

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

EDUCATIONAL POLICY COMMITTEE

Saturday, October 5, 2002

9:45 - 10:30 a.m.

Board Room, The Rotunda

Committee Members:

T. Keister Greer, Chair	Gordon F. Rainey, Jr.
Elsie Goodwyn Holland	Elizabeth A. Twohy
H. Timothy Lovelace, Jr.	E. Darracott Vaughan, Jr., M.D.
Don R. Pippin	John P. Ackerly, III, Ex Officio

AGENDA

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: I.A. New Degree Program: Computer Engineering, School of Engineering and Applied Science

BACKGROUND: The School of Engineering and Applied Science proposes to offer a new graduate degree program (Master of Engineering, Master of Science, and Ph.D.) in computer engineering.

Computer engineering is an important field that spans both electrical engineering and computer science. Students learn, practice, and perform research related to the design and analysis of computer systems, including both hardware and software aspects and their integration. Careers in computer engineering are wide and varied, ranging from embedded computer systems found in consumer products or medical devices, to control systems for automobiles, aircraft and trains, to more wide-ranging applications in telecommunications, financial transactions and information systems. Computer engineering is the fastest growing occupation in the Commonwealth of Virginia according to the Virginia Employment Commission's projections for the decade 1998-2008.

DISCUSSION: The proposed graduate program will leverage the available resources and courses in the existing Department of Electrical and Computer Engineering and the Department of Computer Science, resulting in a low-cost implementation. The computer engineering program represents a collaborative effort between the faculties of the two units and will allow students to concentrate their studies in areas of intersection between the two departments. All courses for the proposed computer engineering program are already being offered in one or both of the departments and, thus, no new courses are currently being planned specifically for the new program. It is anticipated that this degree will be approved readily by the State Council of Higher Education because it uses existing courses and faculty and does not require additional state funding.

The faculty of the School of Engineering and Applied Science has approved it. The Faculty Senate approved the degree at a recent meeting.

All new degrees must be approved by the Board before they can be forwarded to the State Council of Higher Education for Virginia for its approval.

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

APPROVAL TO OFFER A NEW GRADUATE DEGREE PROGRAM (MASTER OF ENGINEERING, MASTER OF SCIENCE, AND PH.D.) IN COMPUTER ENGINEERING IN THE SCHOOL OF ENGINEERING AND APPLIED SCIENCE

RESOLVED that, subject to approval by the State Council of Higher Education for Virginia, the Master of Engineering, Master of Science, and Ph.D. degrees in Computer Engineering be established in the School of Engineering and Applied Science.

UNIVERSITY OF VIRGINIA
FISCAL IMPACT STATEMENT

PROJECT/PROPOSED BOARD OF VISITORS ACTION: Approve the creation of Master of Engineering, Master of Science, and Doctor of Philosophy degrees in Computer Engineering.

DESCRIPTION: The School of Engineering and Applied Science seeks to create new graduate level degrees in the discipline of Computer Engineering. The Department of Computer Science (which focuses on software, operating systems, programming languages, and related areas) and the Department of Electrical and Computer Engineering (which focuses on automatic controls, digital systems, digital controls, communications, and other hardware devices) will jointly administer this new program. Students in Computer Engineering will learn, practice, and conduct research related to the design, analysis and integration of computer systems involving topics related to both hardware and software elements.

This proposal represents the second phase of a faculty study to create fields of study synchronous with student interests and the Commonwealth's economic development needs. The first phase of this plan was implemented in 1997 with the creation of the undergraduate Bachelor of Science in Computer Engineering degree. SCHEV approved the B.S. degree in 1999 and currently 131 students are enrolled.

FISCAL IMPACT: The Provost suggests leveraging existing faculty and capital resources for this program and advises no additional funding in the current fiscal year. The fiscal impact is limited to the reallocation of existing 0.5 full-time faculty FTE (to serve as interim director) and the re-allocation of 0.5 classified FTE for administrative support. The School of Engineering and Applied Science has stated that the selection of a full-time director remains one of their priorities once the state hiring freeze is lifted. If the School is permitted to hire a director in future years, such a person would eventually cost approximately \$150,000 - \$200,000 annually including salary, benefits, and other support needs. Incremental student enrollment is unlikely for the next one - three years until this program becomes established and recognized.

CONCLUSION: The Board of Visitors should approve the proposed graduate degrees in the Computer Engineering discipline.

RECOMMEND APPROVAL OF BOARD ACTION:

A handwritten signature in cursive script, reading "Leonard W. Sandridge".

Leonard W. Sandridge
October 5, 2002

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: I.B. Conflict of Interest Exemption
(Cellular Materials International, Inc.)

BACKGROUND: The University of Virginia is negotiating research contracts with Cellular Materials International, Inc. (CMI, Inc.), a Virginia technology company created on December 14, 2001 to support research and development of engineered materials. Key technology developed at the University of Virginia has been licensed to CMI, Inc. CMI, Inc. has applied for Small Business Innovative Research funding. If awarded, the funds provided will further research and development efforts and support faculty and graduate student research efforts in specialized engineered materials. Grants to the University of Virginia for research in engineered materials may take advantage of specialized expertise at CMI, Inc., by subcontracting portions of the research and development to CMI, Inc.

DISCUSSION: One University faculty member, Mr. Haydn N.G. Wadley, owns in excess of three percent of the equity in the company. Under the Virginia Conflict of Interests Act, the University's contracting with CMI, Inc., would place Mr. Wadley 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. Wadley to file annual disclosure statements of his economic interests in the company. Mr. Wadley will not be involved in the University's negotiation, approval, or procurement of contract terms with CMI, Inc. The chair of the Department of Materials Science and Engineering has appointed a committee to be responsible for oversight and management of the conflict of interest, including independently supervising, evaluating, and making personnel decisions, to ensure that the continuing best interests of the University are served.

