

UNIVERSITY OF MICHIGAN

SENATE ASSEMBLY

Minutes of Regular Meeting of 13 December 1982

ATTENDANCE

Present: Aberbach, Bailey, Barnard, Barritt, Bishop, Blass, Briggs, Brooks, Bulkley, Burdi, Caffesse, Cares, Carter, Cassidy, Cooper, Crane, Danielson, Easley, Weiss, Fellin, Green, Hildebrandt, Hollinger, Hopwood, Hultquist, Janecke, Kaplan, Kelsey, Lawrence, Loup, Ludema, Maassab, Martin, Meyer, Moerman, Morash, Mosher, Nadon-Gabrion, Nagy, O'Meara, Pollock, Powell, Rae, Regezi, Ringler, Robinson, Rucknagel, Simon, Smith, Solomon, Stevenson, Radine, Whitehouse, Young

Absent: Barald, Beck, Browne, Catford, Dahl, Adler, Evans, Grosse, Haddock, Hagen, Hilbert, Kahn, Keren, Knudsvig, Rinne, Root, Senior, Weiner, Wieland

CALL TO ORDER AND MINUTES

The meeting was called to order by Professor Ronald C. Bishop, chair, at 3:22 p.m., and the minutes of the meeting of 18 October 1982, were approved.

ANNOUNCEMENTS

1. SACUA and the Academic Affairs Committee are overseeing the review process and invite anyone with concerns in this area to inform them.

2. The University will continue its membership in the Association of Michigan Collegiate Faculties; Vice President Kennedy's office has agreed to pay part of the dues.

STUDENT MEMBERSHIP OF FINANCIAL AFFAIRS COMMITTEE

Professor Bishop reported that, in the late 1960's and early 1970's, student members had been added to most of the Assembly's vice-presidential advisory committees but not to the Financial Affairs Committee. That committee, which presently has two student members on an unofficial basis, requests that the Assembly make the two student memberships official. Professor Cooper moved approval of the Financial Affairs Committee's request, and the motion was seconded. In reply to a question from Professor Moerman, Professor Bishop said that the motion represents a change in the committee's structure, not the appointment of specific students;

the appointments would be made by MSA. Professor Bishop added that, although the committee would prefer one undergraduate and one graduate student to be appointed, this distribution was not required; MSA represents all students, not just undergraduates. Professor Ringler moved to amend the motion to specify that one of the two student members must be an undergraduate and the other a graduate student. The amendment was seconded, put to a voice vote, and carried. The main motion, as amended, was then put to a voice vote and carried unanimously.

#### ELECTION OF SACUA NOMINATING COMMITTEE

The election of the SACUA Nominating Committee was held. (The ballots, tabulated after the meeting, resulted in the election of members Bishop, Browne, Barnard, Barritt, Pollock and Loup.)

#### FACULTY REPRESENTATIVES TO THE BIG TEN

Professor Bishop announced that the Board in Control of Intercollegiate Athletics had made appointments, subject to Assembly approval, of a faculty representative and co-representative to the Big Ten Conference. He then introduced Professor Howard Brabson, who had succeeded Professor Paul Gikas as chair of the search committee for these positions.

Professor Brabson announced that the Board in Control had appointed Professor Gikas Faculty Representative to the Big Ten and requests Assembly approval of this appointment. A motion to approve the appointment was made by Professor Whitehouse and seconded. Professor Bailey asked Professor Brabson to report on the procedures used in making this appointment. Professor Brabson replied that after Professor Gikas's resignation as chair, the search committee was restructured, reviewed the 14 applications for the position, interviewed some of the applicants, and selected the two it considered most qualified. The full Board in Control considered these two candidates along with three others and voted to appoint Professor Gikas. Professor Burdi asked whether, as former chair of the search committee, Professor Gikas had any advantage over the other candidates; Professor Brabson replied that he did not. Professor Bailey asked for the names of the other candidates, but Professor Brabson felt he lacked authority to release them. Professor Bailey explained that the purpose of his question was to maintain faculty control of athletics by determining what colleges were represented by the candidates, whether women were considered, etc. Professor Brabson replied that the candidates included women and members of minority groups, that they included assistant, associate, and full professors, and that they represented various schools including Education, Medicine, and Business. He added that it had been difficult to obtain candidates; for example, the two people nominated in response to Professor Gikas's interim report to the Assembly both declined to serve.

