

OCTOBER MEETING, 2021

*The University of Michigan
Flint Campus
October 21, 2021*

The regents met at 3:30 p.m. at the Riverfront Center in Flint and by a livestream link on the university gateway. Participating were Regents Acker, Behm, Bernstein, Brown, Hubbard, Ilitch and Weiser. Regent White participated by Zoom. Also present were Vice President Baird, Executive Vice President Chatas, Vice President Churchill, Provost Collins, Vice President Cunningham, Chancellor Dutta, Chancellor Grasso, Vice President Harmon, Vice President Kolb, Vice President Lynch, Vice President Michels, Vice President Pendse, and Executive Vice President Runge.

Call to Order and President's Opening Remarks

President Schlissel called the meeting to order and called the roll of all the regents for the record and for those not able to see the screen. He said, "It's wonderful to be back at UM-Flint for our board meeting. I thank Chancellor Dutta and his team for being wonderful hosts today. I congratulate the members of the UM-Flint community on the recent awarding of a \$3.8 million federal grant to build the Innovation and Technology Center. This is an important moment in this history of this campus, as it responds to the needs of the region and students it serves.

"University donors provided an additional \$4.9 million for the project, which will further ensure that UM-Flint's new College of Innovation and Technology will continue its great start and make an impact for generations to come. We'll hear more later in the meeting from Chancellor Dutta and the college's new dean, Christopher Pearson. Today is also the first

meeting for our new Executive Vice President and Chief Financial Officer Geoffrey Chatas. Welcome, Geoffrey.

“During our previous board meetings and in several other forums and venues, we’ve heard from many survivors of abuse by the late physician Robert Anderson. We thank them for their bravery in coming forward, sharing deeply personal and painful stories, through public comment sessions, in the news media and at demonstrations, including the one on campus in front of my house. We encourage any survivors to speak out. We value their voices. We continue to work toward fair compensation for the Anderson survivors through the confidential, court-supervised court process. Principles of care, support and education guide our efforts to prevent sexual and gender based misconduct.

“ECRT has hired a new deputy coordinator for civil rights and Title IX outcomes and one of two additional equity specialists. Both began this month. Equity specialists boost our support team by coordinating services to those who report misconduct and serving as a resource to all parties from intake through resolution. The PEAR director will lead a team designed to better coordinate the delivery of services, even when those services are outside of ECRT. I thank the team for their work to get this new unit up and running so quickly.

Regent Ilitch acknowledged the survivors of Dr. Anderson and the impact of the WilmerHale report. She said, “I want to echo your comments with respect to the survivors of Dr. Anderson. I also want to reference the WilmerHale report and comment on how difficult and painful that report was. We are listening to the survivors and to the experience you had and to your journey.”

“This fall’s first-year class on the Ann Arbor campus was our largest ever, and our student body for the campus is more than 50,000 for the first time in history. We also set another record for applications, which grew by nearly 15,000 over a year ago to nearly 80,000. Demand for a Michigan education is at record highs. The new class also is one of the most racially and ethnically diverse classes in years, with 37 percent of first-year students identifying as persons of color.

“Since our founding more than 200 years ago, UM research has always strived to address the biggest challenges in our world. This week we took our latest step to extend our leadership as the nation’s most productive public research university. The Office of the Vice President for Research launched a new initiative that will unite faculty from across UM to address bold societal challenges at the intersection of equity, health, infrastructure and sustainability. The Bold Challenges initiative is a two-year strategic endeavor that will focus our many research strengths on emerging shared priorities across government, industry and philanthropy. It will be led by Associate Vice President for Research Dawn Tilbury, who recently led the National Science Foundation’s Directorate for Engineering. All UM faculty are eligible to apply for participation in the program.

“Today we are pleased to submit a supplemental action item to name the Leinweber Computer Science and Information Building, which will be a new home for the Computer Science and Engineering Division of our College of Engineering and our School of Information.

