then finally, last year when we struggled over the budget, we were struggling with raising tuition in a year where the economy in the state of Michigan was as good as we're probably going to see it in our lifetimes. The unemployment rate was hovering below 4%, the great rate of growth and personal income was way higher than inflation. And we struggled last year, so I'd argue it's always difficult to ask people to pay for value. That's particularly difficult when we're representing a large economy where people have very diverse capacities. I'll end with that and I'll run the roster on this vote. The vote now is on the consolidated budget with every component of the University of Michigan, including Flint, Dearborn, the Health System and Athletics.”

Regent White joined the meeting at this point.

The motion fails with Regents Behm, Bernstein, Weiser and White in favor and Regents Acker, Brown, Ryder Diggs and Ilitch opposed.

Regent Ryder Diggs said, “The budget process spanned many months and involves work with faculty and staff in every department and school. It's a thoughtful process that weighs needs and opportunities, critically reviews expenses, and plans investments for the future. It sharpens our conversation around issues that frankly I think are wonderful to discuss as intensely throughout the year. The budget is a statement of the values of our institution.

“This year our budget process was abruptly up-ended by the coronavirus pandemic as it swept through changing all of our lives across the state. As students returned home to complete school virtually businesses shuttered, employees were furloughed, friends and family members were hospitalized and lives were lost. We all

quarantined until the first wave passed. Now as we are slowly reopening, our institutions of higher learning are on the forefront helping pave the way to our new normal. I believe that with the uncertainties of the year ahead, we need to focus on the safety of our campuses and communities, quality education for our students and life-saving research and healthcare.

“I believe that we can focus on these priorities and maintain and even exceed the educational quality of the past with innovation, collaboration across the country with other like institutions, and with diligence. But I do not support increasing tuition when families are facing the economic uncertainties, possible recurrent furloughs, unemployment, family illness and difficulties with small business and household responsibilities. Although I appreciate the ‘sticker price’ versus discounted tuition rate we provide with incredible financial aid. I believe that families with these realities often fall through the cracks of our financial aid system because of the structure of our federal student aid forms.

“I’m proud of the incredible work that we’ve done to provide high levels of financial aid to offset higher tuition on our campus. But in these times, I don’t think it’s going to be enough with the economic uncertainties and the structure of our process. As families go through these uncertainties in the next few months, I think it’s going to be difficult for us to assess and decide what families are really receiving the financial aid and which ones won’t.

“The Ann Arbor campus entered the pandemic in a very good financial position. And as the President just stated, this increase in tuition is actually the minimum with the information that I have now. I believe our priorities can be met with a budget that does

not increase tuition. My understanding is this increase in tuition for the Ann Arbor campus will provide an additional \$17 million. I believe that we can provide these monies, if needed, in other ways.

“As a regent I have consistently supported the budgets and invested in our campuses. I acknowledge that we, as regents, can vote differently on the budget because we differ on how best to achieve the same goals and aspirations. I do want to thank the leadership team for their work on the budget to improve student academic success and engaged learning and student support services, particularly, mental health services and infrastructure. But the uncertainty surrounding the details of the hybrid academic fall semester are difficult to provide because we just don’t know what’s going to happen. That, along with the pandemic and its economic impact, compel me to believe that tuition increase for the Ann Arbor campus is not in the best interest of the institution, nor the people of the state at this time.

“The Flint campus to me is different, because it’s had significant challenges as a result of the Flint water crisis, changing population, decreasing enrolment, and now the COVID-19 pandemic. Of the 15 colleges and universities in our state Flint has the third lowest tuition and most of the students do not have campus housing expenses. The majority of in-state students receive financial aid, including 48% of students who are PELL eligible, who end up paying less than \$1,000 a year for tuition.

“These students would receive additional aid and all students would have fees eliminated to offset the \$243 tuition increase. So there really would be no additional burden on our students. I believe that substantial investment is needed in this campus for strategies to retain enrollment, increase financial aid, support faculty innovation and

develop new academic programs. I appreciate President Schlissel's commitment to invest \$10 million in these improvements and with additional investments in students support. I support that budget, but understanding our process as outlined by Vice President Churchill, I voted no on the consolidated budget for the above reasons. I believe that none of us can really foresee the future and all of us are doing the best that we can with the information that we have. I do think that in the future planning consensus building will help us handle what lies before us."

