

AGENDA

SAGINAW VALLEY STATE COLLEGE BOARD OF CONTROL

December 8, 1986

9:30 a.m.

Pioneer Board Room - Pioneer Hall

I. CALL TO ORDER

II. PROCEDURAL ITEMS

- A. Approval of minutes of October 13, 1986 regular monthly meeting
- B. Approval of minutes of November 17, 1986 special meeting
- C. Recognition of the official representative of the Faculty Association
- D. Communications and requests to appear before the Board
- E. Additions and deletions to the agenda

III. REMARKS BY THE PRESIDENT

IV. ACTION ITEMS

- 1) Recommendation for approval of sabbatical leaves for faculty for 1987-88
- 2) Recommendation for approval of the Auxiliary Services-Bonded Facilities Operating Budget 1986-87
- 3) Recommendation for approval to rent Safety Deposit Box
- 4) Recommendation for approval of revision in Travel Policy and Regulations No. 2.3-1 (meal reimbursement rates)

V. INFORMATION AND DISCUSSION ITEMS

- 5) Preliminary Admissions and Registration Report for Winter '87
- 6) Professor Zhou - Professor of Physics, Suzhou University, Suzhou, China
- 7) Personnel report
- 8) Report on Dedication of IF-2
- 9) Report on construction of the Health and Physical Education Facility
- 10) Patent Policy

IV. OTHER ITEMS FOR CONSIDERATION

VII. EXECUTIVE SESSION FOR THE PURPOSE OF ADVISING THE PRESIDENT REGARDING AWARDS

VIII. ADJOURNMENT



Saginaw Valley State College

TO: Board of Control Members

FROM: Jack M. Ryder, President

A handwritten signature in cursive script, reading "Jack M. Ryder".

DATE: November 26, 1986

RE: DECEMBER 8TH REGULAR BOARD OF CONTROL MEETING AT SVSC AND
LATER WITH THE DELTA COLLEGE BOARD

Enclosed is the packet of materials in support of the Board of Control meeting to be held on Monday, December 8, 1986. The meeting will be at 9:30 a.m. in the Board Room at Pioneer Hall. The meeting will be followed by a holiday lunch at the presidential residence for Board members and their spouses and members of the Executive Committee.

Following lunch and any necessary committee meetings, we will travel to Delta College, where we will meet with the Delta College Board of Control. The meeting will be followed by dinner, courtesy of Delta College. Please make a special effort to attend this affair since it tends to reinforce the positive relationship we have with Delta College. We plan to send you an agenda and a list of the Delta Board next week.

I look forward to seeing you again during this season when we all look to an elevation of our spirits and joy throughout the world.

js

Ryder

SAGINAW VALLEY STATE COLLEGE

BOARD OF CONTROL
DECEMBER 8, 1986

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MINUTES

BOARD OF CONTROL

SAGINAW VALLEY STATE COLLEGE

Regular Monthly Meeting

9:30 a.m.

Pioneer Hall Board Room - Pioneer Hall

December 8, 1986

Present:

Braun
Curtiss
Gilmore
Klykylo
Ryder
Salas
Woods

Absent:

Lofton
Saltzman

Others

Present:

Becker
Beutler
Dickey
Frahm
Hanes
Hansen
Herk
Lake
Saft
Stanley
Thompson
Willertz
Woodcock
Yien
Zhou
Press

I. CALL TO ORDER

Chairman Richard H. Gilmore called the meeting to order at 9:37 a.m.

II. PROCEDURAL ITEMS

1. Approval of minutes of October 13, 1986 Regular Monthly Meeting.

It was suggested that all attachments be put at the very end of the whole minutes. The minutes will follow that format in the future.

The minutes were **APPROVED** unanimously.

2. Approval of minutes of November 17, 1986 Special Meeting.

Dr. John R. Willertz, President of the Saginaw Valley State College Faculty Association and faculty representative to the Board of Control, stated that he wished to comment on the minutes of the November 17 meeting, as well as on items 1 and 7 of today's agenda.

On behalf of the SVSC faculty, Dr. Willertz thanked the Board for their approval at the November meeting of the three-year catch-up program for adding full-time faculty to correct over-reliance on part-time teachers. He stressed that there is a great need in this area, and that the faculty are happy that the President recommended the program to the Board and that they voted for it.

Dr. Willertz also asked for additional detail on the FY87-88 budget request which had been submitted to Lansing in November. He asked for a breakdown on how much money was requested for specific areas, such as instructional cost, academic support, and student services.

President Ryder stated that such a breakdown will not be done until Spring of 1987. The detailed budget will be adopted by the Board in August of 1987. Mr. Jerry A. Woodcock, Vice President for Administration and Business Affairs, stated that the document attached to the November minutes was a copy of the material sent to the Department of Management and Budget. The state does not require the proposed budget to be broken down any further at this time.

Dr. Willertz stated that he felt it was important that Lansing understand that SVSC has tremendous needs, which can be documented.

Mrs. Woods asked what percentage of increase in the General Operating Budget we had requested from the state, exclusive of the Program Review Revisions.

Mr. Woodcock replied that we were requesting an 11.7 percent increase in the Program Maintenance portion of the General Operating Budget, and a 13.7 percent increase including the Program Revision Requests. Mrs. Woods asked whether this request would permit us to increase the percentage of support we get from the state as opposed to the percentage we have to generate from tuition. Mr. Woodcock stated that the portion of our budget that

is provided by the state is rising as opposed to the early 1980's. He added that at one time only approximately 58 percent of our support came from the state. This year's budget reflects a 67-68 percent level of support from the state. While this is still below the 72-74 percent level of support in the early 1970's, it represents a rise from the low support levels of the early 1980's.

Dr. Salas asked how we could insure that our faculty members' salaries are competitive with other comparable institutions. President Ryder replied that compensation increases of 4-6 percent for the 1986-87 academic year will continue a long process of restoring losses caused by inflation in the 1970's and the first years of this decade.

Mr. Curtiss asked Dr. Ann K. Dickey, Executive Director of Institutional Research and Planning, to clarify the budget material on page 64 of the November minutes. He asked whether the \$7,574,631 was a subtotal of all the items above it. Dr. Dickey replied that it was. The amounts shown for academic support, student services, institutional support, plant operations and maintenance, financial aid, and auxiliary services were also subtotals. Mr. Curtiss added that these totals were estimated expenditures for the 1986-87 year, and that page 63 of the minutes showed that table twelve cannot be entered into SVSC's work file until the Department of Management and Budget has authorized us to erase current year data. Dr. Dickey stated that the Board of Control and Dr. Willertz will be sent copies of

table twelve when it is available.