“The Leinweber Foundation has generously provided a \$25 million gift to help fund a new 163,000 square foot facility on the Ann Arbor North Campus. It will add to the Bob and Betty Beyster Building and strengthen collaboration by placing faculty and students from CSE

and SOI together under one roof at UM for the first time. The Leinweber Foundation gift is a tremendous example of UM's ability to unite philanthropy and multidisciplinary strength in the service of our students and innovative research that keeps us on the forefront of discovery. I thank foundation founder Larry Leinweber of Bloomfield Hills for his generosity and commitment to innovation, education and research at the University of Michigan." President Schlissel led a round of applause.

"I would also add that the Leinweber Computer Science and Information Building will be part of UM's first geothermal heating and cooling project that we're planning to present for formal approval soon. It's one of many actions we're taking to achieve carbon neutrality at UM.

"When the 6-0 Wolverine football team takes the field Saturday against Northwestern, we'll be playing for the inaugural George Jewett Trophy. Jewett was both UM's and Northwestern's first African American football player. In fact, he was the first Black player to suit up for any of the schools in the current Big Ten, and this is the first rivalry game trophy named for an African American player in FBS history.

"The Bentley Historical Library reports that Jewett excelled as a student and athlete. He'd been the valedictorian of Ann Arbor High School and was captain of the school's football and baseball teams and debate club. He was the fastest sprinter in the Midwest, and could hold a conversation in four languages. Jewett played for Michigan in the 1890s, while studying medicine. He finished his medical degree at Northwestern. I join Athletic Director Warde Manuel and the Northwestern University community in applauding this historic moment in college football.

“Before we continue, I want to invite everyone in the UM community to join the Regents and me to celebrate the Class of 2020 at Michigan Stadium on Saturday, May 7, 2022. This will be a full Big House commencement ceremony, and it follows our promise to our graduates that we would have a commencement once it was safe to do so. The members of the class told us that being in the Stadium on the field was an important part of their Michigan experience, and we are pleased to offer this long-overdue celebration next spring.

Chancellor Dutta welcomed everyone to Flint, and noted that in September of last year the regents approved the creation of the College of Innovation and Technology (CIT). Dean Chris Pearson was hired in November and quickly pulled together a team to move this new college forward.

Presentation: UM-Flint College of Innovation and Technology

Dean Chris Pearson said that the CIT was supported by a \$10 million grant from the Charles Stewart Mott Foundation and was designed to fill the gaps between technical training, science, math and engineering, while being mindful of the workforce of the future. He said the first three industrial revolutions were unlike the digital transformation which has increased the need for emotional intelligence, creativity and critical thinking skills. CIT will offer opportunities in digital manufacturing, information technology, cyber security, energy and sustainability.

Committee Reports

Finance, Audit and Investment Committee

Regent Hubbard reported that the FAI Committee, including members Regents White and Brown, met and reviewed external audit financial results and completed required communications with the auditors.

Health Affairs Committee

Regent Brown reported that the Health Affairs Committee, including Regents Acker, Ilitch and Hubbard, met and received a COVID update, and reviewed financial and other informational dashboards. Regent Brown said, “It was clear that Michigan Medicine is performing at a high level despite all the pressures, and I thank Dr. Runge and his staff.”

Personnel, Compensation and Governance Committee

Regent Ilitch reported that the PCG Committee, including member Regent Acker, met yesterday and received an update on searches and reappointments from Provost Collins.

Committee on Flint and Dearborn

Regent Behm reported that the Committee on Flint and Dearborn, including members Brown, Acker, Ilitch and Hubbard, met with Chancellors Dutta and Grasso for an update on strategic priorities, enrollment and leadership searches.

Consent Agenda

Minutes. Vice President Churchill submitted for approval the minutes of the meetings of September 23, 2021.

Reports. Executive Vice President Chatas submitted the Plant Extension Report, the University Human Resources Report and the Regents Report on Non-Competitive Purchases equal to or over \$10,000 from Single Sources, June 16, 2021 through , September 15, 2021.