President Schlissel said he appreciated the reservations expressed on the budget and work will begin to bring forward a budget by the July meeting. He returned to the meeting agenda.

Committee Report: Committee on Flint and Dearborn

Regent Behm reported that the first meeting of the Committee on Flint and Dearborn took place with Chancellors Grasso and Dutta. The overarching commitment to the Flint and Dearborn students is to provide them with the support to be successful, high achieving students. This includes a commitment through services such as academic advising, tutoring, career services; a commitment to the completion of the degree to those who have left school by removing the financial barriers of obtaining a college degree; a commitment to mental well-being; and creating a more inclusive campus environment for our students. He thanked the students and faculty from all three campuses who have helped shine a light on these important issues.

Officer Nominations

Regent Weiser said, "The Regents' Bylaws state that the positions of chair and vice chair rotate annually based on seniority until all members of the board have had the

opportunity to serve as chair or vice chair. Following this provision, I move the nomination of Regent Denise Ilitch as chair, and Regent Jordan Acker as vice chair of the Board of Regents, effective July 1, 2020 through June 30, 2021.” The motion carried was seconded by Regent Ryder Diggs and carried unanimously.

President Schlissel called on Regent Bernstein for a supplemental resolution.

Resolution

Regent Bernstein said, “This is a motion on a board resolution on employer neutrality, cooperative determination, recognition of bargaining units and notification of agreements. We have deliberated on this for many months. Both the board and administration have met several times to discuss labor issues. As always, I’m grateful to my colleagues and the administration for sharing their thoughtful views during this long process. This specific proposal was introduced to my colleagues a number of times, all the way back to February 5 of this year.

“I see this as an opportunity to institutionalize an approach that will dramatically improve our relationship with employees and make labor organizing activity on our campuses more efficient. The most important feature of this resolution is the adoption of a card check policy. Card check is not new and has existed since the National Labor Relations Act was passed back during the New Deal in roughly 1935. It’s been legal for workers to form a union when a majority of employees and a bargaining unit sign cards indicating their intent to bargain collectively with their employer. Then again in 1969 the United States Supreme Court upheld the use of card check when Chief Justice Earl Warren wrote his majority opinion on NLRB v Gissel Packing decision. Quoting from the opinion, ‘almost from the inception of the National Labor Relations Act it was

recognized that a unit did not have to be certified as the winner of a board election to invoke a bargaining obligation, it could establish majority status by other means by showing convincing support, for instance, by the union called strike or a strike phone' or as here in the case he was referring to, 'by possession of cards signed by a majority of the employees authorizing the union to represent them for collective bargaining purposes.'

"Fast forward to 2007. When former President Barack Obama, then Senator Obama, argued debating the Employee Free Choice Act, and I'm quoting, 'the current process for organizing a workplace denies too many workers the ability to do so. The Employee Free Choice Act offers to make binding an alternative process under which the majority of employees can sign up to join a union.'

"Currently, employers can choose to accept but are not bound to by law to accept the signed decision of a majority of workers. He argued that choice should be left to workers and workers alone. Card check is now used in a about a dozen states and many, many more municipalities, all of which have thriving unions. Unions and associations of individual workers band together to collectively advance their shared interests.

"Of course, this university is a part of many unions established to collectively advance our interests. We just use different names like the NCAA or the Big 10 Conference. With respect to these unions, however they were initially established, we as an institution indicated an interest to establish these institutions. So how did the Big 10 get established? Essentially by card check. How did the NCAA get established? Essentially by card check. So, I'm proud and grateful to spearhead this victory for working families because I believe it benefits the university. I believe it benefits our state and I believe that it benefits our society.

