

## MAY MEETING, 2011

*The University of Michigan  
Ann Arbor  
May 19, 2011*

The regents met at 3:10 p.m. at the Fairlane Center on the campus of the University of Michigan-Dearborn. Present were President Coleman and Regents Darlow, Deitch, Ilitch, Maynard, Newman, Richner, and White. Also present were Vice President and Secretary Churchill, Vice President Forrest, Provost Hanlon, Chancellor Little, Vice President May, Interim Vice President Michels, Chancellor Person, Vice President Scarnecchia, Executive Vice President Slottow, and Vice President Wilbanks. Vice President Harper was absent. Regent Taylor was absent, but participated in the first part of the meeting by telephone.

### **Call to Order and President's Opening Remarks**

President Coleman called the meeting to order, and thanked Chancellor Little for hosting the meeting on the Dearborn campus. She called attention to the annual Road Scholars tour and the historic 3-week tour of China currently underway by the University of Michigan Symphony Band. She also commended C.S. Mott Children's Hospital on being named among the best in the country by *U.S. News and World Report*, and Coach Lloyd Carr for being inducted into the College Football Hall of Fame.

### **Regents' Resolution Regarding Graduate Student Research Assistants**

President Coleman turned the floor over to Regent Darlow, who moved that the board adopt the following resolution:

*Resolved, that consistent with the University of Michigan's proud history of strong, positive, and mutually productive labor relations, the Board of Regents supports the rights of University Graduate Student Research Assistants, whom we recognize as employees, to determine for themselves whether they choose to organize.*

Regent Taylor seconded the motion.

President Coleman made the following statement

*Now I want to add a few thoughts of my own about this issue, one I feel passionate about personally and am deeply concerned about on an institutional level. I must respectfully disagree with the resolution. I am going to speak from my own experience, first as a graduate and doctoral student, then as a researcher working side-by-side with research assistants in the pursuit of new knowledge.*

*The most important thing I want to say is this: I do not see research assistants as our employees but as our students. These are among our best and our brightest students, who will learn from the researchers with whom they work and go on to even greater discoveries as they take ownership of their shared scholarly study and then build on it.*

*When I was a graduate student, I did not see myself as working for the university and I did not see my faculty mentor as my employer. Far from it. He was my mentor, my tutor, and my colleague as I progressed in my course of study.*

*As a PhD student, we were partners in the research enterprise, him helping me to understand the process more deeply through our shared academic interest. We were in it together for the long-term, and I had very specific goals: Do my best work and shine in the lab -- so that I could continue my work and, frankly, continue to be funded and successfully complete my educational path.*

*And when I became a faculty researcher and mentor, I realized the critical importance of recruiting research assistants with whom I could share that long-term interest and commitment. Unlike the hiring of a GSI -- who may work for several different instructors to address university needs -- research assistant hiring is done at the level of the faculty member, based on a matching process between the interest of the faculty and the interest of the student. I looked for specific research assistants who showed enormous potential and significant academic performance. And research assistants sought me out as someone they could learn from.*

*Progress along the path was not an employee evaluation, but a measure of progress toward degree completion.*

*I believed my most important role as an educator was to mentor and acculturate promising graduate students, and to bring them along with me as we envisioned new frontiers for our research. For me, this personal mentor and mentee relationship is the heart and soul of the learning experience for research-based graduate students.*

*I know I speak for Provost Hanlon as well when I express my concern about characterizing our research assistants as University employees. We believe it could fundamentally alter the relationship between faculty and graduate students. Decisions about who a student studies with must remain with the two people who care most about the outcome – the student and his or her mentor. At highly competitive research institutions such as Michigan, students seek out faculty based on specialized research that aligns with their interests, and they choose the institution based on that particular faculty member.*

*This matching process, and the collegial relationship built on it, are the keys to the recruitment of the very best faculty and staff, and essential to the quality of our graduate education overall.*

*I also want to clarify a few facts:*

*A student's performance as a research assistant is really indistinguishable from his or her progress as a graduate student. In fact, a research assistant is expected to make and learn from mistakes. There*

*would be far more efficient ways to operate a lab and experiment without involving graduate students who certainly take up quite a bit of time and energy as they are “learning the ropes.”*

*Also, the funding structure for research assistants is not a work-for-hire approach, though assistants do earn salary as part of their funding package, along with financial aid and other forms of support. Instead, faculty researchers are concerned with raising funds designed to support the graduate student’s total education – including their apprenticeship in the lab or in other research-based academic settings.*