Mr. Curtiss added that the legislature applies the same percentage increase to each institution on its base budget regardless of whether it's growing or shrinking. The only way to differ from that figure, to any consequence, is through PRRs. The money received for PRRs must be spent for the PRR for which it was requested. Mr. Curtiss added that he could not remember a year when SVSC had not requested PRRs for additional faculty--nor could he remember a year when any of it was approved.

Dr. Ryder stressed that Michigan needs to address the enrollment factor, as most other states have.

Dr. Gilmore asked if there were any other comments. Dr. Willertz distributed a copy of a faculty position posting from 1968. At that time, SVSC was offering a starting salary of \$10,500 for an assistant professor, compared to a starting salary of \$22,000 in 1985. However, if starting salary increases had kept pace with the Consumer Price Index rise of 311%, the 1985 starting salary should have been \$32,655, he said. Board members and Dr. Ryder agreed that maintaining competitive and equitable salary levels is of prime concern, and indicated they would continue to work toward that goal.

The minutes were **APPROVED** unanimously.

3. Recognition of the official representative of the Faculty Association

Dr. John R. Willertz, President of the Saginaw Valley State College Faculty Association, was recognized.

4. Communications and requests to appear before the Board

Dr. Ryder stated that there had been no communications or requests to appear before the Board.

5. Additions and deletions to the agenda

A resolution honoring Robert T. Becker, Director of Athletics, was added as Action Item 4a. The formalization of Committee assignments was added as Information and Discussion Item 10a. Reports on the filling of the position of the Dean of the School of Education, the Hungarian Exchange Program and the Mexican Exchange Program were added as item 10b.

Dr. Salas recommended that items which effect the entire Board either be placed on the agenda of the Committee of the Whole or on the agendas of the subcommittees simultaneously.

III. REMARKS BY THE PRESIDENT

President Ryder made no remarks.

IV. ACTION ITEMS

1. Recommendation for approval of sabbatical leaves for faculty for 1987-88.

RES-727 It was moved and supported that the following resolution be adopted.

WHEREAS, Excellence in education is a primary goal of the College and is an expectation of today's students, and

WHEREAS, The College administration supports faculty sabbatical leaves as an integral part of the SVSC Faculty Development Program

NOW, THEREFORE, BE IT RESOLVED, that the following faculty members be granted sabbatical leaves as specified below for the academic year of 1987-1988.

<u>Dr. Donald Bachand</u>	<u>Criminal Justice</u>	<u>Winter 1988</u>
<u>Dr. Charles Brown</u>	<u>Music</u>	<u>Winter 1988</u>
<u>Mrs. Margaret Flatt</u>	<u>Nursing</u>	<u>Winter 1988</u>
<u>Dr. Phyllis Hastings</u>	<u>English</u>	<u>Fall 1987 or</u> <u>Winter 1988</u>
<u>Dr. Gerald Peterson</u>	<u>Psychology</u>	<u>Winter 1988</u>
<u>Dr. Gary Thompson</u>	<u>English</u>	<u>Fall 1987 and</u> <u>Winter 1988</u>
<u>Dr. Rosalie Troester</u>	<u>English</u>	<u>Fall 1987 and</u> <u>Winter 1988</u>
<u>Dr. David Weaver</u>	<u>Political Science</u>	<u>Three Summers</u> <u>1988 - 1990</u>

Dr. Yien explained that sabbatical leave is part of SVSC's over-all faculty development program. Full-time faculty members must serve six years to be eligible for sabbatical leave. Three basic formats are available:

- 1) whole year leave with half pay
- 2) one semester leave with full pay
- 3) three consecutive summers leave.

Dr. Yien added that Dr. Phyllis Hastings' sabbatical is contingent upon her receiving a Fulbright Scholarship -- she does not wish a sabbatical leave if she does not receive the Fulbright Scholarship.

Dr. Willertz expressed appreciation for the leaves on behalf of the faculty members.

The resolution was **APPROVED** unanimously.

2. Recommendation for approval of the Auxiliary Services-Bonded Facilities Operating Budget 1986-87

RES-728 It was moved and supported that the following resolution be adopted.

WHEREAS, sufficient information regarding occupancy rates, anticipated revenues and anticipated expenditures is known;

NOW, THEREFORE, BE IT RESOLVED, that the attached Operating Budget be adopted for the 1986-87 fiscal year, and

BE IT FURTHER RESOLVED, that the Administration is authorized to make capital expenditures as considered appropriate from the Repair and Equipment Reserve with the understanding that a minimum of \$200,000 is to be retained in that Reserve Account as of June 30, 1987. (See Appendix 1: Auxiliary Services-Bonded)

Chairman Gilmore asked for comments or questions.

Mr. Woodcock stated that this will be the first year that the Pine Grove Apartments have been included for a full year's operation. There are 92 single students in the apartments. Twelve of the apartments are leased as a family environment. During the fall and winter months single students pay \$150 per month plus electricity, phone and gas. A family situation is \$360 per month. A separate schedule of rates is used for the summer months.

Mr. Woodcock added that revenue from the residence halls, the apartments, and the Food Service Operations is expected to be \$290,618 after direct applicable expenses. Other estimated revenues are: Bookstore, \$50,000; interest income, \$15,000; and Debt Service Grant, \$10,002. Total expected revenues above direct expenditures are \$365,620. We have debt service payment scheduled of \$278,033. The increase over the previous year is because of the apartments. Contribution to required reserves is \$87,587. This budget shows a debt service ratio of 1.32 percent, which is above the minimum level of 1.25 percent agreed upon

earlier by the Board.

The resolution was **APPROVED** unanimously.

3. Recommendation for approval to rent Safety Deposit Box

RES-729 It was moved and supported that the following resolution be adopted.

BE IT RESOLVED, that any of the officers of this Association hereinafter designated are hereby authorized to rent a Safe Deposit Box or Boxes in the vault of the Michigan National Bank in the name of this Association.

BE IT FURTHER RESOLVED, that any two of the following: President, Vice President for Administration and Business Affairs, the Controller, and the Treasurer of the Board of Control are hereby authorized to have access to said Safe Deposit Box or Boxes, subject to the provisions of the Lease thereof.