Regent Bernstein moved that the University of Michigan Board of Regents adapt the following:

**BOARD RESOLUTION REGARDING EMPLOYER NEUTRALITY,
COOPERATIVE DETERMINATION AND RECOGNITION OF BARGAINING
UNITS, AND NOTIFICATION OF AGREEMENTS**

- 1. Employer Neutrality. The University of Michigan recognizes and supports the fundamental right of its employees to form unions and bargain collectively. The University, and all of its agents acting in a supervisory role shall remain neutral on the issue of union representation in any organizing efforts by employees of the University and shall not express an opinion - positive or negative - about such efforts nor will they provide employees with any information regarding unionization except that required by law. The University may distribute purely factual information to employees that corrects an inaccuracy or misrepresentation published by the union, provided that the union fails to make the correction itself within two days following notification by the University. No University agent shall threaten, intimidate, discriminate against, retaliate against, or take any adverse action against any employee based on their decision to support or oppose forming a union.*
- 2. Cooperative Determination and Recognition of Bargaining Units. With regard to the determination of appropriate bargaining units, if a group of employees wishes to form or join a union, the union representing them may present a proposed bargaining unit to the University. The University will accept the bargaining unit proposed by the union as long as the proposed unit is reasonable. If the University asks for changes in the unit, representatives of the University and the union will work to reach agreement on disputed issues. At any time, either party may opt for a mutually-approved arbitrator to make a binding decision solely on whether or not the proposed unit is reasonable under the Public Employment Relations Act. Arguments will be presented to the arbitrator within two weeks following notification of this option (unless both parties agree to an extension) and the arbitrator shall issue their ruling within two weeks following. If the arbitrator determines the proposed unit is reasonable, the University will accept the proposed bargaining unit; If the arbitrator determines the proposed unit is not reasonable, the Union may propose an alternative unit to the University. With regard to certification of bargaining units, once a bargaining unit has been determined, the University will recognize the union as*

the bargaining representative of the employees upon a showing of majority support of the employees in the bargaining unit (a practice commonly referred to as “card check”). Majority support will be verified by a mutually agreed upon process.

3. Notification of Agreements. When an agreement is reached with regard to the determination or certification of a bargaining unit, the core elements of the agreement will be jointly communicated by the University and the union to all potential members of the bargaining unit, relevant supervisors, and any relevant third parties. The University will take all necessary steps to enforce these policies effective immediately.

The motion was seconded by Regent Acker.

Discussion

Regent Brown said, “I think I joined my first union when I was 18 years old and had been a part of several since. My lovely wife is a union member. I grew up in a union household. My mother was a teamster. I have been in management and I mean obviously the employee side of several companies, some unionized and some not. Some may see this as a dramatic word but as Regent Bernstein pointed out, this is actually if not typical, it’s absolutely common both in our industry and across our economy. Far from being dramatic, I think all it really does is clarify and streamline the process. And if it does happen to result in increased union membership on campus I see that as a great thing for our institution, our students, our faculty and staff, our community and for our state. So, I’m very excited to be in favor of the codification of these policies.”

Regent Ilitch said, “Unions have a very deep history in our state and in our city. And I think very fondly of all of the union labor that built Comerica Park. I hope for the next year as chair, one thing I will try to be a positive influence on is improving relationships between labor and our administration. I think that there is great room for

improvement. I think there's commitment from both sides but hopefully we will have a stronger and more collaborative relationship in the year going forward."

Regent Acker said, "I'm proud to second this motion today. One of the things that makes our state and our university great is that we have this forward thinking tradition of labor relations. This is something that goes back decades. The codification of Regent Bernstein's motion here will only make that stronger and I think the neutrality is a very strong way forward. And so, I agree with Regent Bernstein that codification of card check or Employee Free Choice is really an important thing and I expect that these changes will not only, as Regent Ilitch said, help us have better labor management relations, but also serve as a model for other institutions on how we can have those relations moving forward. I'm proud to not just second this but also to vote yes moving forward.

Regent Weiser said, "I support neutrality but I feel there's not been public input into this so I would like to propose an amendment in order to get full voice to every employee and follow the bedrock of this country's democracy for elections. Secret ballots are an easy way to prevent coercion and intimidation. He proposed the following amendment: 'With regard to service certification of bargaining units, once a bargaining unit has been determined the parties will agree to utilize the MERC election process, which provides for all employees, and the proposed bargaining units may vote by secret ballot if they wish to be represented by the proposed union and a simple majority will rule.' That's a lower threshold for employees because it only requires a simple majority but it does give protection to employees from coercion and intimidation."