*Our research colleague Steve Forrest described it powerfully this way: The money supplied by federal research funding provides the means for a student to pursue educational goals while fostering innovation for the country. This has been an extraordinarily effective strategy for more than 60 years, and it is a model used by every major research institution in the country.*

*I do need to make one more fact clear about financial support, especially for the University community: The University’s standard and long-standing policy has ensured that research assistants receive earnings and benefits increases comparable to those provided to GSIs so they are not at a disadvantage when compared to teaching assistants.*

*I want to note that the University has enjoyed excellent relationships with the unions who represent some of our employees. I hope and expect we will continue those positive working relationships. If this resolution is adopted, the University and its administration will abide by the applicable election procedures. We will work to ensure that all individuals eligible to vote can make a full and fair evaluation of the issue.*

*And finally: I appreciate this board’s concern for our students as well as your work to ensure Michigan’s core academic quality. We have worked through many vexing issues together; and, although there is disagreement over this issue, I know we share an unwavering commitment to this great University.*

Regent Deitch commented that the regents have a great deal of respect for President Coleman, and that all agree on the extraordinary nature of her leadership and her commitment to the institution. He stated that, while he has no opinion about whether the graduate student research assistants (“GSRAs”) should join a union, he is confident that they are employees who have collective bargaining rights. He also noted that “I fully expect and support the administration’s prerogative to not agree to a contract unless or until the central points which the president has articulated are protected,” especially when it comes to maintaining the selectivity and excellence of the University’s graduate students and its research capability.

Regent Richner commented on the “unprecedented action” by the board to propose pursuing a different course than that advised by the president on an issue of great importance to the University, and he lamented that he hadn’t had sufficient opportunity to review the proposal

before having to vote on it. He requested clarification from Regent Darlow on the definition of “graduate student research assistant” and she responded that graduate student research assistants are defined in the Faculty Handbook as one of the categories of employees listed under the heading “Graduate Student Employees.” She also observed that there is an established legal process for determining the makeup of a bargaining unit. Regent Richner expressed concern about whether the president would have any power to negotiate the makeup of the bargaining unit. Regent Darlow pointed out that the board’s job is to articulate policy, and not to dictate actions to the executive.

Regent Richner expressed concern over what would happen if a legal authority determined that GSRAs should not be recognized as employees, and about other consequences of the board approving the resolution, including the impact it would have on the University’s reputation, faculty and student recruiting, and academic freedom. He stated that he was opposed to the resolution.

Regent Newman commented that the regents had only been informed about this resolution shortly before the start of the meeting, allowing insufficient time for discussion, and said that she would oppose the motion. She said she is convinced that GSRAs are not in an employee-employer relationship with their faculty mentors, and adoption of the resolution would lead to a fundamental change in the relationship between principal investigators and their research assistants. She noted that the board and administration had managed to work productively together, despite their differences, in moving the University forward during difficult times, and said she found it “deeply troubling” that the majority of the board would proffer such a motion, against the vehement disagreement from academic administrators with direct, personal experience working with GSRAs.

The vote was then taken, and the resolution was approved, with Regents Darlow, Deitch, Ilitch, Maynard, Taylor, and White in favor, and Regents Newman and Richner opposed.

Regents Taylor and Deitch left the meeting at this point.

**Presentation: University of Michigan-Dearborn College of Business**

Kim Schatzel, dean of the University of Michigan-Dearborn College of Business, presented an overview of the college, focusing in particular on the college's Center for Innovation Research ("i-Labs"), whose mission is to advance the understanding of corporate, entrepreneurial, and institutional innovation and its impact on economic development. She also gave an overview of the undergraduate business degree (B.B.A.) program, which has changed radically during the past few years. The goal of this program is to produce graduates who are professionally capable, theoretically knowledgeable, technically skilled, and creatively innovative.

**University of Michigan Compliance Website**

Vice President Scarnecchia gave a demonstration of a website, the Compliance Resource Center (<http://compliance.umich.edu/>), that has been developed by the Office of the Vice President and General Counsel. The site is meant to be a comprehensive resource outlining the broad array of compliance resources and activities at the University of Michigan and the systems that are in place for making sure the law is understood and followed. She reported that a compliance coordinator position has been established within the Office of the Vice President and General Council whose job is to coordinate the understanding of compliance throughout the University.