As an additional precaution, the chair will report 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.

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

CONFLICT OF INTEREST EXEMPTION (CELLULAR MATERIALS INTERNATIONAL, INC.)

WHEREAS, the University of Virginia wishes to enter into research contracts with CMI, Inc., for research and development related to specialized engineered materials; and

WHEREAS, Mr. Haydn N. G. Wadley has disclosed in advance that his equity interests in CMI, Inc., exceed 3 percent; and

WHEREAS, the University of Virginia's entry into a research agreement with CMI, Inc., would thereby expose Mr. Wadley to violation of the Virginia Conflict of Interests Act unless approved by the Board as permitted by §2.1-639.6(c) (7) of the Code of Virginia;

RESOLVED that the conflict of interest of Mr. Haydn N.G. Wadley is approved by the Board of Visitors in order to permit the University to enter into research agreements with CMI, Inc., for research funding to investigate engineered materials; provided, as required by the law, Mr. Wadley files the required annual disclosure statement of personal interests in CMI, Inc., 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 Cellular Materials International, Inc.

DESCRIPTION: The University of Virginia is negotiating sponsored research contracts with Cellular Materials International, Inc. (CMI, Inc.), a Virginia technology company. One University faculty member, Mr. Haydn N.G. Wadley, owns in excess of three percent of the equity in the company. Under the Virginia Conflict of Interests Act, the University may enter into a research contract with CMI, Inc., without placing these faculty members in violation of the Act, if the Board of Visitors approves the conflict created by their ownership in excess of three percent.

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 unless it fails to fulfill or ensure proper administrative oversight of these arrangements as prescribed in the resolution.

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 of Visitors permit the University to negotiate and enter into a proposed contract with CMI, Inc.

RECOMMEND APPROVAL OF BOARD ACTION:



Leonard W. Sandridge
October 5, 2002

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UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: I.C. Conflict of Interest Exemption
(Directed Vapor Technologies International,
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, Mr. James F. Groves (22.2%), Mr. Douglas T. Queheillalt (11.4%), Mr. Derek D. Hass (13.6%) and Mr. Haydn N. G. Wadley (11.4%). A fifth faculty member, Mr. David Wortman will receive consulting income in excess of \$10,000 annually. Under the Virginia Conflict of Interests Act, the University's contracting with DVTI, Inc., would place all five in violation of the Act, unless the Board of Visitors approves the conflict created by their respective financial 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, Hass, Wadley and Wortman to file annual disclosure statements of their economic interests in the company. None of these faculty members 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. The oversight team will 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 Science 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 (DIRECTED VAPOR TECHNOLOGIES INTERNATIONAL, 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 D. Hass, Haydn N. G. Wadley and David Wortman have disclosed in advance their financial interests in DVTI, Inc.; and

WHEREAS, the University of Virginia's entry into an agreement with DVTI, Inc., would thereby expose Messrs. Groves, Queheillalt, Hass, Wadley and Wortman 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, Hass, Wadley and Wortman 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, Hass, Wadley and Wortman 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, Inc. (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 fourth 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. A third conflict of interest resolution was granted in April 2002 for an additional research contract between DVTI, Inc., and the School of Engineering. This proposed conflict of interest exemption concerns yet another 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 unless it fails to fulfill or ensure proper administrative oversight of these arrangements as prescribed in the resolution.

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
October 5, 2002

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: October 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: II. Approval of Proposal: Carnegie Corporation's Teachers For a New Era Initiative

BACKGROUND: In January 2002, the University of Virginia was notified that it is one of eight institutions identified by the Carnegie Corporation for possible participation in its Teachers for a New Era Initiative, (<http://www.carnegie.org/sub/program/teachers.html>), a nationwide program that seeks to transform teacher education by strengthening the relationships among colleges of arts and sciences, schools of education, and K-12 school systems.

DISCUSSION: In March 2002, the Carnegie Corporation notified the University that it is one of four institutions selected to apply for one of four grants it will award, beginning in 2002-03, of up to five million dollars over five years.

A team of faculty and administrators from the Provost's Office, College of Arts and Sciences, and the Curry School of Education drafted a proposal for submission to Carnegie on July 15. The University of Virginia's proposal emphasizes a collaborative approach between the University and area school systems in supporting new teachers (both UVa graduates and others) during the first two years of their careers; an increased emphasis on the cooperative efforts between the College of Arts and Sciences and the Curry School of Education in preparing excellent teachers; and a strong focus on assessing the effectiveness of new teachers and the connection between their effectiveness and their years of study at the University of Virginia.

Funds will be awarded to the Provost's Office and disseminated to projects involving the Curry School, the College of Arts and Sciences, and area school systems. Administrative oversight will be housed in the Provost's Office.

This was discussed with the Committee at its meeting on September 3, 2002.

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

APPROVAL OF PROPOSAL: CARNEGIE CORPORATION'S TEACHERS FOR A NEW ERA INITIATIVE

RESOLVED that subject to final approval by the Board of Visitors, the University will endorse participation in Carnegie Corporation's Teachers for a New Era Initiative, as an institutional priority.

UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY

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COMMITTEE: Educational Policy

AGENDA ITEM: III. 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: October 5, 2002

COMMITTEE: Educational Policy

AGENDA ITEM: III. B. Faculty Senate

DISCUSSION: The Vice President and Provost will introduce the Chair of the Faculty Senate, Mr. Michael J. Smith, Associate Professor of Politics, who will give a report to the Board on the Senate's plans for the coming year.

ACTION REQUIRED: None