The motion to approve Professor Gikas's appointment passed by a unanimous voice vote.

Professor Brabson then presented for Assembly approval the reappointment of Professor Gwen Cruzat as co-representative to the Big Ten Conference until 30 June 1985. He read to the Assembly the official description of the co-representative's duties, a description that the Assembly had requested when approving Professor Cruzat's initial appointment. The co-representative is to have the same duties as the representative, including attendance at all meetings, service on committees, and accountability to the Board in Control. The co-representative casts the University's vote whenever the representative is absent. Approval of the appointment was moved and seconded.

In response to questions from Professors Nagy and Pollock about the difference between the title "co-representative" used by the Assembly and the title "alternate representative" used by the Big Ten and the Board of Regents, Professor Bishop said that the University has no control over the title chosen by the Big Ten and that conference rules do not permit the University to designate different representatives for different meetings.

Professor Barnard expressed disappointment that no information about the candidates had been made available and asked whether their appointments had been approved by SACUA or only by the Board in Control. Professor Bishop said that SACUA had not reviewed the candidates' qualifications. Professor Brabson summarized Professor Cruzat's experience on the Board in Control, in working with student-athletes, in helping to establish the women's athletic program, and as co-representative for the past year.

Professor Ringler asked whether Professor Cruzat had been considered for the position of faculty representative; Professor Brabson replied that she had repeatedly been asked but declined to become a candidate.

In reply to a question from Professor Burdi about the directions in which the appointees would like to lead the athletic program, Professor Brabson said that they were concerned about programs in the University for athletes and ensuring that student-athletes are students first and athletes second. They have been active in developing proposals to upgrade academic standards. Professor Bishop added that SACUA will meet the appointees to discuss these concerns.

Professor Cruzat's appointment was approved by a unanimous voice vote.

Professor Simon moved to commend former faculty representative Professor Thomas Anton for his excellent and conscientious service, particularly for his strong stand on the necessary academic credentials of University of Michigan athletes (sometimes in the face of strong opposition). The motion was seconded and carried by a unanimous voice vote.

#### MICHIGAN RESEARCH CORPORATION

Professor Bishop summarized the history of the proposal for a Michigan Research

Corporation, including the Howe report (June, 1981), the more detailed Hancock-Crockett report (January, 1982), a subsequent description of three options [(1) a for-profit corporation outside the University with \$200,000 invested by the University, (2) a similar operation within the University, and (3) no MRC, but an improved patent operation](June, 1982), and the recent Hancock-Crockett recommendation of Option 1 which has been supported, with varying degrees of formality by the Academic Affairs Advisory Council, the Biomedical Research Council, the Schools of Medicine and Pharmacy, and the Colleges of Engineering and LSA. He added that SACUA had brought the proposal to the Assembly without a specific recommendation.

In order to focus the discussion, Professor Hildebrandt moved to approve Option 1 in principle, leaving its implementation to the administration and appropriate faculty groups. Professor Pollock seconded the motion.

Professor Cooper asked why SACUA had made no recommendation. Professor Bishop replied that the proposal did not seem sufficiently specific, but SACUA felt that the Assembly should have an opportunity to discuss it. Professor Hollinger added that many SACUA members were unenthusiastic about the proposal but there was no consensus that it is a mistake. Professor Cooper asked whether the Assembly has a choice of three options. Professor Bishop replied that the motion is about only one, but it can be amended, and Professor Hildebrandt suggested the possibility of a substitute motion.

Professor Rucknagel asked about the results of the University's recent solicitation of patentable ideas from the faculty. Mr. Crockett, who had coordinated that search, was in the audience and replied that two or three ideas with MRC potential had emerged but that probably none is really hot. Professor Hancock, also in the audience, added that some faculty are waiting for an MRC to be established before revealing their ideas.