## **Committee Reports**

**Finance, Audit and Investment Committee.** Regent White, chair of the Finance, Audit and Investment Committee, reported that the committee, consisting of herself and Regent Maynard, had met that morning with Executive Vice President Slottow. The first agenda item was the FY 2012 Athletic Department budget, with David Brandon, Donald R. Shepherd Director of Intercollegiate Athletics, and Jason Winter, executive director of athletics business operations. The committee next received a bimonthly audit update from Carol Senneff, executive director of University audits. The remaining agenda item was the FY 2012 Hospitals and Health Centers budget. For this agenda item, the FAI committee was joined by members of the other two committees, Regents Darlow, Deitch, Ilitch, Newman, and Richner, with Regent Taylor participating by phone. Executive Vice President Pescovitz, hospitals executive vice president and chief financial officer Doug Strong, interim chief financial officer Robin Damschroder, and President Coleman participated in this session.

**Personnel, Compensation and Governance Committee.** Regent Ilitch, member of the Personnel, Compensation and Governance Committee, reported that Chancellor Little had given an update on Dearborn campus faculty and staff recruitment and retention, and Provost Hanlon had informed the committee that the start date for incoming Ross School of Business dean Alison Blake-Davis had been moved up by two months. The committee then adjourned and joined the Finance, Audit and Investment Committee for the FY 2012 Hospitals and Health Centers budget discussion..

**Health Affairs Committee.** Regent Darlow reported that she, Regent Deitch, and Regent Newman had attended the Health Affairs Committee meeting, along with President Coleman, Chief Executive Officer Doug Strong, and Executive Vice President Ora Pescovitz.

The committee discussed the various types of metrics used to evaluate health systems in an effort to determine the best way to measure the quality and safety of health care at the University of Michigan. They also discussed various consultant relationships at the University, and then joined the Finance, Audit and Investment Committee for the FY 2012 Hospitals and Health Centers budget discussion.

President Coleman then turned to the consent agenda.

### **Consent Agenda**

**Minutes.** Vice President Churchill submitted for approval the minutes of the meeting of April 21, 2011.

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

**Litigation Report.** Vice President Scarnecchia submitted the Litigation Report.

**Research Report.** Vice President Forrest submitted the Report of Awards Established, July 1, 2010 – April 30, 2011.

**University of Michigan Health System.** There was no additional report regarding the University of Michigan Health System.

**Division of Student Affairs.** There was no report from the Division of Student Affairs.

**University of Michigan-Dearborn.** Chancellor Little welcomed the Regents' meeting participants to the Dearborn campus.

**University of Michigan-Flint.** Chancellor Person reported that the physical therapy program had recently been reaccredited for ten years. She noted that two Flint students had recently been selected as Tillman Military Scholars, and reported on other items of interest on the Flint campus.

**Michigan Student Assembly Report.** Mr. DeAndree Watson, president of the Michigan Student Assembly, introduced Mr. Brendan Campbell, MSA vice president, and thanked his counterparts at the University of Michigan-Dearborn for their warm hospitality. Mr. Watson then gave an overview of MSA plans for the coming year.

**Voluntary Support.** Vice President May submitted the Report on Voluntary Support for April 30, 2011.

**Personnel Actions/Personnel Reports.** Provost Hanlon submitted a number of personnel actions and personnel reports, and noted that the agenda includes the annual recommendations for tenure and promotion to the ranks of professor and associate professor. He said that 169 cases from the instructional track were being brought forward, and highlighted the cases of Anthony Grbic, recommended for promotion to associate professor of electrical engineering and computer science, with tenure; Laura Kasischke, recommended for promotion to professor of English language and literature, with tenure, and professor in the Residential College, without tenure; and Tiya Miles, recommended for promotion to professor of American culture, with tenure, professor of Afroamerican and African studies, with tenure, and professor of history, with tenure.

Executive Vice President Pescovitz highlighted the cases of Gary Hammer, recommended for promotion to professor of internal medicine, with tenure, professor of molecular and integrative physiology, without tenure, and professor of cell and developmental biology without tenure; Celena Kleer, recommended for promotion to professor of pathology, with tenure; and Alexandra Minna Stern, recommended for promotion to professor of gynecology, with tenure, professor of history, without tenure, and professor of American culture, without tenure.

Chancellor Little highlighted the promotion recommendation of Jamie Lee, recommended for promotion to associate professor of linguistics, with tenure, and Paul Richardson, recommended for promotion to professor of electrical and computer engineering, with tenure. Chancellor Person highlighted the recommended promotion of Christopher Pearson to professor of physics, with tenure, and Marilyn McFarland, recommended for promotion to professor of nursing, with tenure.

President Coleman pointed out her recommendation for the appointment of Lisa Rudgers as vice president for global communications and strategic initiatives. Regent Newman moved approval of this appointment. Regent Maynard seconded the motion, and it was approved unanimously.