The amendment failed for lack of support.

President Schlissel said, “I’d like to make a comment about my perspective on this really important point. I appreciate having worked with the board on this issue- not this formal proposal as that hasn’t really been discussed formally for more than a matter of a few days- but the concepts certainly have been on the table for quite some time.

“Throughout American history unions have contributed to the economic success of our nation and to equitable treatment and prosperity of our workforce. Growing up in New Jersey I too was a union member. I worked for a supermarket chain as a cashier, and as a clerk stocking shelves on the night crew to earn money for my education. In fact, I received a union scholarship from my local to help pay for college. Personally, I strongly support the right of employees to decide whether or not to organize and join a union. Indeed, unions have been instrumental in bringing about the 40 hour work week, improved workplace safety standards and the development of workers compensation programs, policies that have made our nation much better.

“The University of Michigan as we’ve heard has a long and proud history of progressive labor relations and employment practices. Our earliest unions have been around for more than 50 years. The university remains neutral on what we say during labor organizing efforts, a principle that I fully support. We provide facts and data and do not take a position in the effort consistent with what’s proposed in today’s resolution. Likewise, I respect the collaborative approach to defining the community of interest, described in the resolution, along with its consideration of reasonableness and commitment to external arbitration when differences exist.

“My greatest concern about today’s resolution has to do with the right of our faculty and staff to freely choose whether or not to be represented. The proposed policy

requires that the university agree to a card check as the required way to assess faculty and staff interest in being represented by a union. There is no privacy involved with the card check and often co-workers know exactly how each person voted, or whether they chose to vote at all. Our democracy has thrived for centuries using the secret ballot. We've struggled as a nation and still do assuring that all our citizens have the right to exercise their franchise and really, it's the best way we've invented so far to assure freedom of choice and our democracy.

“Much of the proposed resolution codifies our current practices and certainly has my support. I urge the regents to be cautious, however, in creating policies that may make it harder to effectively administer the university or take away the freedom that our faculty and staff currently enjoy to choose whether to organize. I value the mutual respect in our work and discussions and appreciate the regents' deep commitment and devotion to our university.”

Regent Ryder Diggs said, “I really view this as kind of the best practices that the leadership team has been doing all along. So many of these things are just putting them in place so that irrespective of who is in leadership at the time, practices are followed. I appreciate your team working with Regent Bernstein on the language. We, as a board, vote in public, we don't vote by secret ballot. And actually, that's been something different for me. Most of my votes are actually done when you go into the voting booth and so it is different. In a way, I think it centers you, and your vote, and your values because it is public. I think that the faculty, staff, students and our university are high level in both their conscience and in stating their values easily. I think that this practice

is very effective and will be an improvement in codifying the best practices that your leadership team has already been doing, setting us up for a better future.”

The motion carried with Regents Acker, Behm, Bernstein, Brown, Ryder Diggs and Ilitch in favor and Regent Weiser opposed. Regent White had left the meeting by this point.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meeting of May 21, 2020.

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 May 31, 2020.

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

Student Life. Interim Vice President Taylor had no report.

University of Michigan-Dearborn. Chancellor Grasso said plans for the fall have been announced, which include a hybrid, public health informed semester with the majority of courses being taught remotely. Work continues for the on-campus components to make sure that everybody is going to remain healthy. He announced that UM-Dearborn shared first place honors at the DTE and Energy Society of Detroit

challenge and submitted a 500-page report that documents ways to save \$200,000 a year on energy bills on campus.

University of Michigan-Flint. Chancellor Dutta spoke of the approval of Dr. Sonja Feist-Price, as provost and vice chancellor for academic affairs, Office of the Provost and Vice Chancellor for Academic Affairs. Currently, Sonja is the vice president for institutional diversity and a professor in the Department of Early Childhood Education in the College of Education at the University of Kentucky. He thanked Keith Moreland for his service as interim provost, and said that he served the campus exceedingly well during a very difficult time.