NOW, THEREFORE, BE IT RESOLVED, that the Secretary or Assistant Secretary shall certify to said Bank the names of the present officers of this Association and shall thereafter as changes in the personnel of said offices are made, immediately certify to said Bank a complete list of officers who are authorized to act in accordance with this resolution, which Bank shall be fully protected in relying on such certifications and shall be indemnified for any claims, expenses, or loss resulting from the honoring of the signature of any officer so certified, or refusing to honor any signature not so certified; and that this resolution shall remain in force until written notice to the contrary shall have been received by said Bank, and that receipt of such notice shall not affect any action taken by said Bank prior thereto.

Chairman Gilmore asked for discussion. There was none.

The resolution was **APPROVED** unanimously.

4. Recommendation for approval of revision in Travel Policy and Regulations No. 2.3-1 (meal reimbursement rates)

RES-730 It was moved and supported that the following resolution be adopted.

WHEREAS, The individual meal reimbursement rates in the travel policy were last revised in December of 1983, and

WHEREAS, A survey of meal reimbursement rates at other Michigan four-year institutions revealed that Saginaw Valley State College's rates are the lowest in the state,

NOW, THEREFORE, BE IT RESOLVED, That the current Operations Manual Travel Policy and Regulations No. 2.3-1 be revised as attached. (See Appendix 2: Travel Policy)

Dr. Ryder reported that the only change made was in meal rates.

Chairman Gilmore asked for discussion. There was none.

The resolution was **APPROVED** unanimously.

4a. Resolution Honoring Robert T. Becker

RES-731 It was moved and supported that the following resolution be adopted.

WHEREAS, Robert T. Becker has been honored by the National Association of Intercollegiate Athletics as Golf Coach by his induction into the NAIA Hall of Fame, and

WHEREAS, he has developed the Cardinal golf team from its inception in 1969 to local, regional and national prominence, and

WHEREAS, he has brought recognition to the College by leading his teams to the NAIA National Golf Championship Tournaments in 12 of the last 13 years. His teams have placed 17th or better 11 times in NAIA national competition, including runner-up finish in 1984. He was named NAIA national "Coach of the Year" in 1980, and

WHEREAS, he has coached five Cardinals to NAIA All-American honors, including golfer Steve Brady who has brought recognition to the College as a professional golfer, and

WHEREAS, his teams have won seven Great Lakes Intercollegiate Athletic Conference titles in the last 12 seasons, and nine NAIA District 23 titles, earning him "Coach of the Year" honors with each championship, and

WHEREAS, he has led the College to 19 tournament championships in addition to conference and district titles, and

WHEREAS, he has served on the NAIA Golf Coaches Association executive committee, including a term as president in 1980, and

he is currently a member of the NAIA Coaches Association executive committee, and

WHEREAS, he is recognized by his peers for his outstanding organization of three NAIA National Golf Championships hosted by the College, and

WHEREAS, he has accomplished these feats while providing immeasurable leadership for the College's nationally recognized athletic program as athletic director,

NOW, THEREFORE BE IT RESOLVED, that the members of the Board of Control of Saginaw Valley State College commends Mr. Becker for his efforts and congratulates him for his achievements.

Chairman Gilmore read the resolution.

The resolution was **APPROVED** unanimously.

V. INFORMATION AND DISCUSSION ITEMS

5. Professor Xia-Quan Zhou - Professor of Physics, Suzhou University, Suzhou, China

Dr. Ryder remarked that this year Suzhou, China is celebrating its 2,500th anniversary. Professor Zhou is a former president of Suzhou University. His expertise in Physics is well-known. He has taught classes on SVSC's campus very successfully.

Dr. Ryder presented Professor Zhou with a plaque in appreciation for his contribution to the advancement of international understanding and his service to the students and faculty members of Saginaw Valley State College.

6. Report on Dedication of IF-2

Dr. Ryder stated that dedication ceremonies for IF-2 have

been tentatively set for Sunday, April 12, 1987. He added that Board of Control committee meetings will be held on Monday, April 13.

7. Personnel Report

Dr. Ryder stated that the addition of the Laboratory Technician comes under the new facilities start-up cost, as does the position of the Instrument Repair Technician. He added that the position of Bilingual Counselor is funded by a federal grant. (See Appendix 3: Personnel Report)

Dr. Willertz stated that the history department and the Dean of Arts and Behavioral Sciences are pleased to announce that they have offered a contract to Mr. Clarence Hooker for the position of the Martin Luther King, Jr.- Rosa Parks professorship at SVSC, beginning in January. Dr. Willertz stated that Mr. Hooker had accepted the position, but had not yet signed the contract.

Dr. Yien pointed out that Dr. Willertz' announcement may be premature since Mr. Hooker had not yet been appointed.

8. Preliminary Admissions and Registration Report for Winter 1987

Mr. Richard P. Thompson, Dean of Student Affairs, reported that there have been a total of 707 applications this winter compared to 654 last winter, which is an overall increase of 8%.

Mr. Paul Saft, Registrar, reported that at the close of open registration on December 3, student count was up 11 percent from

last year. Currently 4,173 students have registered for 41,999 credit hours.

9. Report on construction of the Health and Physical Education Facility

Dr. Douglas E. Hansen, Professor of Physical Education and Curriculum Instructor, Mr. Robert D. Hanes, Director of Engineering Services, and Mr. Robert T. Becker, Athletic Director, gave a presentation on the status of the Health and Physical Education Complex. They stated that the process has moved very quickly, and that bids may be taken in about 60 days. Mr. Hanes reported that work on outside facilities could start in the spring. He presented architects' drawings of the complex and noted that the building will contain 210,00 square feet, approximately the size of IF-2. Board members were given information about the features of the complex, which will include an olympic size swimming pool, a 200-meter indoor track, handball and racquetball courts. It will also add space for instructional programs, intramurals and recreation, as well as providing facilities for intercollegiate athletics and an auditorium for Commencement and other large gatherings.

Dr. Ryder added that a great deal of credit for the Health and Physical Education Complex should be given to Representative James E. O'Neill, who assisted in moving the project along through the Capital Outlay Committee in Lansing.