**Retirement Memoirs.** Vice President Churchill submitted memoirs for 18 retiring faculty members.

**Memorials.** Vice President Churchill submitted a memorial statement for Gerald J. Keeler, professor of environmental health sciences, professor of atmospheric, oceanic, and space sciences, and professor of geological sciences.

**Degrees.** There were no actions with respect to degrees.

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

### **Alternative Asset Commitment**

Executive Vice President Slottow informed the regents that follow-on investments had been made with the previously approved firm of Kleiner Perkins Caufield & Byers: \$10 million to KPCB XIV, LLC, and \$10 million to KPCB Digital Growth Fund, LLC.

### **Alternative Asset Commitments**

On a motion by Regent Maynard, seconded by Regent Darlow, the regents unanimously approved commitment of \$15 million each from the Long Term Portfolio to IMT Capital Fund II, L.P., and Canyon-Agassi Charter School Facilities Fund, L.P.

### **Planned Uses of Income from the Julian A. Wolfson and the Marguerite Wolfson Endowment Funds for the Fiscal Year 2011-2012**

On a motion by Regent Ilitch, seconded by Regent Maynard, the regents unanimously approved the uses of the Wolfson Endowment Funds for 2011-2012, as outlined in the Regents Communication.

### **Crisler Arena Expansion**

Executive Vice President Slottow introduced Don Dethlefs, CEO of Sink Combs Dethlefs Architects, to present the schematic design for the Crisler Arena Expansion Project. Mr. Dethlefs displayed a site plan illustrating the relationship between Crisler Arena and the Player Development Center that is currently under construction. He then displayed a number of schematics and interior and exterior renderings illustrating various aspects of the proposed design, starting with the lowest level and proceeding upward. The project will include improved circulation, an increase in the number of bathrooms and concession areas, new retail spaces, and a club facility.

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved the schematic design for the Crisler Arena Expansion Project as presented at the meeting.

### **Naming of the Engineering Programs Building in Honor of the Gorguze Family**

Regent White moved that in recognition of the significant commitment from Vincent T. and Gloria M. Gorguze, the regents formally designate the Engineering Programs Building as the Gorguze Family Laboratory. Regent Maynard seconded the motion, and it was approved unanimously.

### **Beal Avenue Water Main and North Campus Storm Relief System Upgrades**

On a motion by Regent Maynard, seconded by Regent White, the regents unanimously approved the Beal Avenue Water Main and North Campus Storm Relief System Upgrades Project as described, and authorized issuing the project for bids and awarding construction contracts, providing that bids are within the approved budget.

### **North Campus Research Complex Building 16 Renovation for Health Services Research**

Executive Vice President Pescovitz announced that this project will result in a major research expansion in the North Campus Research Complex (NCRC). She noted that it will enable the University to put together in one geographic location the largest co-location of health services researchers anywhere in the country, and that it would house the proposed Institute for Healthcare Policy and Innovation. On a motion by Regent White, seconded by Regent Ilitch, the Regents unanimously approved the North Campus Research Complex Building 16 Renovation for Health Services Research Project as described, and authorized issuing the project for bids and awarding construction contracts, providing that bids are within the approved budget.

### **University of Michigan Hospitals and Health Centers University Hospital Computed Tomography Angiography Project**

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved the University of Michigan Hospitals and Health Centers University Hospital

Computed Tomography Angiography Project as described, authorized commissioning the architectural firm of Integrated Design Solutions, LLC for its design, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

**University of Michigan Hospitals and Health Centers University Hospital Radiation Oncology Simulator Replacement Project**

On a motion by Regent Darlow, seconded by Regent Ilitch, the regents unanimously approved the University of Michigan Hospitals and Health Centers University Hospital Radiation Oncology Simulator Replacement Project as described, authorized commissioning the architectural firm of Project and Design Management LLC for its design, and authorized issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

**Conflict of Interest Items**

President Coleman announced that the agenda includes 17 conflict of interest items, including one proposal involving agreements with Lycera Corporation that had been added as a supplemental agenda item. Each of these items requires 6 votes for approval. On a motion by Regent Maynard, seconded by Regent Ilitch, the regents unanimously approved the following 17 items:

**Lease Agreement and Relationship Agreement between the University of Michigan and Advanced Battery Control LLC**

The regents approved a lease agreement with Advanced Battery Control LLC for standard modular lab space in the North Campus Research Complex start-up accelerator space, and a relationship agreement defining the relationship between the University of Michigan and Advanced Battery Control LLC at the accelerator. Because Hahnsang Kim and Kang Shin,