Chancellor Dutta said, “Over a million people in the state of Michigan are part of the non-complete population, meaning they have some college credit but no degree. Flint has received a \$750,000 grant from the C.S. Mott Foundation to help these people complete their degrees. Flint will match the dollar amount to make it a grant of \$1.5 million. The plan is called a Pathway to Completion and it will provide returning students of UM-Flint up to nine credits for free.

“I like to close with a comment on UM-Flint student Raymond Kusch. He was our student speaker at the December 2019 graduation. Serving in the US Army in Iraq he lost his left foot to an IED and he suffered serious injuries throughout his body, including traumatic brain injury and later PTSD. He’s from Clio and later enrolled at UM-Flint. He proved himself to be an excellent student, graduating with high honors. He also played ice hockey at an advanced level and qualified for the US World Cup hockey disabled team. This month he was named the 2020 USA disabled hockey player

of the year. Chancellor Dutta shared a photo from *USA hockey* magazine of Kusch wearing a UM-Flint hockey jersey.

Regent Ilitch reminded everyone that Regent White is a Brigadier General in the National Guard and is serving the country, which is why she is absent from most of this meeting.

Central Student Government Report. Central Student Government (CSG) President had no additional report.

Voluntary Support. Vice President Baird had no additional report.

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

Retirement Memoirs. Vice President Churchill submitted 23 retirement memoirs.

Memorials. There were no deaths reported to the regents this month.

Degrees. Degree lists and changes to previously approved degree lists were submitted.

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

Absolute Return and Alternative Asset Commitments

Executive Vice President Hegarty reported on the university's follow-on investments with previously approved partnerships with a commitment of \$50 million to Kayne CLO Partners Fund II, L.P. and \$20 million to Kayne CLO Partners GP, LLC

(IMA); a commitment of \$35 million to Advent Latin American Private Equity Fund VII-C SCSP; a commitment of \$50 million to Brookdale Investors Eight, L.P.; a commitment of \$50 million to CREA Partners III, L.P.; a commitment of \$50 million to Green Courte Real Estate Partners V, LLC; a commitment of \$30 million to GSR Ventures VII, L.P.; a commitment of \$50 million to LBA Logistics Value Fund VII, L.P.; and a commitment of \$50 million to Siguler Guff Valiant Fund, L.P.

Conflicts of Interest

On a motion by Regent Ilitch, seconded by Regent Bernstein, the regents unanimously approved via a roll call vote 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 a contract with Arbor Medical Innovations, LLC

An agreement with Arbor Medical Innovations, LLC was approved.

1. The parties to the agreement are the Regents of the University of Michigan, its Department of Family Practice and Arbor Medical Innovations, LLC.
2. The agreement is for a one time purchase at a total cost not to exceed \$35,400. Arbor Medical Innovations, 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 employees Grant Kruger and Steven Harte are members of Arbor Medical Innovations, LLC.

Authorization for the University to transact with CubeWorks, Inc.

An agreement with CubeWorks, Inc. was approved.

1. The parties to the agreement are the Regents of the University of Michigan, its Department of Electrical Engineering and Computer Science and CubeWorks, Inc.
2. The agreement is for a one time purchase at a total cost not to exceed \$51,000. CubeWorks, Inc. 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

David Blaauw, Dennis Sylvester, David Wentzloff, Prabal Dutta, Gyouho Kim, Seok Hyeon Jeong, Yejoong Kim, ZhiYoong Foo and Hun-Seok Kim are stockholders, employees, directors and/or consultants of CubeWorks, Inc.

Authorization for the University to transact with Media Ensemble LLC

An agreement with Media Ensemble LLC was approved.

1. The parties to the agreement are the Regents of the University of Michigan, its School of Music, Theatre & Dance and Media Ensemble LLC.
2. The agreement is for a one time purchase at a total cost not to exceed \$1,700. Media Ensemble 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 Alvin Hill is owner of Media Ensemble LLC.

Authorization for the University to transact with The Guild Poetry Inc.

An agreement with The Guild Poetry Inc. was approved.

