

## SENATE ASSEMBLY

Minutes of Regular Meeting, October 19, 1981

ATTENDANCE                    Present:  Ackley, Bailey, Barnard, Barritt, Beck, Bishop, Blass, Brooks, D.Brown, Martin, M.Brown, Burdi, Montalvo, Cassidy, Cooper, Crane, Dahl, Dixon, Easley, Frost, Green, Kesling, Hollinger, Hultquist, Keren, Kirkpatrick, Lockwood, Loup, Maassab, Meyer, Millard, Morash, Mosher, O'Meara, Ringler, Rinne, Root, Senior, Smith, Tentler, Vinter, White, Hagen, Wynne, Young.

                                 Absent:  Browne, Caffesse, Cares, Carpenter, DeKornfeld, Dobel, Stephenson, Esteban, Evans, Abdel-Massih, Friedman, Gray, Groves, Haddock, Hilbert, Hildebrandt, Kahn, Liepman, Lynch, Nagy, Pollock, Regezi, Romani, Sisman, Tek, Weiner, Wieland.

### MINUTES

The minutes of the meeting of 21 September 1981 were approved.

### ANNOUNCEMENTS

1. Proposed changes in the Regents' Bylaws, such as the revisions of 5.02, 5.08, and 6.02 to be considered today, will be brought before the Assembly routinely, even though no action by the Assembly is required.
2. The newsletter "News from the Lansing Scene," produced by the Association of Michigan Collegiate Faculties, has been distributed to Assembly members.

### REVISION OF REGENTS' BYLAWS, SECTIONS 5.02, 5.08, and 6.02

The proposed revisions, distributed to the Assembly before the September meeting, affect promotions procedures on the branch campuses. M. Brown announced that no formal communication concerning these revisions had been received from the branch campuses. Professor Dahl (Dearborn) said that his impression is that the changes reflect procedures already in place; Professor Rinne (Flint) agreed. Professor Cooper moved to endorse the revisions, and the motion was seconded. Professor Ackley recommended taking no action on the proposal, on the

proposal, on the grounds that we are not sufficiently well informed about it. Professor Cooper's motion was put to a voice vote and carried.

#### DEFENSE RESEARCH

M. Brown reported that SACUA had received a letter from Professor Hultquist expressing concern about the University's increased solicitation of research funds from the Defense Department. The matter has been referred to the Research Policies Committee, which is expected to prepare a report, by early November, addressing the following questions: What is the extent of current defense support of research? What sorts of research are supported? What sorts of research are involved in the increased solicitation? What new issues are raised by either the increased volume of defense supported research or any associated changes in the nature of this research?

#### MICHIGAN RESEARCH CORPORATION

After briefly outlining the history of the proposal for a Michigan Research Corporation (MRC), M. Brown introduced the chairman of the committee that produced the proposal, Professor Robert Howe, who gave the following report.

The purpose of the MRC would be to implement transfer of high technology from the University to industry. Other respected universities, e.g. MIT, Stanford, Illinois, Minnesota, Carnegie-Mellon, and Duke, have programs of this sort, but Michigan has not been aggressive in the area. A committee, chaired by Professor Walton Hancock, is to work out details for implementation of the proposal, and there will be ample opportunity (beyond the present meeting) for input to this process from the University community.

The MRC is envisioned as a tax-exempt, non-profit corporation, owned and operated by the University, that would act as a broker between faculty and industry, fund some of the research, evaluate the market potential of ideas, provide part-time support for faculty, and assist faculty members in either finding companies interested in their ideas or establishing their own companies. It would have a director (someone with both business and academic background) and a board of directors (University faculty and administrators and industry representatives) to formulate policy and an advisory board to make technical recommendations. Funding for the first few years would come from the state and federal governments, the University, and industry; after a few years the MRC could be self-sufficient.