University of Michigan employees, are also partial owners of Advanced Battery Control LLC, these agreements fall under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the lease agreement and relationship agreement are the Regents of the University of Michigan and Advanced Battery Control LLC.
2. The service to be provided is the lease of standard modular laboratory and office space in the North Campus Research Complex start-up accelerator space on the second floor of Building 520, located at 1600 Huron Parkway, 2<sup>nd</sup> Floor, Ann Arbor, Michigan, for twelve months. The lease will begin in late spring 2011 and will use the standard U-M accelerator lease template. Tenant will pay the standard accelerator rates of: \$200 per month for each office (maximum of 4), and \$2150 per month for each half bay of laboratory space (maximum of 2); and \$65 per month for each cubicle (maximum of 4). Advanced Battery Control LLC will be responsible for providing monthly updates concerning its business progress to the University of Michigan Office of Technology Transfer, and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
3. The pecuniary interest arises from the fact that Hahnsang Kim and Kang Shin, University of Michigan employees, are owners of an equity interest in Advanced Battery Control LLC.

#### **Lease Agreement and Relationship Agreement between the University of Michigan and Chemxlerate LLC**

The regents approved a lease agreement with Chemxlerate LLC for standard modular lab space in the North Campus Research Complex start-up accelerator space, and a relationship agreement defining the relationship between the University of Michigan and Chemxlerate LLC at the accelerator. Because Adam J. Matzger and Antek G. Wong-Foy, University of Michigan employees, are also partial owners of Chemxlerate LLC, these agreements fall under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the lease agreement and relationship agreement are the Regents of the University of Michigan and Chemxlerate LLC.
2. The service to be provided is the lease of standard modular laboratory and office space in the North Campus Research Complex start-up accelerator space on the second floor of Building 520, located at 1600 Huron Parkway, 2<sup>nd</sup> Floor, Ann Arbor, Michigan, for twelve months. The lease will begin in late spring 2011 and will use

the standard U-M accelerator lease template. Tenant will pay the standard accelerator rates of: \$200 per month for each office (maximum of 4), and \$2150 per month for each half bay of laboratory space (maximum of 2); and \$65 per month for each cubicle (maximum of 4). Chemxlerate LLC will be responsible for providing monthly updates concerning its business progress to the University of Michigan Office of Technology Transfer, and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.

3. The pecuniary interest arises from the fact that Adam J. Matzger and Antek G. Wong-Foy, University of Michigan employees, are owners of an equity interest in Chemxlerate LLC.

### **Lease Agreement and Relationship Agreement between the University of Michigan and Edington Associates LLC**

The regents approved a lease agreement with Edington Associates LLC for standard modular lab space in the North Campus Research Complex start-up accelerator space, and a relationship agreement defining the relationship between the University of Michigan and Edington Associates LLC at the accelerator. Because Dee Edington, a University of Michigan employee, is also partial owner of Edington Associates LLC, these agreements fall under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the lease agreement and relationship agreement are the Regents of the University of Michigan and Edington Associates LLC.
2. The service to be provided is the lease of office space in the North Campus Research Complex start-up accelerator space on the second floor of Building 520, located at 1600 Huron Parkway, 2<sup>nd</sup> Floor, Ann Arbor, Michigan, for twelve months. The lease will begin in late spring 2011 and will use the standard U-M accelerator lease template. Tenant will pay the standard accelerator rates of: \$200 per month for each office (maximum of 2), and \$65 per month for each cubicle (maximum of 2). Edington Associates LLC will be responsible for providing monthly updates concerning its business progress to the University of Michigan Office of Technology Transfer, and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
3. The pecuniary interest arises from the fact that Dee Edington, a University of Michigan employee, is owner of an equity interest in Edington Associates LLC.

### **Lease Agreement and Relationship Agreement between the University of Michigan and JBR Pharma Inc.**

The regents approved a lease agreement with JBR Pharma Inc. for office space in the North Campus Research Complex start-up accelerator space, and a relationship agreement defining the relationship between the University of Michigan and Chemxlerate LLC at the accelerator. Because Gary Glick, Peter Higgins, Kent Johnson, and Anthony Opipari, University of Michigan employees, are also partial owners of JBR Pharma Inc., these agreements fall under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the lease agreement and relationship agreement are the Regents of the University of Michigan and JBR Pharma Inc..
2. The service to be provided is the lease of standard office space in the North Campus Research Complex start-up accelerator space on the second floor of Building 520, located at 1600 Huron Parkway, 2<sup>nd</sup> Floor, Ann Arbor, Michigan, for twelve months. The lease will begin in late spring 2011 and will use the standard U-M accelerator lease template. Tenant will pay the standard accelerator rates of: \$200 per month for each office (maximum of 4), and \$65 per month for each cubicle (maximum of 2). JBR Pharma Inc. will be responsible for providing monthly updates concerning its business progress to the University of Michigan Office of Technology Transfer, and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
3. The pecuniary interest arises from the fact that Gary Glick, Peter Higgins, Kent Johnson, and Anthony Opipari, University of Michigan employees, are owners of an equity interest in JBR Pharma Inc.