Litigation Report. Vice President Lynch had no additional report.

Research Report. Vice President Cunningham submitted the Report of Projects Established through September 30, 2021.

University of Michigan Health System. Executive Vice President Runge brought forward a supplemental personnel item for the appointment of Debra F. Weinstein, M.D., executive vice dean for academic affairs, Medical School, effective November 15, 2021.

Student Life. Vice President Harmon had no report.

University of Michigan-Dearborn. Chancellor Grasso commented on the ribbon cutting for the Engineering Laboratory building, and a \$1.44 million dollar award from the NSF to retain low income, highly talented students in STEM disciplines.

University of Michigan-Flint. Chancellor Dutta welcomed everyone to the newly renovated Riverfront Center. He spoke of work on the UM-Flint campus to restructure and reposition into a smaller, more focused and nimble institution. He said vaccination rates on campus were high and expanding services to students, including mental health services, continues.

Student Government Reports. Flint Student Government President Levi Todd reported on current issues and events on the UM-Flint campus including long-term equity and investment into the Flint and Dearborn campuses, and plans for a homecoming masquerade ball and parade.

Regent Behm said, “With regard to one of our own here in Flint, I would like to mention the passing of Congressman Dale Kildee. He was incredibly approachable and available to members of the community. I remember knowing him as a boy and then also working with him as an adult, and sitting with him at the Jefferson Jackson dinner. It was impressive to see him

know and speak with every person in the room. He was a wonderful leader and just a steadfast representative of Flint and of the nation. I wanted to mention his passing and express condolences to his family.”

Voluntary Support. Vice President Baird had no additional report.

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

Retirement Memoirs. Vice President Churchill submitted retirement memoirs.

Memorials. Vice President Churchill reported on a memorial statement for H. Scott Fogler, Ph.D., Vennema Professor of Chemical Engineering, Arthur F. Thurnau Professor, and professor of chemical engineering. She offered her condolences to his colleagues and family.

Degrees. There are no actions with respect to degrees this month.

Approval of Consent Agenda. On a motion by Regent Hubbard, seconded by Regent Acker, the regents unanimously approved the consent agenda including the supplemental item.

Alternative Asset Commitments

Executive Vice President Chatas reported on alternative asset commitments including a \$5 million investment to 8VC; a \$10 million commitment to General Catalyst; and a \$50 million investment to Kaszek.

Public Equity Commitment

On a motion by Regent Acker, seconded by Regent Behm, the regents unanimously approved a commitment to The Children’s Investment Fund (“TCI”) with an initial funding of up to \$170 million from the Long Term Portfolio.

Alternative Asset Commitment

On a motion by Regent Behm, seconded by Regent Acker, the regents unanimously approved a commitment of up to \$75 million from the long term Portfolio to Peppertree Capital Fund IX, L.P.

Adoption of Financial Statements

EVP Chatas said, “As noted, the Board of Regents has received the University’s consolidated audited financial statements for fiscal year 2021, as well as separate audited financial statements for the University of Michigan Health System, Intercollegiate Athletics, and the Veritas Insurance Corporation. We recommend that the Regents adopt the University’s consolidated audited financial statements.

“The University of Michigan is one of only a small handful of public universities that carry both the Moody's and S&P Triple A (Aaa/AAA) bond ratings (with a stable outlook), and is in an excellent financial position. The university saw substantial improvement in operating performance relative to both fiscal year 2020 and the years before the pandemic, even with the loss of revenues in housing, dining, and athletics.

“This was due to a number of factors, including Michigan Medicine serving a greater volume of patients. Other factors include stable tuition and sponsored research revenues, federal economic relief funds, and COVID-related spending restrictions. As we’ve seen across the country, university endowments have grown with tremendous rates of return as financial markets experienced strong growth over the last fiscal year.