Although the University could legally do the things for which the MRC is being proposed, its track record is not very good, and it is feared that, if the University attempted to perform the MRC's

functions, we'd end up with the same policies and bureaucracy we have now.

The benefits expected from the MRC are, first, for society in general and the state of Michigan in particular, a more efficient transfer of high technology from the University to industry, and second, for the University, a better chance to keep faculty here, enrichment of teaching, and valuable "applied" experience for the faculty. The MRC should not compete with existing departments in research.

Professor Hancock said that his committee's preliminary report should be ready by the end of the term.

Professor Martin opened the discussion by asking whether the MRC proposal is patterned after any currently operating system. Professor Howe replied that his committee had looked at many such systems but had not used any specific one as a pattern. Duke University's system is very similar to the MRC; MIT's and Stanford's are not.

Professor D. Brown asked whether MRC might be another place for faculty to go away from the University, since royalties and license fees on inventions would go to the MRC, not the University. Professor Howe replied that this was not intended; MRC could generate enough income not only to support itself but to produce a surplus for the University.

Professor Rinne asked whether "Institute" might be more appropriate than "Corporation" in the MRC's name, since it would identify it more closely with the University. Professor Howe replied that "Corporation" seemed to fit the envisioned legal status, but the name could be changed.

Professor Bailey asked how revolutionary the changes associated with the MRC would be. In particular, could researchers circumvent University policies on classified research, recombinant DNA, etc, by doing the research at MRC instead of at the University? Professor Howe replied that the revolutionary changes would be administrative ones affecting personnel, purchasing, etc. not controls on recombinant DNA. Also, the MRC's emphasis on industrially useful research could be called revolutionary compared with the University's much broader emphasis. Since the MRC is intended to foster transfer of high technology to industry, it is unlikely to become involved in classified research.

Professor Montalvo asked about MRC's interaction with existing industry groups such as the Michigan Research Council. Professor Howe replied that he had no direct information about this but expected the MRC to be supported by local industry; it should not compete with existing groups.

Professor Bailey said he would prefer to discuss a specific proposal, but Professor M. Brown warned that a specific proposal might be accepted by the administration so rapidly that we would be debating a past decision rather than influencing a future one. He urged that we begin now to discuss (in Assembly, in the newspapers, in the University Record) those issues that don't depend on a detailed proposal.

Professor Burdi mentioned the Medical Service Plan as an example of how outside opportunities for faculty can benefit the University. Professor Bishop pointed out that these plans are not separate corporations.

Professor Bailey said that, even without MRC, the University is making decisions that take it toward applications and away from pure knowledge. He cited the acceptance of the robotics center and funding decisions within LSA. He asked how the faculty would retain control over MRC in regard to questions like genetic engineering and classified research.

Professor Montalvo pointed out that the growth of high technology industry may not be desirable environmentally. He suggested that the Hancock committee consider the MRC's environmental effects.

Professor Barritt said that he saw little in the proposal for him or his colleagues, and little for the University except money and the possibility of retaining some faculty who should perhaps leave. He mentioned the "Board out of Control of Intercollegiate Athletics" as an example of how partially autonomous units can be unresponsive to the faculty.

Professor Howe said that the policies of the MRC would be set by its board of directors, for the maximum benefit of its owners, the Regents of the University. The details of the University's control over the MRC are to be included in the Hancock report. He added that he hoped MRC would recognize and catalyze developments in board interdisciplinary areas; this is something the University has not done in the past, although robotics is an example of what he had in mind.

Professor Root said that the sort of experience faculty members would get through the MRC would be valuable to the educational function of the Engineering College, the purpose of which is, after all, to train engineers. He said that he saw in this debate some of the traditional "humanities vs. technology" situation, with the humanists not wanting the engineers to have a good thing.

Professor Bailey said that he has no objection to robotics, but we should consider how the University allocates its money. For example, the MRC would not look into the social consequences of robotics.

