

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS
MEETING OF THE
EDUCATIONAL POLICY COMMITTEE
April 5, 2002**

EDUCATIONAL POLICY COMMITTEE

Friday, April 5, 2002
10:30 - 11:45 a.m.
Board Room, The Rotunda

AGENDA

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: I.A. Conflict of Interest Exemption
(DVTI, INC.)

BACKGROUND: The University of Virginia is negotiating a research contract with Directed Vapor Technologies International Incorporated (DVTI, Inc.), a Delaware company created on June 1, 2000, to support research related to directed vapor deposition. The University of Virginia has previously licensed vapor deposition technology to DVTI for commercialization.

DISCUSSION: Four University faculty members own equity in the company in excess of three percent, Messrs. James F. Groves (22.2%), Douglas T. Queheillalt (11.4%), Derek Haas (13.6%) and Haydn N. Wadley (11.4%). Under the Virginia Conflict of Interests Act, the University's contracting with DVTI, Inc., would place all four in violation of the Act, unless the Board of Visitors approves the conflict created by their equity interests. State law grants such approval authority to the Board in the case of sponsored research, in order to allow research furthering the public interest.

Virginia law and University of Virginia policy will require Messrs. Groves, Queheillalt, Haas and Wadley to file annual disclosure statements of their economic interests in the company. None of these faculty will be involved in the University's negotiation, approval, or procurement of contract terms with DVTI, Inc. As a result of another BOV-approved waiver, the chair of the Department of Materials Science and Engineering has appointed a University oversight team responsible for managing and overseeing the contract to ensure that the continuing best interests of the University are served. This oversight team can manage this new contract as well. As an additional precaution, the chair will report at least each quarter to the Dean of the School of Engineering and Applied Sciences on the progress of the research and the utilization of University resources.

ACTION REQUIRED: Approval by the Educational Policy Committee and by the Board of Visitors

CONFLICT OF INTEREST EXEMPTION (DVTI, INC.)

WHEREAS, the University of Virginia wishes to enter into a research contract with Directed Vapor Technologies International, Incorporated (DVTI, Inc.), to further research efforts in direct vapor deposition; and

WHEREAS, Messrs. James F. Groves, Douglas T. Queheillalt, Derek Haas and Haydn N. Wadley have disclosed in advance their equity interests in DVTI, Inc.; and

WHEREAS, the University of Virginia's entry into an agreement with DVTI would thereby expose Messrs. Groves, Queheillalt, Haas and Wadley to violation of the Virginia Conflict of Interests Act unless approved by the Board as permitted by §2.2-3106(c) (7) of the *Code of Virginia*;

RESOLVED that the waiver of the conflict of interest of Messrs. Groves, Queheillalt, Haas and Wadley is approved by the Board of Visitors in order to permit the University to enter into a research agreement with DVTI, Inc., to pursue research in vapor deposition; provided, as required by the law, Messrs. Groves, Queheillalt, Haas and Wadley file the required annual disclosure statement of personal interests in DVTI, Inc., the University files the required annual report concerning the contracts with the Secretary of the Commonwealth, and the dean and department chair, in consultation with the committee established to oversee this relationship, vigilantly oversee application of University resources in the best interests of the University and in accordance with policy.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve a conflict of interest exemption for Directed Vapor Technologies International, Incorporated, (DVTI, INC.).

DESCRIPTION: The University of Virginia is negotiating a research contract with DVTI, Inc., a Delaware company to support research on directed vapor deposition. This will be the third conflict of interest exemption the Board of Visitors has considered concerning the company. In January 2001, the Board agreed to grant an initial conflict of interest exemption to allow the School of Engineering to enter into a contract with DVTI, Inc. At that time, three faculty members owned in excess of three percent equity in the company, thus creating a potential violation of the Virginia Conflict of Interests Act. In October 2001, a second conflict of interest exemption was granted when a fourth faculty member achieved an equity position exceeding three percent. This current conflict of interest exemption under consideration is for an additional research contract. As described in the proposed resolution, the University has put in place several safeguards to ensure that this contract, like the others before it, can be managed appropriately.