10. Patent Policy

Dr. Leonard Herk, Director of SVSC's Business and Industrial Development Institute, reported that the College presently has a patent policy, which was written with Charles Curtiss' help in 1982. Since that time the College has grown rapidly in terms of its facilities, the amount of research that is being done on campus, and its sophistication regarding technology development and transfer. Therefore, it was felt that a newer policy was needed which would deal with a number of issues which were not included in the present patent policy.

Dr. Herk distributed a copy of a tentative SVSC patent policy. (See Appendix 4: Patent Policy) He expressed concerns raised by several persons whose opinions he had sought, including those who worked with patent policies at other colleges. He recommended that a committee of six or seven, including people from both off- and on-campus, and someone with legal expertise, be formed to study the draft and recommend possible changes. He noted that, to be successful, the policy must have broad support from College constituencies.

Dr. Ryder stated that he would anticipate proceeding ahead to structure a committee, unless he is advised otherwise. Dr. Salas asked whether Dr. Ryder anticipated that the committee would include faculty as part of the process of structuring the patent policy or if they would be asked to react to the final document. Dr. Ryder replied that he hadn't thought that out, but that it was something that needed to be considered.

10a. Formalization of Committee assignments

Chairman Gilmore stated that the Board of Control Committee assignments for the 1986-87 academic year are as follows:

Academic and Personnel Committee

Mr. Hugo E. Braun, Jr.
Mrs. Joyce K. Woods
Mr. Ernest Lofton
Dr. Richard H. Gilmore

Business and Facilities Committee

Mr. Charles B. Curtiss
Mrs. Florence F. Saltzman
Mr. Henry J. Klykylo
Dr. Gumecindo Salas

These committee assignments were effective as of September 8, 1986.

10b. Update on the filling of the position of Dean of the School of Education; the Hungarian Exchange Program; and the Mexican Exchange Program

Dr. Yien, Vice President for Academic Affairs, reported that the search for the Dean of the School of Education has been going on since November of 1985. In March of 1986, three candidates were interviewed. The search committee unanimously recommended that one of the candidates be offered the permanent position. The candidate did not accept the offer. The committee unanimously decided to reopen the search. Approximately 50 candidates have applied for the permanent position. The deadline for application is January 2, 1987. The search committee is composed of five faculty members from the School of Education,

two faculty members outside the School of Education and one dean. Dr. Yien chairs the committee. Students are welcome to attend the committee meetings. The committee will be meeting in January and hopefully, three candidates for interviews in March will be identified.

Dr. Yien stated that he would report on the Hungarian and Mexican Exchange Programs, as Dr. Eugene Hamilton, Dean of Continuing Education and International Programs, was not on campus.

Dr. Yien explained that the professor from Hungary did not come specifically to Saginaw Valley State College for a visit. He was in the United States and, as we are a member of the International Student Exchange Program, we were on his itinerary as one of many institutions available for him to visit. He contacted Dr. Hamilton regarding a place to stay over the Thanksgiving recess, and Dr. Hamilton told him that he would be welcome to stay at his home. Dr. Yien added that there were no plans at this time to form an exchange program with Hungary.

Dr. Yien stated that we have formalized an exchange program with the Universidad De Las Americas in Mexico. This came as a result of consultation with the International Studies Committee, which includes Dr. John Willertz. Dr. Yien was not aware whether Dr. Willertz was present at the meeting at which the topic was discussed. Dr. Ricardo Pastor, Professor of Spanish and Modern Foreign Languages, and Dr. V. Emilio Castaneda, Associate Professor of Spanish and Modern Foreign Languages, also had been

consulted. Two students are interested in attending the Universidad De Las Americas; in return we are expecting up to five students from that institution to attend SVSC.

Dr. Willertz stated that the Mexican program is important, but that it was not formed in consultation with Professors Castaneda and Pastor -- they were informed that the College was going ahead with the program, but neither of them feels that the Universidad De Las Americas is the right institution -- neither of them approves of the program. Both of them, especially Professor Castaneda, would like to be an essential part of the program. Dr. Willertz added that he had sent a memo to Drs. Hamilton and Yien and the Faculty Association, stating that Professor Castaneda had voted with the Faculty Association to disagree with proceeding with the program until the faculty had been consulted.

Dr. Yien stated that he would be happy to ask Dr. Hamilton and Professors Castaneda and Pastor to attend a future regular or subcommittee meeting of the Board to go over the procedure utilized in setting up this program.

Mrs. Woods suggested that the Academic and Personnel Committee include the topic of International Studies on their January agenda.

Dr. Ryder added that it is the administration's instruction to Dr. Hamilton that faculty should be involved in any development of exchange programs. If that has not happened, then the direction has not been followed. It had been the

administration's impression that the direction had been followed-
- that faculty had been involved.

IV. OTHER ITEMS FOR CONSIDERATION

There were no other items for consideration.

**VII. EXECUTIVE SESSION FOR THE PURPOSE OF ADVISING THE
PRESIDENT REGARDING AWARDS**

BM-707 It was moved and supported that the Board move to
Executive Session for the purpose of advising the President
regarding awards.

The motion was **APPROVED** unanimously.

The Board moved to Executive Session at 12:25 p.m.


VIII. ADJOURNMENT

Chairman Gilmore adjourned the meeting at 12:45 p.m.

Respectfully submitted:

Dr. Richard H. Gilmore
Chairman

Mrs. Joyce K. Woods
Secretary


Mrs. Jo Stanley
Recording Secretary

SAGINAW VALLEY STATE COLLEGE
AUXILIARY SERVICES-BONDED FACILITIES
OPERATING BUDGET
1986-87
SUMMARY

MONTHLY OPERATING STATEMENT

	RESIDENCE HALLS			APARTMENTS
	85-86 BUDGET	85-86 ACTUAL	86-87 BUDGET	86-87 BUDGET
Design Capacity	496	496	496	
Adjusted Design Capacity	486 (1)	486 (1)	486 (1)	
Average Occupancy	465		473	92/12 (2)
Rate-21 Meal Plan	2,530	2,530	2,610	150/360 (3)
Increase Amount	100	100	80	0
Percent of Increase	4.1%	4.1%	3.2%	0
Revenue:				
Operating Income				
H & FS. Aot.	\$130,800	\$202,452	\$290,618	
Bookstore	70,000	59,366	50,000	
Interest Income	27,000	15,415	15,000	
Debt Service Grant	10,002	10,002	10,002	
Amount Available	237,802	287,235	365,620	
Less Debt Service Required Payment	(134,351)	(134,446)	(278,033)	
Contribution to Required Reserves	\$103,451	\$152,789	\$87,587	
Debt Service Ratio	1.77%	2.14%	1.32%	

(1) 8 spaces utilized for staff single rooms, 2 for handicap.