1. The parties to the agreement are the Regents of the University of Michigan, its Wolverine Pathways program and The Guild Poetry Inc.
2. The agreement is for a one time purchase at a total cost not to exceed \$500. The Guild Poetry Inc. 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 William Royster is an employee of The Guild Poetry Inc.

Authorization for the University to enter into a contract with Imbio, LLC

An agreement with Imbio, LLC was approved.

1. The parties to the agreement are the Regents of the University of Michigan, its Department of Internal Medicine and Imbio, LLC.
2. The contract is for Imbio, LLC to provide sponsored research collaboration under National Institutes of Health project titled, "Prediction of COPD Progression by PRM". The performance period is anticipated to be March 15, 2020 through February 29, 2024, and is estimated not to exceed \$148,280. The terms of the contract will comply with appropriate university requirements. Since projects are often amended, the contract will include provisions for changes in time, amount and scope.
3. The pecuniary interest arises from the fact that University of Michigan employees Alnawaz Rehemtulla, Brian Ross, Thomas Chenevert, Craig Galban, Heather Knauer, Nicholas Burris, Ella Kazerooni, Benjamin Hoff and Jeffrey Fessler are a member on the Scientific Advisory Board of Imbio, LLC, have equity interest in Imbio, LLC, have interest in intellectual property licensed to Imbio, LLC and/or serve a consultant/advisory role.

Authorization for the University to enter into a contract with Imbio, LLC

An agreement with Imbio, LLC was approved.

1. The parties to the agreement are the Regents of the University of Michigan, its Department of Radiology and Imbio, LLC.
2. The contract is for Imbio, LLC to provide sponsored research collaboration under National Institutes of Health project titled, “An Early Imaging Marker of Emphysema”. The performance period is anticipated to be May 28, 2019 through April 30, 2023, and is estimated not to exceed \$200,690. The terms of the contract will comply with appropriate university requirements. Since projects are often amended, the contract will include provisions for changes in time, amount and scope.
3. The pecuniary interest arises from the fact that University of Michigan employees Alnawaz Rehemtulla, Brian Ross, Thomas Chenevert, Craig Galban, Heather Knauer, Nicholas Burris, Ella Kazerooni, Benjamin Hoff and Jeffrey Fessler are a member on the Scientific Advisory Board of Imbio, LLC, have equity interest in Imbio, LLC, have interest in intellectual property licensed to Imbio, LLC and/or serve a consultant/advisory role.

Authorization for the University to transact with Divinity Home Care, Divinity Care Services, and Quality Private Care

An agreement with Divinity Home Care, Divinity Care Services, and Quality Private Care was approved.

1. The parties to the agreement are the Regents of the University of Michigan and Divinity Home Care, Divinity Care Services, and Quality Private Care.
2. The agreement is to transact with Divinity Home Care, Divinity Care Services, and Quality Private Care in regards to clinical placements for the foreseeable future.
3. The pecuniary interest arises from the fact that University of Michigan employee Tatjana Tina Savich is owner or co-owner of Divinity Home Care, Divinity Care Services, and Quality Private Care.

Subcontract Agreement between the University of Michigan and Arborsense, Inc.

A subcontract agreement with Arborsense, Inc. to fund an NIH (prime) SBIR Phase I project entitled, “Rapid and non-invasive device for drug detection through sweat” (ORSP #20-PAF06347) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Biomedical Engineering and Arborsense, Inc.
2. The terms of the agreement conform to university policy. The period of performance for the project is approximately six (6) months. The amount of funding support will not exceed \$78,000. Since research projects are often amended, this agreement includes 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.
3. The pecuniary interest arises from the fact that University of Michigan employees Xudong Fan, Mark Ilgen and Zhaohui Zhong are part owners of Arborsense, Inc.

Research Agreement between the University of Michigan and Eli Lilly and Company

A research agreement with Eli Lilly and Company to fund a project entitled, “A Randomized, Placebo-Controlled, Double-Blind, Sponsor Unblinded, Single Ascending Dose, Phase 1 First in Human Study to Evaluate the Safety, Tolerability, Pharmacokinetics and Pharmacodynamics of Intravenous LY3819253 in Participants Hospitalized for COVID-19 (J2W-MC-PYAA)” (ORSP #20-PAF07965) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Surgery and Eli Lilly and Company.
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 \$285,000. Since research projects are often amended, this agreement includes a provision 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. This agreement includes the provision that the university will be entitled to amend or terminate the agreement in the event that regental approval is not obtained.
3. The pecuniary interest arises from the fact that University of Michigan employee Dr. Marschall Runge is a paid member of the board of directors of Eli Lilly and Company.