FISCAL IMPACT: The University has the potential to realize income from successful commercialization of this technology through patent royalties. As this venture is speculative in nature, a future value of these earnings is difficult to forecast and may, in fact, be nonexistent; however, the University enjoys minimal exposure to unforeseen costs.

This arrangement also promotes additional research and development efforts as well as hoped for advances in the science consistent with the University's mission.

CONCLUSION: It is recommended that the Board approve the proposed conflict of interest exemption for DVTI, Inc.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
April 5, 2002

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: I.B. Conflict of Interest Exemption
(AVIR, LLC)

BACKGROUND: The University of Virginia is negotiating a sponsored research contract with AVIR, LLC, a Virginia limited liability company created on July 7, 1997, to support research aimed at remote sensing of chemical agents. Key technology developed at the University of Virginia has been licensed to AVIR, LLC. AVIR, LLC, has recently obtained funding under the Small Business Innovation Research (SBIR) program and will sponsor research at the University of Virginia.

DISCUSSION: One University faculty member, Mr. Gabriel Laufer, owns sixty percent of the equity in the company. Also, Mr. Laufer is the president of the company. The University's Patent Foundation is a minority shareholder in AVIR, LLC. Under the Virginia Conflict of Interests Act, the University's contracting with AVIR, LLC, would place Mr. Laufer in violation of the Act, unless the Board of Visitors approves the conflict created by his equity interest. State law grants such approval authority to the Board in the case of sponsored research, in order to allow research furthering the public interest.

Virginia law and University of Virginia policy will require Mr. Laufer to file annual disclosure statements of his economic interests in the company. Mr. Laufer will not be involved in the University's negotiation, approval, or procurement of contract terms with AVIR, LLC. As a result of another BOV-approved waiver for AVIR, LLC, the chair of the Department of Mechanical and Aerospace Engineering has appointed a University oversight team responsible for managing and overseeing the contract to ensure that the continuing best interests of the University are served. The chair reports at least each quarter to the Dean of the School of Engineering and Applied Science on the progress of sponsored research activity and the utilization of University resources. This team will oversee the SBIR contract as well as the previous contract.

ACTION REQUIRED: Approval by the Educational Policy Committee and by the Board of Visitors

CONFLICT OF INTEREST EXEMPTION (AVIR, LLC)

WHEREAS, the University of Virginia wishes to enter into a sponsored research contract with AVIR, LLC, to further research on remote chemical sensors; and

WHEREAS, Mr. Gabriel Laufer has disclosed in advance that his equity interests in AVIR, LLC, exceed three percent; and

WHEREAS, the University of Virginia's entry into a research agreement with AVIR, LLC, would thereby expose Mr. Laufer to violation of the Virginia Conflict of Interests Act unless approved by the Board as permitted by §2.2-3106(c) (7) of the *Code of Virginia*;

RESOLVED that the conflict of interest of Mr. Gabriel Laufer is approved by the Board of Visitors in order to permit the University to enter into an agreement with AVIR, LLC, for research funding to investigate remote chemical sensing; provided, as required by the law, Mr. Laufer files the required annual disclosure statement of personal interests in AVIR, LLC, the University files the required annual report concerning the contracts with the Secretary of the Commonwealth, and the dean and department chair vigilantly oversee application of University resources in the best interests of the University and in accordance with policy.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT


PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve a conflict of interest exemption for AVIR, LLC.

DESCRIPTION: The University of Virginia is negotiating a sponsored research contract with Avir, LLC, a Virginia technology company to support research aimed at remote sensing of chemical agents. This is the second such conflict of interest exemption that the Board of Visitors has considered concerning the company. In June 2001, an initial exemption was granted for a sponsored research contract between the School of Engineering and Applied Science and AVIR, LLC. As described in the proposed resolution, the University has put in place several safeguards to ensure that this contract and the preceding arrangement can be managed appropriately.