(2) Single /family utilization.

(3) Individual/Family rates per month.

11/07/86
Controller's Office
EMH

SANDHILL VALLEY STATE COLLEGE
AUXILIARY SERVICES-BONDED FACILITIES BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

	HOUSING			FOOD SERVICE			APARTMENTS			TOTAL		
	BUDGET 85-86	ACTUAL 85-86	BUDGET 86-87	BUDGET 85-86	ACTUAL 85-86	BUDGET 86-87	BUDGET 85-86	ACTUAL 85-86	BUDGET 86-87	BUDGET 85-86	ACTUAL 85-86	BUDGET 86-87
REVENUES												
Contract	\$470,580	\$464,875	\$493,812	\$713,460	\$693,656	\$740,718	\$16,600	\$49,000	\$153,000	\$1,200,640	\$1,207,541	\$1,389,530
Other	13,500	13,229	21,000	2,500	2,896	2,500	0	12,752	25,000	22,000	34,917	48,500
Late Payment Charges	1,000	366	250	1,500	550	500	0	0	250	2,500	916	1,000
Laundry	10,000	11,444	11,000	0	0	0	400	303	6,000	10,400	12,347	17,000
Snack Bar/Casual Meals	0	0	0	100,000	105,500	115,000	0	0	0	100,000	105,500	115,000
ARA Facility Rental	0	0	0	25,000	21,695	25,000	0	0	0	25,000	21,695	25,000
Total Revenues	501,080	495,914	526,062	842,460	824,297	883,718	17,000	62,703	166,250	1,360,540	1,382,916	1,596,030
EXPENDITURES												
Operating	125,550	126,485	150,144	103,840	106,050	102,472	2,160	0	5,040	231,590	232,535	257,656
Salaries	27,435	27,417	32,276	7,500	7,332	5,655	0	0	0	34,935	34,749	37,931
Fringe Benefits	9,500	13,766	0	1,000	1,350	0	0	140	0	10,500	15,256	0
Equipment	101,115	101,280	95,000	53,000	37,291	50,000	2,000	4,891	8,000	156,115	143,462	153,000
Operating & Misc.	0	0	0	670,800	718,038	746,000	0	0	0	670,800	718,038	746,000
Utilities	137,000	104,577	132,000	53,000	42,022	48,000	2,500	6,277	10,000	192,500	152,876	190,000
Insurance	9,360	9,360	10,775	5,340	5,340	6,150	2,000	2,000	4,000	16,700	16,700	20,925
Indirect Cost	4,000	4,000	4,200	6,000	6,000	6,300	0	0	500	10,000	10,000	11,000
Physical Plant Mgmt.	10,700	10,700	11,350	10,700	10,700	11,350	0	0	1,000	21,400	21,400	23,700
Residence Hall	5,000	5,000	5,000	5,000	5,000	5,000	0	0	0	10,000	10,000	10,000
Scholarships	2,000	2,000	2,000	3,000	3,000	3,000	0	0	0	5,000	5,000	5,000
Central Administration												
Less Internal Charges												
Conferences	(33,000)	(32,655)	(33,000)	0	0	0	0	0	0	(33,000)	(32,655)	(33,000)
Continuing Education	1,280	1,280	1,280	1,920	1,920	1,920	0	0	0	3,200	3,200	3,200
Other	0	0	0	(100,000)	(150,097)	(120,000)	0	0	0	(100,000)	(150,097)	(120,000)
Total Expenditures	399,940	373,210	411,025	821,140	793,946	865,847	8,600	13,308	28,540	1,229,740	1,180,464	1,305,412
Operating Income	\$101,140	\$122,704	\$115,037	\$21,320	\$30,351	\$17,871	\$8,340	\$49,397	\$157,710	\$130,800	\$202,452	\$290,618

11/07/86
Controller's Office
EMH

SUMMARY OF PROPOSED CHANGES IN TRAVEL POLICY AND REGULATIONS

The only changes being proposed are in individual meal limits as set forth below.

<u>Meal</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Breakfast	\$ 3.25	\$ 3.50
Lunch	4.25	5.50
Dinner or	8.50	12.00
Daily Total of	<u>\$16.00</u>	<u>\$21.00</u>

This will require changing the dollar amount above which receipts for meals including tips is required. Current policy is set at \$4.25, as that is the maximum for lunch. Thus, we are proposing increasing the amount to \$5.50 to coincide with the proposed increased lunch limit.

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TRAVEL POLICY AND REGULATIONS

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This statement of policy on reimbursement for travel expenditures covers major points, but probably will not answer all of the questions which arise in connection with business travel and off-campus professional development activities. Elaboration of this policy will not be necessary so long as its spirit is understood and accepted. In general, it is the intent to reimburse all necessary job-related expenditures by College travelers who make it clear that they are being frugal with tax dollars. It is understandable that more luxurious meals, accommodations and transportation may sometimes be preferred to the moderately-priced expenditures which are appropriate for business travel; and in these cases the traveler may accommodate both personal preference and College policy by submitting receipts for actual expenditures while claiming smaller amounts.

In preparing your **Employee Travel Expense Voucher**, you will become knowledgeable regarding the following regulations. SVSC will reimburse you for actual reasonable business expenses while traveling for the College, based upon the following regulations, unless there is a maximum allowance or there is a reimbursement limit established by the department. If an expense is not allowable or is not properly documented, it will be subtracted from your voucher.

Meals

Receipts are required for any meal exceeding \$5.50, including tips. Reimbursement will be based upon actual reasonable costs including tips not exceeding 15%, but not in excess of the individual meal limits as stated on the attached Schedule A. To claim the cost of the meals, you must be traveling on College business as follows: Breakfast, prior to 7:00 a.m.; lunch, away from the campus between 11:30 a.m. and 2:00 p.m. (the College will not reimburse meals eaten locally where only College employees are involved); Dinner, arrive back after 7:00 p.m.

A standard daily meal allowance option (per diem) may be utilized if you are traveling on College business and are away from the campus for periods of 24 hours or more. Receipts are required. This option is subject to departmental guidelines and budgetary constraints. Approved maximum individual meal rates may be exceeded; however, the total daily meal expenditures for the travel period may not be in excess of the maximum amount allowable.