Professor Root argued in favor of investment in immediately applicable technology on the grounds that it is part of the University'

mission, it leads to spinoffs in basic research, and it can improve education.

Professor D. Brown, pursuing the analogy with the Board in Control of Intercollegiate Athletics, said that the kind of control exercised by the University over the MRC must be strong enough to withstand the pressure of enormous amounts of money.

Professor Cooper asked whether the MRC was to be a "U of M RC" under the direct control of the Regents and faculty. Professor M. Brown said that direct regental control may preclude the desired aggressiveness, but without such control the faculty may be without real influence on the MRC.

Professor Rinne asked Professor Howe what University policies he views as detrimental to research. Professor Howe said that difficulties included the inability to pay faculty at rates different from their normal professorial salaries, as well as bureaucratic problems with purchasing and with hiring personnel and outside consultants.

Professor Kesling asked what would happen to money earned by the MRC. Would the University just be paid for services or would it have a larger stake? Professor Howe replied that this is not yet decided. In any case, the MRC is intended to be financially attractive to the University.

Professor M. Brown suggested having a panel discussion on the MRC at one of the next two Assembly meetings. Professor Barritt urged that the panel include opponents of MRC, and Professor Brown urged opponents to volunteer for the panel.

#### REPORT OF THE COMMITTEE ON THE ECONOMIC STATUS OF THE FACULTY

Professor Teigen presented the report of the CESF. He described CESF's new strategy for dealing with the current budgetary uncertainties, of meeting frequently with Vice President Frye and making several presentations per year to the Regents. The multi-facted CESF proposals of previous years (catch-up, plus inflation, plus competition with peer institutions) resulted in salary programs that didn't even match inflation in any of the last ten years. This past year, CESF simply requested a salary program of 9.7% to match predicted inflation; the result was a 5.8% increase, resulting in a loss of over 4% to be added to losses totaling 14% in the last three years (nearly 25% in the last ten years).

Despite CESF' protests, faculty salaries are determined by seeing what's left in the budget after everything else is determined. So CESF suggested that the \$2 million bonus, caused by the smaller than expected cut in state appropriations, be added to the faculty salary

pool; the administration has not responded. Professor Teigen said that the administration and the Regents simply torpedoed the salary program by doing exactly what CESF had warned against on page 7 of its report.

Professor Teigen then turned to non-salary aspects of CESF's work. He described the changes in the long-term disability program and the group life insurance program. The latter, required by the Age Discrimination in Employment Act, will cost the University about \$120,000 per year, so it will no longer forgo collecting premiums in certain months. CESF also investigated the possibility of a more flexible choice of benefits and the economic status of retired faculty. In addition to continuing these projects and its surveillance of the budget, CESF plans, through its subcommittees, to study questions of equity and overlapping coverage in fringe benefits and questions relating to early retirement.

Professor Barritt said that the decrease in faculty morale may be due not only to the small total salary package but also to the way the money is distributed. He objected to the notion of merit increases when 5.5% is available with inflation at 9%. Professor Teigen said that only the total package was considered by CESF in past years but that this year a subcommittee would look into issues related to merit.

Professor Barnard expressed disappointment at the way the new long-term disability plan was presented. In particular, it was not made clear that the new plan was advantageous only to people earning more than \$36,000 per year. Professor Teigen replied that, although CESF was aware of such facts, it relied on the Staff Benefits Office to publicize them.

Professor Barnard asked whether the new disability plan was obligatory for people with less than five years of service. Professor Teigen replied that the old plan was still available, but Professor Barnard said that people hired after September 1 have only the new plan.

#### NEW BUSINESS

Professor M. Brown announced that Ms. Birdsall is leaving to take a position in the Law School. He expressed appreciation for her work with Assembly, SACUA, CESF and faculty governance in general.

#### ADJOURNMENT

The meeting was adjourned at 4:57 p.m.

Respectfully submitted,  
Andreas Blass  
Interim Senate Secretary