FISCAL IMPACT: The University has the potential to realize income from successful commercialization of this technology through patent royalties, as well as contributing to the advancement of knowledge in the science consistent with the University's mission. As this venture is speculative in nature, a future value of these earnings is difficult to forecast and may, in fact, be nonexistent; however, the University enjoys minimal exposure to unforeseen costs.

CONCLUSION: It is recommended that the Board approve the proposed conflict of interest exemption for AVIR, LLC.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
April 5, 2002

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: I.C. Conflict of Interest Exemption
(YABKO, LLC)

BACKGROUND: The University of Virginia is negotiating a sponsored research contract with Amersham Health, Princeton, New Jersey, to evaluate a contrast agent for use in echocardiography. As a portion of this Amersham project, which will be conducted at the University of Virginia as well as multiple sites throughout the United States, Amersham will contract with YABKO, LLC, to develop specialized software for data imaging. YABKO, LLC, is a Virginia limited liability company created to provide research software for the analysis of myocardial contrast echocardiography images.

DISCUSSION: A University faculty member, Mr. Jiri Sklenar, and a University employee, Ms. Irena Sklenar, together own eighty-six percent of the equity in YABKO, LLC. Under the Virginia Conflict of Interests Act, the University's contracting with Amersham would place the Sklenars in violation of the Act, unless the Board of Visitors approves the conflict created by their equity interest. State law grants such approval authority to the Board in the case of sponsored research, in order to allow research furthering the public interest.

Virginia law and University of Virginia policy will require Mr. Jiri Sklenar and Ms. Irena Sklenar to file annual disclosure statements of their economic interests in the company. Neither Jiri Sklenar or Irena Sklenar will be involved in the University's negotiation, approval, or procurement of contract terms with Amersham.

ACTION REQUIRED: Approval by the Educational Policy Committee and by the Board of Visitors

CONFLICT OF INTEREST EXEMPTION (YABKO, LLC)

WHEREAS, the University of Virginia wishes to enter into a sponsored research contract with Amersham Health, to further research on echocardiography; and

WHEREAS, Mr. Jiri Sklenar and Ms. Irena Sklenar have disclosed in advance that their equity interests in YABKO, LLC, exceed three percent; and

WHEREAS, YABKO, LLC, wishes to enter into a contract with Amersham Health which is closely related to the proposed contract between the University of Virginia and Amersham Health; and

WHEREAS, the University of Virginia's entry into a research agreement with Amersham would thereby expose Jiri and Irena Sklenar to violation of the Virginia Conflict of Interests Act unless approved by the Board as permitted by § 2.2-3106 (c) (7) of the *Code of Virginia*;

RESOLVED that the conflict of interest of Jiri Sklenar and Irena Sklenar is approved by the Board of Visitors in order to permit the University to enter into an agreement with Amersham for research funding to investigate echocardiography imaging; provided, as required by the law, Jiri and Irena Sklenar file the required annual disclosure statement of personal interests in YABKO, LLC, the University files the required annual report concerning the contracts with the Secretary of the Commonwealth, and the dean and department chair vigilantly oversee application of University resources in the best interests of the University and in accordance with policy.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

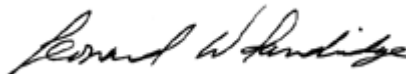
PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve a conflict of interest exemption for Jiri Sklenar and Irena Sklenar.

DESCRIPTION: The University of Virginia is negotiating a sponsored research contract with Amersham Health of Princeton, New Jersey, to evaluate a contrast agent for use in echocardiography. As part of the research program, Amersham will contract a portion of the work with YABKO, LLC, to develop software pertinent to this project. One faculty member, Jiri Sklenar, and a University employee, Irena Sklenar, own in excess of three percent of the equity in YABKO, LLC. By law, proceeding with the proposed venture would place these individuals in a conflict because of their personal interests in the contract, unless the Board of Visitors chooses to approve an exemption as the law permits in the case of sponsored research agreements. The University administration will provide appropriate oversight over the allocation of resources.