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If you are entertaining a College guest, the costs should be included under "Entertainment." In addition, the name of the guest, his or her position, the nature of the business discussed and others in attendance must be indicated on the travel voucher or a separate report. Prior approval regarding entertainment by the appropriate member of the Executive Committee is advisable; otherwise, College funding may be denied. The number of College staff members in attendance should be kept limited.

For College sponsored off-campus events for staff, such as in-service training and workshops, the cost of meals for the participants may be charged to a College account provided there are adequate funds in that account and the event and the meal charges have been approved in advance by the appropriate member of the Executive Committee.

Lodging

Attach the hotel or motel bill in its original form to your Employee Travel Expense Voucher. You will be reimbursed as follows:

1. If you occupy a single room, actual reasonable room charges will be paid.
2. If you share a room with one or more persons who will be reimbursed for their lodging, you will receive your proportionate share of the room cost.
3. If you share a room with one or more persons who are not eligible for reimbursement (e.g. members of your family), you will receive the single room rate provided this rate is indicated by the hotel or motel. If the single room rate does not show on the bill, you will receive 80% of the rate for a double room or 70% of the rate for a room occupied by three or more persons. (Request the hotel or motel when registering to indicate the single rate separately if this information is needed.)

Conference Fees

A receipt or a copy of the program indicating the registration and other conference cost is required.

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Other Expenses

Other reasonable expenses which are necessary and are incurred in the conduct of College business will be reimbursed. The following expenses are reimbursed by the College:

1. Taxi and limousine. (Limousine service or other public transportation should be used when available.)
2. Parking. (Receipt required if non-metered lot and cost is more than \$1.50 per day.)
3. Tolls. (Receipt desirable if over \$1.00.)
4. Telephone and telegrams for College business. (It is necessary to indicate on the voucher the person called and the nature of business.)
5. Personal telephone and telegrams. (Reimbursed only if trip exceeds six days and limited to one reimbursement for each subsequent seven-day period, \$5.00 maximum.)
6. Tips for baggage handling. (Maximum of \$2.00 per day for first and last day only.)

Transportation

1. Personal vehicle. Travel by private automobile will be reimbursed at the established College rate of \$.20 per official map mile (Official Mileage Chart, Schedule B, attached) and for reasonable vicinity mileage where a motor pool vehicle is not available. If an individual travels to a city of less than approximately 50,000 population, in addition to map mileage, he/she may claim up to 15 miles per day for vicinity mileage -- 25 miles per day if the city is over 50,000 population (documented reasons for excess vicinity mileage may be allowed). Mileage reimbursement may not exceed the cost of round-trip economy airfare and airport limousine. Travelers using more than one car where one would be sufficient will receive a proportionate share of the reimbursement for one car. If at the option of the traveler, a personal car is used, reimbursement will be at \$.18 per mile.

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2. Common carrier. Receipts are required. Travel by plane, train or bus will be reimbursed at the coach or other than first-class round-trip fare. Economy fares and specials based upon early scheduling should be investigated and utilized whenever possible.
3. Motor Pool vehicles. Motor pool vehicles should be used whenever available. The cost of a motor pool vehicle is charged automatically to the department. However, if it is necessary for you to pay for gas, oil or other maintenance costs, you will be reimbursed at actual cost. Receipts are required. To request reimbursement, contact the Motor Pool Office for instructions.
4. Car Rental. Car rental is expensive and should be used only when other means of transportation such as limousines or other similar services are not available. Considerable savings can result by using the smallest possible model of car to fulfill your needs.

Policy Exceptions

The President is authorized to approve exceptions to this policy.

Upon review, exceptions to the meal rates may be approved by the appropriate member of the Executive Committee.

Exceptions to reimbursement for vicinity mileage may be recommended to the President by the appropriate member of the Executive Committee.

Provisions of the Collective Bargaining Agreement between the College and the Faculty Association which are in conflict with this policy will supersede this policy. Faculty traveling in an administrative capacity will be reimbursed at mileage rates as stated in this policy.

SCHEDULE A INDIVIDUAL MEAL LIMITS

<u>Meal</u>	<u>Maximum Amount</u>
Breakfast	\$ 3.50
Lunch	5.50
Dinner or	<u>12.00</u>
Daily Total of	<u>\$21.00</u>

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SCHEDULE B
OFFICIAL MILEAGE CHART*

<u>City/Location</u>	<u>Mileage To</u>	<u>City/Location</u>	<u>Mileage To</u>
Albion	116	Kalamazoo	148
Allendale	145	Lake Superior St.	240
Alma	46	Lansing	76
Alpena	136	Macomb	100
Ann Arbor	92	Marquette	349
Bad Axe	59	Marshall	121
Battle Creek	125	Midland	18
Bay City	7	Mt. Pleasant	52
Bedford	132	Mott Comm. College	42
Big Rapids	94	Muskegon	137
Birch Run	21	Northwood Institute	24
Bridgeport	12	Oakland University	75
Caro	37	Orchard Lake	84
Carrollton	3	Oscoda	86
Cass City	44	Owosso	46
Chesaning	32	Pidgeon	52
Clare	49	Port Huron	110
Dearborn	102	Saginaw	6
Deckerville	68	St. Charles	24
Detroit	102	St. Louis	42
East Lansing	73	Saline	106
Elkton	59	Spring Arbor College	116
Essexville	8	Swartz Creek	48
Flint	42	Traverse City	140
Flushing	39	Tri-City Airport	7
Frankenmuth	19	Troy	85
Freeland	9	Utica	85
Gladwin	52	Vassar	22
Grand Rapids	122	Wayne State Univ	102
Hillsdale	143	West Branch	50
Houghton	448	Williamston	75
Indian River	157	Wurtsmith AFB	94
Jackson	106	Ypsilanti	100

*Source: Michigan Transportation Map, 1983 Michigan Department of Transportation. Mileage from SVSC campus to center of city/-location indicated.

Current Positions Filled

December, 1986

ADMINISTRATIVE/PROFESSIONAL

Mr. Stephen L. Erdody - Hired as Laboratory Technician (.5 new, .5 replacement position) for the Chemistry Department. In 1972 Mr. Erdody received a B.S. from SVSC, and in 1976 an M.S. from S. Dakota University. Prior to joining SVSC, Mr. Erdody was employed by Euclid Industries, Inc. in Bay City.