Professor Barritt said that he hesitated to vote for the motion because he would not want to suggest that the MRC is of higher priority than minority recruiting or enhancing the situation of undergraduates. He would favor establishing an MRC only if a quick and substantial return on the University's \$200,000 were almost guaranteed. Professor Bishop said that it is understood that this money would not come from the general fund. Professor Barritt suggested using money from other funds to avoid having to cut schools, colleges, and departments. Professor Bishop said that Professor Kaplan had suggested such use of endowment funds a year ago but the administration had decided against it.

In response to Professor Moerman's request for a summary of SACUA's discussions of MRC, Professor Hollinger said that he sees relatively small enthusiasm for MRC. Only a small segment of the faculty seems really interested, and a proposal to use the University's name and money should have wider support, so he will vote no. He remarked that \$200,000 is not a small amount; it is what was saved by discontinuing the Geography Department. Professor Bishop said that the geography savings are annual whereas the MRC involves only a one-time investment.

Professor Nagy reported having read that the University's investment was to come from royalties on past patents, through the office of the Vice-President for Research; if so, it seemed an appropriate use for the money. Professor Carter also reported having read such a statement, in the Ann Arbor News, but Assistant Vice-President Price, in the audience, said that although it is possible that these funds could be used, the administration would prefer not to do so, and that investment funds were another possibility.

Professor Cooper, noting that SACUA had asked the administration to postpone any MRC decision until after the Assembly's discussion, asked whether the administration had already decided in favor of an MRC. Professor Bishop said that it had not. Professor Cooper asked about the Assembly's role in the final decision. Professor Bishop replied that the Assembly advises the administration. The Regents make the final decision.

Professor Bulkley said that Options 1 and 2 are already in effect at Michigan State University and Michigan Technological University, respectively. He asked how they are working and how they and the proposed MRC relate to private companies established by faculty members. He also asked whether only a limited number of faculty benefit from these organizations. Professor Hancock replied that these two organizations do not yet have any patents, but that Neogen (the one at MSU) is actively underway. Such organizations contract with the universities for research; they interact with only a few faculty at first but hope to grow. They do not interfere with other arrangements, such as private companies established by faculty members. In reply to a question from Professor Bailey, Professor Hancock said that the University's research contracts with MRC would be handled through DRDA, just like other research contracts. Professor Bailey inferred that the faculty working on the contracts would receive their usual salaries but MRC would pay part of them; he asked how MRC could then fulfill its alleged function of providing salaries competitive with industry to induce faculty to remain at the University. Professor Hancock replied that royalties would fulfill this function. Professor Bailey said that he would vote against Option 1; he might favor Option 2 but only if there were broad interest. He raised three other issues. First, University standards on affirmative action would not apply to MRC. Second, neither would the University's research guidelines. Third, at a meeting last summer, business and industry representatives were dissatisfied by the type of ideas produced by universities; they want immediate results, whereas faculty tend to think five or ten years down the road. Professor Bailey said he considers such long-term thinking more appropriate for a university and a focus on immediate profit unhealthy.

Professor Pollock said that he favors the MRC proposal. It would not prevent long-term thinking, and the University could impose constraints concerning affirmative action and research guidelines. The MRC would encourage the development of intellectual property, which is now inhibited. Professor Bailey said that, according to the proposal, the University would not completely control the MRC. Professor Pollock said that the University, as a large stockholder would have influence and could pull out if unhappy. He urged a change in the present view of the University's patent attorneys that their job is to protect the University

against faculty members. And he added that, although the MRC would benefit only a few faculty, the same can be said of other projects, such as the Middle English Dictionary; what is more important is that no one will be disadvantaged.