“The UM Long Term Portfolio, which is mostly made up by the endowment, experienced similar gains with a rate of return of 40.6% for fiscal 2021 and the University’s endowment

totaled \$17.0 billion on June 30, 2021. We're very pleased with the strong performance, but we also know that investment income, particularly in the short run, can be very volatile and investment performance needs to be spread out over time. As recently as 2016 the endowment went down in value and last year it gained only 2.3%.

“The university's long-term investment strategy combined with its endowment spending policy serves to insulate operations from expected volatility in the financial markets and provides for a stable and predictable level of spending distributions over the long term. Each year the endowment makes a distribution to provide critical support to the University's operating budget. The FY21 distribution of \$404 million supported student scholarships, faculty, research, libraries, infrastructure, and clinical care based on our commitments to the thousands of donors who originally gifted us these funds for specific purposes. For context on endowment size, although large in absolute terms, UM's endowment was ranked 92nd amongst all colleges and universities in FY20 on a per-student basis according to a recent report from the National Association of College and University Business Officers.

“We're pleased with the University's financial results and look forward to sharing more information in the months to come. Being new to this university, I want to thank the many thousands of UM community members who contribute each and every day to our ongoing excellence and financial strength.”

President Schlissel said, “You've set the bar very high in terms of bringing good news to your very first board meeting. UM's financial strength is inextricably linked to our ability to deliver on our public mission through excellence in all we do. Our endowment provides more funds for the university each year than we receive in our state appropriation. This enhances our

academic programs and other activities, allows us to provide large amounts of financial aid to keep a Michigan education affordable, and helps to set us apart in public higher education. We'll share more in future months on the impact of our operating performance and what it will mean for our programs and future budgets.”

On a motion by Regent Hubbard, seconded by Regent Behm, the regents unanimously approved the Financial Statements as presented.

State Building Authority (SBA) Financing of UM Projects Ann Arbor Campus

On a motion by Regent Behm, seconded by Regent Hubbard, the regents unanimously approved the School of Dentistry renovation and addition project to be financed by the State Building Authority, the attached resolutions, and authorized the appropriate officers to: on or prior to the SBA's issuance of commercial paper notes, execute the Construction and Completion Assurance Agreement and Bill of Sale; at or near completion of the project and prior to the issuance of the SBA's bonds, execute the respective lease, convey title to the property, and execute any necessary easement agreements required for the financing of the project; and execute any other documentation required for the financing of the projects by the SBA.

(INSERT RESOLUTION)

Chemistry Building and Willard H. Dow Laboratory East Campus Switching Station Upgrade

On a motion by Regent Ilitch, seconded by Regent Behm, the regents unanimously approved the Chemistry Building and Willard H. Dow Laboratory east campus switching station upgrade project as described and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Bob and Betty Beyster Building on North Campus

Executive Vice President Chatas said, “We have a supplemental action request to authorize a name for the addition to the Bob and Betty Beyster Building on North Campus. The Leinweber Foundation, has made a \$25 million gift commitment to help fund the construction of this new 163,000 facility. This gift helps foster collaboration and innovation by housing the School of Information and the Computer Science and Engineering division of the College of Engineering in one new building. In recognition of the Leinweber Foundation’s generous gift, we recommend that the Board of Regents approve the naming of the Leinweber Computer Science and Information Building.”

Vice President Baird thanked the Leinweber family members and said they have been wonderful volunteers and advocates of UM for many years. He said, “They created the Leinweber Software Scholars program in theoretical physics in LSA. The family has deep Michigan roots including UM alumni, Jessica Leinweber who is the executive director of the foundation. This will be a fitting tribute to their support of UM.”

On a motion by Regent Behm, seconded by Regent Ilitch, the regents unanimously approved the naming of the Leinweber Computer Science and Information Building, effective immediately.

Conflicts of Interest

On a motion by Regent Behm, seconded by Regent Ilitch, the regents approved the following conflict of interest items that fall under the State of Michigan Conflict of Interest Statute with the following regents voting in favor: Acker, Behm, Brown, Hubbard, Ilitch,

Weiser, and White. The following information is provided in compliance with statutory requirements:

Authorization for the University to enter into an agreement with Give and Take, Inc.