Subcontract Agreement between the University of Michigan and NOTA Laboratories LLC

A subcontract agreement with NOTA Laboratories LLC to fund an NIH (prime) SBIR Phase II project entitled, “Extended Nitric Oxide Delivery Device to Reduce/Prevent IV Catheter Infections” (ORSP #20-PAF06498) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Transplant Surgery and NOTA Laboratories LLC.
2. The terms of the agreement conform to university policy. The period of performance for the project is approximately two (2) years. The amount of funding support will not exceed \$712,524. Since research projects are often amended, this agreement includes 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.
3. The pecuniary interest arises from the fact that University of Michigan employees Mark Meyerhoff, Dr. Mark Zacharek and Dr. Marc Hershenson are part owners of NOTA Laboratories LLC.

Subcontract Agreement between the University of Michigan and NOTA Laboratories LLC

A subcontract agreement with NOTA Laboratories LLC to fund an NIH (prime) SBIR Phase II project entitled, “Antimicrobial Intravascular Catheter Lock Solutions

Based on Endogenous Nitric Oxide Release Agent” (ORSP #20-PAF06550) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Transplant Surgery and NOTA Laboratories LLC.
2. The terms of the agreement conform to university policy. The period of performance for the project is approximately two (2) years. The amount of funding support will not exceed \$702,006. Since research projects are often amended, this agreement includes 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.
3. The pecuniary interest arises from the fact that University of Michigan employees Mark Meyerhoff, Dr. Mark Zacharek and Dr. Marc Hershenson are part owners of NOTA Laboratories LLC.

Research Agreement between the University of Michigan and NS Nanotech Inc.

A research agreement with NS Nanotech Inc. to fund a project entitled, “Development of High Efficiency InGaN Nanowire Photonic Crystal Green LEDs” (ORSP #20-PAF07081) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Electrical Engineering and Computer Science and NS Nanotech 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 \$400,000. Since research projects are often amended, this agreement includes a provision 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.
3. The pecuniary interest arises from the fact that University of Michigan employee Zetian Mi is part owner of NS Nanotech Inc.

Sponsored Activity Agreement between the University of Michigan and PONTIAC YYZ

A sponsored activity agreement with PONTIAC YYZ to fund an activity entitled, “2020 M1 Concourse Subscriber Survey” (ORSP #20-PAF07512) was approved.

1. The parties to the contract are the Regents of the University of Michigan and PONTIAC YYZ.
2. The terms of the agreement conform to university policy. The period of performance for the activity is approximately four (4) months. The amount of funding support will not exceed \$7,500. Since projects are often amended, this agreement includes 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.
3. The pecuniary interest arises from the fact that University of Michigan employee Timothy Hartge is the CEO of PONTIAC YYZ.

Subcontract Agreement between the University of Michigan and S2A Technologies LLC

A subcontract agreement with S2A Technologies LLC to fund an NSF (prime) SBIR Phase I project entitled, “COVID-19: Minimizing Uncertainties in Software-Based Vibration Compensation of 3D Printers to Enable Increased Speed and Accuracy” (ORSP #20-PAF07624) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Mechanical Engineering and S2A Technologies LLC.
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 \$73,526. Since research projects are often amended, this agreement includes 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.
3. The pecuniary interest arises from the fact that University of Michigan employee Chinedum Okwudire is part owner of S2A Technologies LLC.

License Agreement between the University of Michigan and Vasaragen, Inc.

A license agreement with Vasaragen, Inc. to license from the University of Michigan the university’s rights associated with the following technologies was approved: UM OTT File No. 7801 entitled, “A Novel ACC-TCGA-Derived Molecular Assay to Stratify Adrenocortical Carcinoma (ACC) and Predict Clinical Outcomes”; and UM OTT File No. 2019-415 entitled, “A Novel ACC-TCGA-Derived Strategy for Molecular Classification of Adrenocortical Carcinoma (ACC) for Targeted Therapies”.