### **Lease Agreement and Relationship Agreement between the University of Michigan and Reveal Design Automation Inc.**

The regents approved a lease agreement with Reveal Design Automation Inc. for office space in the North Campus Research Complex start-up accelerator space, and a relationship agreement defining the relationship between the University of Michigan and Reveal Design Automation Inc. at the accelerator. Because Zaher Andraus, Suho Lee, Ryan Moore and Karem Sakallah, University of Michigan employees, are also partial owners of Reveal Design

Automation Inc., these agreements fall under the State of Michigan Conflict of Interest Statute.

The following information is provided in compliance with statutory requirements:

1. Parties to the lease agreement and relationship agreement are the Regents of the University of Michigan and Reveal Design Automation Inc.
2. The service to be provided is the lease of standard office space in the North Campus Research Complex start-up accelerator space on the second floor of Building 520, located at 1600 Huron Parkway, 2<sup>nd</sup> Floor, Ann Arbor, Michigan, for twelve months. The lease will begin in late spring 2011 and will use the standard U-M accelerator lease template. Tenant will pay the standard accelerator rates of: \$200 per month for each office (maximum of 1), and \$65 per month for each cubicle (maximum of 4). Reveal Design Automation Inc. will be responsible for providing monthly updates concerning its business progress to the University of Michigan Office of Technology Transfer, and will have access to Office of Technology Transfer personnel for advice concerning obtaining technology assessment, business consulting, technical assistance, capital raising, or other business services.
3. The pecuniary interest arises from the fact that Zaher Andraus, Suho Lee, Ryan Moore and Karem Sakallah,, University of Michigan employees, are owners of an equity interest in Reveal Design Automation Inc.

#### **Lease Amendment Agreement With 1250 N. Main LLC**

The regents approved a lease amendment agreement with 1250 N. Main LLC for 14,000 square feet of property located at 1250 North Main Street, Ann Arbor. Because Peter T. Allen, a University of Michigan employee, is also a member of 1250 N. Main LLC, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the lease agreement are the Regents of the University of Michigan and 1250 N. Main LLC.
2. The service to be provided is the lease of 14,000 square feet in a building at 1250 North Main Street, Ann Arbor, Michigan, for five months, from June 1, 2011 through October 31, 2011, at a monthly rate of \$20,416.67. Tenant will be responsible for gas, electric, water, and sewer usage plus janitorial service. Tenant will be responsible for a portion of the operating expenses of the building.
3. The pecuniary interest arises from the fact that Peter T. Allen, a University of Michigan employee, is a member of 1250 N. Main LLC.

#### **Authorization to Establish a Contract with BHJ Tech, Inc.**

The regents authorized the Department of Material Services in the University of Michigan Health System to establish a contract with BHJ Tech, Inc. for development of a

Medical Equipment Digital Library (MEDL). Because Jinan Li, a University of Michigan employee, is also the owner of BHJ Tech, Inc., this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the contract are the regents of the University of Michigan, UMHS Department of Material Services, and BHJ Tech, Inc.
2. The agreement is for development and department use of the Medical Equipment Digital Library (MEDL) program for a period of one year. The cost for said work will be \$3,000 for development and \$1,000 per month maintenance for a total cost of \$15,000.
3. The pecuniary interest arises from the fact that Jinan Li, a University of Michigan employee, is the owner of BHJ Tech, Inc.

**License Agreement between the University of Michigan and Advanced Battery Control, LLC**

The regents approved a license agreement with Advanced Battery Control, LLC (“Company”) which will allow the Company to obtain an exclusive license from the University of Michigan for the University’s rights associated with the following technologies: UM OTT File No. 4302, “Dynamic Reconfiguration of a Large-Scale Battery System,” UM OTT File No. 4442, “Scheduling of Battery Charge and Discharge,” and UM OTT File No. 4625, “Dependable, Efficient Scalable Architecture for Management of Large-scale Batteries.” Because Kang Shin and Hahnsang Kim, University of Michigan employees, are also partial owners of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Advanced Battery Control, LLC.
2. Agreement terms include granting the Company an exclusive license to the technologies. The University will retain ownership of the licensed technology and may continue to further develop it and use it 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.