An agreement with Give and Take, Inc. was approved.

1. The parties to the agreement are the regents of the University of Michigan, its Stephen M. Ross School of Business and Give and Take, Inc.
2. The agreement is for a duration of three years at a total cost not to exceed \$219,000. Give and Take, Inc. will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions were tailored to meet the particular needs of this contract and have been approved by Procurement Services after advice from the Office of General Counsel.
3. The pecuniary interest arises from the fact that University of Michigan employee Wayne Baker is director and stockholder of Give and Take, Inc.

Authorization for the University to enter into an agreement with Reames Consulting LLC dba Guideline Consulting

An agreement with Reames Consulting LLC was approved.

1. The parties to the agreement are the regents of the University of Michigan, its Department of and Reames Consulting LLC..
2. The agreement is for a duration of one year at a total cost not to exceed \$30,000. Reames Consulting 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 Griffin Reames is owner of Reames Consulting LLC.

Authorize Execution of Investment Agreements under the MINTS Program for EVOQ Therapeutics LLC

An Execution of Investment Agreements Under the MINTS Program for EVOQ Therapeutics LLC was approved.

1. The parties to the agreement are the regents of the University of Michigan, and EVOQ Therapeutics LLC.
2. The agreement is for up to a total of \$5 million in potential investments (through one or more rounds of financing) under MINTS for the below-listed startup. It is understood that, upon approval of this item, MINTS will have no obligation to enter into the Agreements or proceed with any investment in the company.
3. The pecuniary interest arises from the fact that University of Michigan employees James Moon and Anna Schwendeman are partial owners of the company, and/or undertake a board role.

Authorization to enter into or amend Agreements

Project agreements with the University of Michigan were approved.

1. The parties to the contract are the Regents of the University of Michigan and the following companies: Ascentage Pharma Group Corporation, Ltd. ID: 22-PAF02241; Labyrinth Biotech Inc. ID: 22-PAF01983; May Mobility, Inc. ID: 22-PAF02078; MoxyTech, Inc ID: 22-PAF01079; NS Nanotech Inc. ID: 22-PAF02012; PTM Therapeutics, Inc. ID: 21-PAF06473; Rappta Therapeutics Oy D: 22-PAF01245; and Xoran Technologies, LLC D: 22-PAF01753.
2. The terms of the agreements and/or amendments conform to university policy. The funding support will not exceed the amount reported in Attachment A for each agreement and/or amendment. Since projects are often amended, these agreements and/or amendments include provisions for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. The pecuniary interest arises from the fact that a University of Michigan employee is director and/or stockholder of each company.

Approval of Technology Transfer Agreements

Technology Transfer agreements were approved.

1. The parties to the contract are the Regents of the University of Michigan and Theia Scientific, LLC.
2. The university will retain ownership of the optioned, licensed or reassigned technologies and may continue to further develop and use them internally. No use of university services or facilities, nor any assignment of university employees, is obligated or contemplated under the agreements. Standard disclaimers of warranties and indemnification apply, and the agreements may be amended by consent of the parties, such as adding related technology. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate. Terms specific to each agreement are described in Attachment A.
3. The pecuniary interest arises from the fact that University of Michigan employee Kevin Field is partial owner of Theia Scientific, LLC.

Approval of Non-tenure-track Practice Appointment Sequence in the College of Innovation and Technology, UM-Flint

On a motion by Regent Behm, seconded by Regent Ilitch, the regents unanimously approved the creation of a non-tenure-track practice appointment sequence for the College of Innovation and Technology, UM-Flint.

Public Comment

The regents heard public comment from Wasey Rehman, UM-Dearborn Student, on One University.

President Schlissel thanked the speaker for his comments.

Adjournment

The meeting was adjourned at 4:30 p.m. The next meeting will take place on December 9, 2021 at the Richard L. Postma Family Clubhouse.