FISCAL IMPACT: The fiscal impact of this proposal is negligible because the potential conflict occurs only as the result of a tangential relationship. The research contract will essentially concern only the University and an unaffiliated third party; however, this third party has, in turn, contracted with another entity in which two University employees have financial interests. These two agreements are not contingent upon one another and the University exercised no decision-making authority to negotiate the contract between Amersham and YABKO, LLC.

CONCLUSION: It is recommended that the Board approve the proposed conflict of interest exemption for Jiri Sklenar and Irena Sklenar.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
April 5, 2002

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: I.D. Change in the Name of a Degree
in the McIntire School of Commerce

BACKGROUND: The McIntire School of Commerce has proposed to change the name of the Master of Science in Management Information Systems degree to Master of Science in the Management of Information Technology.

DISCUSSION: The School's proposal that the Master of Science in Management Information Systems degree be changed to the "Master of Science in the Management of Information Technology" has been approved internally. The name change is being made more accurately to reflect the current emphasis and orientation of the Program. This proposal has been forwarded to the State Council of Higher Education, where it will receive automatic approval from Council staff, as it will be treated as an item "for purposes of internal management only."

ACTION REQUIRED: Approval by the Educational Policy Committee and by the Board of Visitors

APPROVAL TO CHANGE THE NAME OF A DEGREE IN THE MCINTIRE SCHOOL OF COMMERCE FROM THE MASTER OF SCIENCE IN MANAGEMENT INFORMATION SYSTEMS TO THE MASTER OF SCIENCE IN THE MANAGEMENT OF INFORMATION TECHNOLOGY

RESOLVED that the Master of Science in Management Information Systems degree in the McIntire School of Commerce be changed to the Master of Science in the Management of Information Technology.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: II.A. Vice President's Remarks

DISCUSSION: The Vice President and Provost will use this portion of the Educational Policy Committee to inform the Committee of recent events of which the Board should be made aware.

ACTION REQUIRED: None

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: II.B. Division Name Change, College and
Graduate School of Arts and Sciences

BACKGROUND: The College and Graduate School of Arts and Sciences has proposed a status change for the Division of Asian and Middle Eastern Languages and Cultures to that of a department (Department of Asian and Middle Eastern Languages and Cultures).

DISCUSSION: The College and Graduate School of Arts and Sciences' proposal that the Division of Asian and Middle Eastern Languages and Cultures be changed to "Department of Asian and Middle Eastern Languages and Cultures" has been approved internally. Asian and Middle Eastern Languages and Cultures has made significant strides in recent years, including creating an official major and minor in Fall 2001. Its curriculum is rigorous, its enrollments are rising, and its faculty are deeply committed to maintaining high standards of teaching and research. The change will not require any additional resources. This proposal has been forwarded to the State Council of Higher Education, where it will receive automatic approval from Council staff, as it will be treated as an item "for purposes of internal management only."

ACTION REQUIRED: This item requires no action by the Board. It is on the Agenda simply as a report to the Board of an action taken.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: II.C. Graduate Funding Report

DISCUSSION: The Vice President and Provost will give a report on how the University compares to peer institutions in graduate support packages. This will include a comparison of graduate aid packages of select departments and a review of the College survey of students choosing to attend other institutions.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: II.D. Curry School of Education

DISCUSSION: The Vice President and Provost will introduce the Dean of the Curry School of Education, Mr. David W. Breneman, who will give a report to the Board on the School's activities and accomplishments.

ACTION REQUIRED: None

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: II.E. Faculty Senate

DISCUSSION: The Vice President and Provost will introduce the Chair of the Faculty Senate, Mr. Robert M. Grainger, Professor of Biology, who will give a report to the Board on the Senate's plans for Spring semester.

ACTION REQUIRED: None