University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

3. The pecuniary interests of Dr. Shin and Mr. Kim arise from his ownership interest in Advanced Battery Control, LLC.

### **Research Agreement between the University of Michigan and Arbor Research Collaborative for Health**

The regents approved a research agreement with Arbor Research Collaborative for Health (“ARBOR”) which will allow the University to subcontract a portion of the work under a contract with the National Institutes of Health to ARBOR pursuant to the proposals entitled “Clinical Outcomes of Live Organ Donors – Data Coordinating Center” and “Clinical Outcomes of Live Organ Donors Data Coordinating Center”. Because Dr. Robert Merion and Dr. Robert Wolfe, University of Michigan employees, are also president and member of the board of directors of ARBOR (Merion) and vice president of biostatistics at ARBOR (Wolfe), this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Arbor Research Collaborative for Health.
2. The terms of the agreement will conform to University policy. Under the project, a total subcontract of \$191,750 is anticipated to cover a period of five years from July 2006 through June 2011. In the event of an amendment, University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. Dr. Wolfe will oversee the financial and scientific involvement at ARBOR, and Dr. Merion will serve as the principal investigator for the project.

### **Research Agreement between the University of Michigan and Arbor Research Collaborative for Health**

The regents approved a research agreement with Arbor Research Collaborative for Health (“ARBOR”) which will allow the University to subcontract a portion of the work under a contract with the National Institutes of Health to ARBOR pursuant to the proposals entitled “Adult-to-Adult Living Donor Liver Transplantation Study Data Coordinating Center” and

“Living Donor Liver Transplant Data Coordinating Center”. Because Dr. Robert Merion and Dr. Robert Wolfe, University of Michigan employees, are also president and member of the board of directors of ARBOR (Merion) and vice president of biostatistics at ARBOR (Wolfe), this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Arbor Research Collaborative for Health.
2. The terms of the agreement will conform to University policy. Under the project, a total subcontract of \$220,334 is anticipated to cover a period of five years from September 2009 through August 2014. In the event of an amendment, University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.
3. Dr. Wolfe will oversee the financial and scientific involvement at ARBOR, and Dr. Merion will serve as the principal investigator for the project.

#### **License Agreement between the University of Michigan and Baker-Calling, Inc.**

The regents approved a license agreement with Baker-Calling, Inc. (the “Company”) to license from the University of Michigan the University’s rights associated with the following technology: UM OTT File No. 3990, “Piezoelectric MEMS Microphones.” Because Karl Grosh, a University of Michigan employee, is also a partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and Baker-Calling, Inc..
2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales and reimburse patent costs. The University will retain ownership of the licensed technology and may continue to further develop it and use it 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 interests of Dr. Grosh arise from his ownership interest in Baker-Calling, Inc.

### **License Agreement between the University of Michigan and LectureTools, Inc.**

The regents approved a license agreement with LectureTools, Inc. (the “Company”) to license from the University of Michigan the University’s rights associated with the following technology: UM OTT File No. 3536, “Web-based Interactive Classroom System: LectureTools.” Because Perry Samson, a University of Michigan employee, is also a partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and LectureTools, Inc.
2. Agreement terms include granting the Company an exclusive license to the software, including the rights to create derivatives. The University will retain ownership of the technology and may continue to further develop it and use it 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 interests of Dr. Samson arise from his ownership interest in LectureTools, Inc.

### **License Agreement between the University of Michigan and Possibilities for Change, LLC**

The regents approved a license agreement with Possibilities for Change, LLC (the “Company”) to license from the University of Michigan the University’s rights associated with the following technology: UM OTT File No. 4240, “Rapid Assessment for Adolescent Preventive Services (RAAPS).” Because Jennifer Solerno, a University of Michigan employee, is also a partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and Possibilities for Change, LLC.

2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The University will retain ownership of the licensed technology and may continue to further develop it and use it 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 interests of Jennifer Solerno arise from her ownership interest in Possibilities for Change, LLC.

**License Agreement between the University of Michigan and Reveal Design Automation, Inc.**

The regents approved a license agreement with Reveal Design Automation, Inc. (the “Company”) to license from the University of Michigan the University’s rights associated with the following technology: UM OTT File No. 4434, “Automated Scalable Verification for Hardware Designs at the Register Transfer Level.” Because Karem Sakallah, a University of Michigan employee, is also a partial owner of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and Reveal Design Automation, Inc.
2. Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales and reimburse patent costs. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. 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 interests of Dr. Sakallah arise from his ownership interest in Reveal Design Automation, Inc.