Ms. Maureen C. Kozumplik - Appointed Administrative Assistant (new position) in the Controller's Office. In 1984 Ms. Kozumplik was hired as Administrative Secretary in the Controller's Office, and holds an Associates degree from Cleary College in Kalamazoo.

Mr. John P. Leonard - Hired as Instrument Repair Technician (new position) in the School of Science, Engineering and Technology. Mr. Leonard received a B.S. from Northern Michigan University in 1982, and worked for Burroughs Corporation in Marquette before accepting this position.

Ms. Kay A. Newsted - Appointed Administrative Assistant (new position) to the Dean of the School of Business and Management. Ms. Newsted received a B.S. from MSU, and previously had worked in the School of Business and Management since 1982 as Administrative Secretary.

Mr. Steven J. Periard - Hired as Laboratory Technician (new position) for Physics/Electrical Engineering. In 1986 Mr. Periard received a B.S. from Ferris State College. While working toward his degree, Mr. Periard free-lanced performing various types of repair work.

Ms. Elvira Reyes - Hired as Bilingual Counselor (replacement position) in the Bilingual/Bicultural Teacher Training Program (under a grant). Ms. Reyes is currently completing a Masters degree at Central Michigan University, and received a B.A. from SVSC in 1985. Ms. Reyes' most recent employment prior to accepting this position was with Health and Human Services, Inc. in Bay City.

Ms. Cecilia A. Simons - Hired as Media Coordinator, Office of Information Services (replacement position). Ms. Simons received a B.A. in 1982 from Central Michigan University, and before coming to SVSC had been staff writer for three publications in the Detroit area.

Mr. Craig A. Snook - Hired as Graphic Artist/Keyliner, Office of Information Services. In 1986 Mr. Snook received a B.A. from SVSC, and had previously worked with the Office of Information Services as part-time Graphic Designer while attending school.

Mr. Joseph A. Vogl - Hired as Director of Conferences and Professional Development Programs (a former position which was upgraded). Mr. Vogl graduated with a BBA from SVSC in 1976 and an MBA from SVSC in 1982. Mr. Vogl had worked full-time with SVSC from 1976-1980, and more recently served as Interim Manager of the Saginaw Civic Center.

TENTATIVE SVSC PATENT POLICY

Prepared by L. F. Herk, Director of BIDI
for Review and Consideration

November, 1986

1.0 PREAMBLE

The basic mission of Saginaw Valley State College research is the pursuit and utilization of knowledge, including the discovery of new ideas and information, and the application of knowledge to fundamental areas of social concern. In particular, College research has served as a critical source of new scientific, technological and social ideas and concepts which underlie major advances in industry and the quality of life. The constant flow of College-generated research ideas to new uses in industry and society is an essential requirement for economic growth and social well being.

Saginaw Valley State College has established a Patent Policy to support and stimulate the rapid transfer of useful knowledge to new social and economic applications. The specific objectives of this Policy are to:

1. Support and stimulate further research and invention;
2. Provide recognition and incentives for individual inventors;
3. Protect and balance the equitable rights of inventors, research sponsors, the College and the public;
4. Expedite technology transfer and the dissemination of useful knowledge.

Saginaw Valley State College Patent Policy is applicable to all full-time and fractional-time College employees. All such personnel are hereby required to comply with a College Patent Agreement which will detail the patent-related rights and responsibilities of the employee and the College. Except for instances in which the College has specifically waived its patent rights, the Patent Agreement requires reporting of all inventions made following the issuance of this Patent Policy, as provided for in procedures issued by the President. Patents shall be subject to the ownership provisions set forth in Section 2 provided that applications for such patents were submitted following the issuance of this policy.

This Patent Policy applies only to patentable inventions. No inference in any form is to be made toward applying this Patent Policy to traditionally copy-rightable materials or Copyright Policy currently in force.

2.0 OWNERSHIP RIGHTS

Saginaw Valley State College recognizes that research and invention frequently involve complex relationships among several parties, including individual inventors, external research sponsors, and various units and departments of the College. This Section of College Patent Policy is designed to clarify the rights to ownership of patents among these several parties and to provide guidelines for determination of ownership under various types of research arrangements.

2.1 Inventions Made Without College Support

Patentable inventions will be owned by individual inventors if the patentable invention was made or developed: (1) without College support (including salary, funds, facilities, equipment or services not available to the general public); or (2) without the use of College funds (not including salary), facilities, equipment or services and outside the field of knowledge for which that individual is employed by the College; and (3) independent of any terms or conditions specified by a sponsored research or contractual agreement which provide for assignment of patent rights to an external organization (see Section 2.3). In general, patentable inventions made without College support, and thereby included in this subsection (2.1), must be initiated, and the work conducted and perfected while the inventor is outside normal College service, i.e., during an unpaid absence or unpaid summer periods. Under the aforementioned conditions, the inventor will report the invention to the College in accordance with procedures established by the President. If an invention was made without College support, the inventor will inform the College of the invention, and of his/her intention to apply for a patent. The College shall review and make a determination of whether College support was used to develop the invention. If it is determined that College support was not used in the development of the invention, the College will inform the inventor in writing within twenty (20) working days following the report of the invention, that the College acknowledges the inventor's ownership of the invention. The College may require a statement that the invention was made without College support. In case of disagreement between the inventor and the College with regard to inventions described under the terms of this subsection (2.1), the dispute will be referred to the Patent Committee as provided for in Section 5.0. Ownership of patentable inventions by in-

dividual inventors under this subsection will be properly reported to the Board of Control.

2.2 Inventions Made With College Support

Saginaw Valley State College will have right of first refusal to hold title to all patents which emerge from research that: (1) involves College support (as defined in Section 2.1) and (2) is not conducted under the terms of a sponsored research agreement or contract which specifically requires patent ownership by an external sponsor (see Section 2.3). Saginaw Valley State College will also have right of first refusal to hold title to all patentable inventions made by non-salaried personnel or other individuals affiliated with the College, if such inventions are made with support of College funds, facilities, or equipment. Title to patentable inventions made or developed under conditions described in this subsection will be assigned to the College by the individual inventor(s). The College may elect to waive its patent rights, following patent evaluation procedures established by the President. If the College elects to acquire title to an invention by assignment, the College will cover reasonable costs of the patent application, patent development, and related activities such as travel and attorney fees. Such costs will be a prior charge to any royalty income. Any decision by the College to either acquire or waive patent rights under this subsection must be rendered within four calendar months following receipt of the report of an invention. Acquisition, assignment, or waiver of patent rights under this subsection will be promptly reported to the Board of Control.