Assistant Vice-President Price described Neogen's relationship with MSU, which is analogous to Option 1. The company evaluates the market potential of various ideas, contracting most of the research involved to the university. The university thus gets money for faculty research and graduate student support; this money is subject to all university regulations. Work done by the corporation outside the university is not subject to those regulations. In reply to a question from Professor Rucknagel, he said that royalties on faculty inventions would be distributed, under current regulations, 20% to the inventor, 40% to his department, and 40% to the University; there has been a recommendation to increase the inventor's percentage of the first \$25,000. In reply to further questions from Professor Rucknagel, he said that a successful inventor could leave the University to work for MRC, but MSU set up Neogen to prevent defections to industry by enabling an inventor to work on his ideas within the university under a research contract from the corporation. He added that the corporation can pay consultant fees to inventors or enter into stock sharing agreements with them. In reply to a question from Professor Janecke about what Caltech, Stanford, and MIT are doing, he said that all three have set up technology transfer corporations which bring 30 to 50 million dollars per year into the universities. Professor Radine commented that these universities, not MSU, are our role models, and he asked how their corporations related to the spectacular growth of their regions; did the corporations enter after the fact. Professor Hancock said that the situation is different in each case and referred to his and Mr. Crockett's earlier report for detailed information and further references.

Professor Ludema said that he had developed and patented several ideas and he found it easier and more productive to work with outside corporations than to work with the University's patent office. If someone at the University worked as hard as industry does to facilitate patenting and developing faculty inventions, he might channel his work through the University. In response to a question from Professor Burdi, he said that his work with industry also helps graduate students; in fact his most recent patent application was a joint one with a graduate student.

Assistant Vice-President Price said that, although the deans had supported Option 1, they also wanted the positive part of Option 3, an improvement of the University's licensing and patent operation. Later Professor Moerman said that he would not want to exclude such an improvement by voting for Option 1. Assistant Vice-President Price then pointed out a section of Option 1 that included the desired part of Option 3.

Professor Bailey said that he would approve a project intended to help a few faculty if it also helps the University enough to justify its substantial investment. He expressed doubt, however, that Option 1 achieves what is desired. He quoted the SACUA minutes of 8 November to the effect that the proposal is not

precise enough to permit productive debate, he noted that nothing in the proposal says that University guidelines would apply to MRC, and he pointed out that, although the proposal says Option 2 would raise salaries, it makes no corresponding statement for Option 1 and it has been asserted today that Option 1 would leave salaries to be set by the unit head. He said that the proposal lacks the necessary supporting information and is not precise; he added that the MRC could conduct research violating the University guidelines simply by doing it outside the University. Assistant Vice-President Price said that such research would still be subject to state and federal laws, and he noted that industry accepts other research constraints as well, for example in genetic engineering.

Professor Rucknagel said that proposals like MRC may serve to bail the state and the University out of their current financial troubles, although he has some doubts. He strongly objected to Option 2 on the grounds that the University should not be in business; it is a teaching institution and has a poor track record in business ventures. He also said that it is wrong for academicians with big government grants to go to industry and try to monopolize their discoveries, which thus cost the public more than if they were published. Later, he added that Option 1 is a smaller risk for the University than Option 2, for it involves only a single investment.

Professor Cooper asked whether the motion limits the University's investment to \$200,000. Professor Bishop said that it does not. Professor Cooper asked whether the amount could be increased without further Assembly discussion. Professor Nagy said that the motion included "appropriate faculty groups" in the implementation process and that the Assembly's vote is only advisory anyhow.

Professor Bishop asked whether the Assembly wanted to vote on the motion or defer a vote. Professor Hollinger spoke against deferring the vote after the lengthy debate, and he noted that the proposal had become more specific, since the Assembly's last MRC discussion, in that it definitely involved an equity position for the University.

Professor Hildebrandt's motion was put to a vote and carried, 33 to 13.

#### OLD BUSINESS

Professor Whitehouse asked if the task force currently reviewing the counseling services was aware of the recommendations of the Robertson review committee in 1976. Professor Bishop said that he assumed so, but would make inquiries.

Professor Pollock asked whether the Research Policies Committee will report at the next Assembly meeting. Professor Bishop said that he had hoped the report would be ready by then but that he now doubts that it will; Professor Ringler agreed.

In reply to a question from Professor Barnard, Judith Nowack said that the Assembly's February meeting was scheduled for the 14th, rather than the 21st which falls in winter recess.

NEW BUSINESS

Professor Danielson asked that the amphitheatre be heated better for future Assembly meetings.

ADJOURNMENT

The meeting was adjourned at 5:02 p.m.

Respectfully submitted,

*Andreas Blass*

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Senate Secretary