**Option Agreement between the University of Michigan and SenSigma, Inc.**

The regents approved an option agreement with SenSigma (“Company”) to obtain an option for an exclusive license from the University of Michigan to the University’s rights

associated with the following technologies: UM OTT File No. 3506, “Optical Sensor for In-Process Quality Monitoring of Welds Made on Zinc-Coated Steel,” UM OTT File No. 4136, “In-Process Monitoring of Welding,” and UM OTT File No. 4651, “Sensor for In-Situ Identification of Phase Transformation for Direct Metal Deposition.” Because Myoti Mazumder and Lijun Song, University of Michigan employees, are also partial owners of the Company, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and SenSigma, Inc.
2. Agreement terms include giving the Company an option to obtain an exclusive license with the right to grant sublicenses. The Company will pay an option fee and reimburse patent costs. The University will retain ownership of the optioned technology and may continue to further develop it and use it 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 the 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 interests of Dr. Mazumder and Dr. Song arise from their ownership interests in SenSigma, Inc.

#### **Research Agreement between the University of Michigan and Vortex Hydro Energy, LLC**

The regents approved a research agreement with Vortex Hydro Energy, LLC (“Vortex”) which will allow Vortex to fund a project at the University. Because Michael Bernitsas, a University of Michigan employee, is also an owner of Vortex, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. Parties to the agreement are the Regents of the University of Michigan and Vortex Hydro Energy, LLC.
2. The terms of the agreement conform to University policy. The period of performance for the project is approximately five (5) months, and the amount of funding support is anticipated to be \$28,543.

3. Dr. Bernitsas's pecuniary interest arises from his status as an owner of Vortex Hydro Energy, LLC.

### **Lease Agreement and Animal Services Agreement between the University of Michigan and Lycera Corporation**

The regents approved a lease agreement for laboratory and office space at the North Campus Research Complex to be leased to Lycera Corporation. Because David Canter, Jamie Ferrara, Gary Glick, and Anthony Opipari, University of Michigan employees, are also partial owners of Lycera Corporation, this agreement falls under the State of Michigan Conflict of Interest Statute. The following information is provided in compliance with statutory requirements:

1. The parties to the agreement are the Regents of the University of Michigan and Lycera Corporation.
2. The service to be provided is the lease of 14,134 gross square feet of laboratory and office space in Building 26 at the North Campus Research Complex, located at 2800 Plymouth Road, Ann Arbor, Michigan, for three years. The lease will begin during the summer of 2011. Tenant will pay a monthly rate of \$42,083.33, with annual increase of 3 percent. The lease is a full service gross lease with all costs covered by monthly rent.

The service to be provided under the animal services agreement are regulatory oversight of tenant research protocols utilizing research animals at the North Campus Research Complex; housing and care of research rodents and the purchase of research rodents. The animal services will begin during the summer of 2011 and will be limited to the term of the lease. Tenant will pay standard rate(s) for these services (see rates for Unit for Laboratory Animal Medicine (ULAM) services for non-university entities) that is non-negotiable and not to exceed a total annual value of \$500,000, billable in monthly installments.

3. The pecuniary interest in the lease and animal services agreement arise from the fact that North Campus Research Complex executive director David Canter, Professor Jamie Ferrara, Professor Gary Glick, and Associate Professor Anthony Opipari, University of Michigan employees, are owners of an equity interest in Lycera Corporation. David Canter does not manage lease or service agreements with private companies at the North Campus Research Complex.

### **Institute for Healthcare Policy and Innovation**

On a motion by Regent White, seconded by Regent Ilitch, the regents unanimously approved establishment of the Institute for Healthcare Policy and Innovation, effective June 1, 2011.

### **Approval of 2011-2012 University Housing Residence Hall and Northwood Community Apartment Rates**

On a motion by Regent Maynard, seconded by Regent Richner, the regents unanimously approved increases of 3% for residence hall room and board rates (1% for operating costs and 2% for residence hall renovations) and 1% (operating costs) for Northwood Community Apartments for 2011-2012.

### **Approval of University of Michigan-Flint Residence Hall Rates**

On a motion by Regent Maynard, seconded by Regent White, the Regents unanimously approved an average room and board rate increase of 2.9% for 2011-2012, as described in the Regents Communication.

### **Public Comments on Non-Agenda-Related Topics**

The regents heard comments from Carl Cohen, faculty member, on the future of the Residential College.

### **Adjournment**

There being no further business, the meeting was adjourned at 4:55 p.m. The next meeting will take place June 16, 2011.