1. The parties to the contract are the Regents of the University of Michigan and Vasaragen, Inc.
2. Agreement terms include granting Vasaragen, Inc. an exclusive license with the right to grant sublicenses. Vasaragen, Inc. will pay a royalty on sales and reimburse patent costs. The university may receive equity in Vasaragen, Inc., along with the right to purchase more equity. The university will retain ownership of the licensed 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 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 review will be done as appropriate.
3. The pecuniary interest arises from the fact that University of Michigan employee Dr. Gary Hammer is part owner of Vasaragen, Inc.

Subcontract Agreement between the University of Michigan and Verge Therapeutics, Inc.

A subcontract agreement with Verge Therapeutics, Inc. to fund an NIH (prime) SBIR Phase I project entitled, “Identification and Development of Novel Niclosamide Derivatives for the Treatment of COVID-19” (ORSP #20-PAF07153) was approved.

1. The parties to the contract are the Regents of the University of Michigan, its Department of Internal Medicine and Verge Therapeutics, Inc.
2. The terms of the agreement conform to university policy. The period of performance for the project is approximately six (6) months. The amount of funding support will not exceed \$83,203. Since research projects are often amended, this agreement includes 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.
3. The pecuniary interest arises from the fact that University of Michigan employee Jonathan Sexton is part owner of Verge Therapeutics, Inc.

Building Naming

On a motion by Regent Acker, seconded by Regent Bernstein, the regents unanimously approved the naming of the Judy and Stanley Frankel Detroit Observatory.

Establishment of a University Institute

Executive Vice President Runge said, “I’m very pleased to share with you that Regent Ron Weiser and his family have generously provided a \$30 million gift to establish the Elizabeth Weiser Caswell Diabetes Institute. The institute will be named for Regent Weiser’s daughter Elizabeth, who has two sons and a husband with type 1 diabetes. Approximately 10 percent of Americans or 30 million people have diabetes with twice that number suffering from pre-diabetes. This institute will focus on diabetes research and will bring to bear the university’s broad research across many different schools, departments and colleges to develop lifesaving diabetic therapies. We all are so appreciative of the Weiser Family for their support and generosity.”

President Schlissel said, “In addition, of course, to being a regent Regent Weiser is one of the major donors to the university. He supports everything from athletics through every aspect of the academics of the university and then of course our health system. Diabetes, as you heard from Dr. Runge, is a disease that affects 10% of the population and it’s been growing. The disability created by that disease, the loss and quality of life and length of life is just profound. Ron, thank you very much for your generosity yet again and the wisdom of this choice in investing in such an important area of biomedical research.”

On a motion by Regent Behm, seconded by Regent Diggs, the regents unanimously approved the establishment of the Elizabeth Weiser Caswell Diabetes Institute, Medical School, effective June 18, 2020.

UM-Dearborn Academic Calendar 2022-2023

On a motion by Regent Behm, seconded by Regent Diggs, the regents unanimously approved the Dearborn campus academic calendar for 2022-2023.

Michigan Health Corporation (MHC) Business Plan

On a motion by Regent Ilitch, seconded by Regent Behm, the regents unanimously approved the.

Public Comment

The regents heard public comments from Grace A. Carey and Heather Laube, UM-Flint, on resources for Flint/Dearborn; Omar Elnour and Bennitt Walling, UM-Flint students, on One University; Hassan Jaber, citizen, on One University; Richard Rood, faculty, on scaling up climate solutions; Hallie Fox, alumna, on climate action; Arun

Agrawal, faculty, on climate change action; Jennifer Triplett, student, on COVID accommodations/supports; Gayle Adams, staff, on physician assistants union; Natalie Warsinger-Pepe, student, on campus reopening; and Aaron Miller, citizen, on manufacturing reopening.

President Schlissel thanked all the speakers for their thoughtful comments on issues of importance.

Adjournment

The meeting was adjourned at 12:15 p.m. The next meeting will take place on July 16, 2020.