2.3 Inventions Made Under the Terms of Sponsored Research Agreements and/or Contracts

In Public Law 96-517, "The Patent and Trademark Amendments of 1980," the federal government has given non-profit organizations and small businesses right of first refusal to title in inventions made in the performance of government grants and contracts with some limited exceptions. This act clearly sets forth, as the objective of Congress, the utilization of the patent system "to effectuate the transfer of government-funded inventions to the public."

Although it will be the general policy of Saginaw Valley State College to hold title to all patents emerging from sponsored research programs which

utilize College facilities, equipment, services and/or staff, provision will be made for the assignment of patent rights to private sector sponsors under certain conditions. In particular, industrial sponsors may require the assignment of patent rights to the sponsor as a precondition for support of basic or applied research at the College. The Saginaw Valley State College administration may assign patent ownership right to private sector research sponsors. If the College elects to assign patent rights, such assignments will be explicitly stated in the sponsored research agreement and/or contract which is established between the College and the private sponsor. When assigning patent right to an external sponsor, College administration will ensure that College equity in privately sponsored research programs is fully protected. Such protection may include any or all of the following arrangements: (1) payment of an initial fee by the sponsor to the College in exchange for assignment of patent rights; (2) payment of a specified fee by the sponsor to the College for each patent emerging from the sponsored research program; (3) guarantee by the sponsor that the College will receive an equitable share of royalty income generated from patents which are assigned to the sponsor; and/or (4) requirement that the sponsor grant to the College royalty-free license for use of the patent.

The specific arrangements itemized above represent attractive options that both protect College equity and return a benefit directly to the College research enterprise. In addition to these arrangements, other mechanisms whereby external research sponsors provide support for the College's educational mission in exchange for waiver of patent rights may also be acceptable (e.g., establishment of student fellowship programs, contributions to the College endowment fund, support of endowed chairs, etc.).

Any such arrangements which protect the College's interest in patents emerging from privately sponsored research will be made with the full knowledge of the principal College faculty researchers that are involved in the project. Such arrangements will also be explicitly stated in agreements and/or contracts established between the College and the external sponsor. All such contracts will be promptly reported to the Board of Control.

2.4 Inventions Made Under the Terms of College Practice Planning Agreements

Saginaw Valley State College, or separate academic units within the College, may elect to establish Practice Plans whereby the professional, scientific and technical expertise of College personnel can be mobilized to provide applied research, testing and evaluation or other technical services for external organizations. The College will have right of first refusal to hold the title to all inventions developed under the terms of College Practice Plan Agreements, unless there is prior waiver of College rights to patent ownership as provided for in Section 2.3.

3.0 LICENSING ARRANGEMENTS

Saginaw Valley State College will aggressively seek to license all patents to which it holds title. By mutual agreement with the inventor, the College may also license or arrange for licensing of patents owned by individuals who are employees of the College. The administration may determine whether, under certain conditions, the College will contract with a competent agency or firm for the licensing of certain patents. College administration will also determine whether College-owned patents may be licensed to College employees.

The College will cover necessary costs leading to licensing of patents, and such costs will be prior charge against royalty income.

Disputes which may arise between the inventor and the College in connection with licensing of College-owned patents may be referred to the Patent Committee for resolution (see Section 5.0) at the request of either party.

Failure of the College to license an invention to which it holds title within 24 months following issuance of the patent will result in transfer of ownership of the invention to the inventor. However, in such cases, royalty income resulting from licensing of the patent shall be distributed as in Section 4.0.

3.1 Exclusive Licenses

The College administration may grant an exclusive license for use of College-owned patents to an external organization or to a College employee. Exclusive licenses typically will be granted for periods of ten years: they may include provisions for an option to renew the exclusive license for an additional seven years. In all cases where an exclusive license is

granted for a limited period, the College will retain an option to revoke the license in the event that the licensee does not demonstrate due diligence in the exercise of the license.

3.2 Royalty-Free College License

In keeping with the College's mission to broadly disseminate new knowledge, and to protect the public interest, College administration will have the authority to retain royalty-free license rights for use of College-owned patents by the College.

4.0 ROYALTY DISTRIBUTION

All Saginaw Valley State College patents which are licensed to external users or to College employees will return to the inventor and to the College an equitable royalty income. Gross royalty income returning to the College will first be used to repay all costs associated with patent development, patent application and licensing.

Following the deduction of such expenses, net royalty income will be distributed among the inventor(s) and other College units according to the following formula:

<u>NET INCOME</u>	<u>INVENTOR</u>	<u>DEPARTMENT</u>	<u>COLLEGE</u>
Up to \$10,000	75%	15%	10%
Next \$90,000	50%	15%	35%
Next \$900,000	40%	15%	45%
Over \$1 million	35%	15%	50%

The inventor's share of royalty income shall be fixed according to the above formula. Modification of this formula with respect to the share allocated to departments and the College shall require approval of the Board of Control following the recommendation of College administration.

The inventor's share of net royalty income returning from patents involving more than one inventor will be divided equally among the inventors unless a written request to provide for some other division is signed by all inventors and filed with a designated College office thirty (30) days prior to the first payment of net royalties.

The College's share of net royalty income will be deposited in a College Research Stimulation Fund to support and stimulate further research, invention, patent development, and technology transfer. Academic departments will also utilize their share of royalty proceeds to support research programs.

In the event that an inventor (or co-inventor) terminates his/her employment at Saginaw Valley State College for any reason, the inventor's share of royalty income will continue to be paid to that inventor (or co-inventor). If an inventor (or co-inventor) dies, the inventor's share of royalty income will be paid to the heirs and beneficiaries of the deceased. Upon employment termination, or in the event that an inventor (or co-inventor) dies, the College's share of royalty income will continue to be paid to designated departmental and College accounts at Saginaw Valley State College. The departmental and College shares of royalty income may not be transferred to any other institution, organization or individual in the event of an inventor's (or co-inventor's) employment termination or death.

Furthermore, any equipment or other resources purchased from the department or College shares of royalty income will remain the property of Saginaw Valley State College, and will not be transferred to another institution, unless written approval of such transfer is obtained from College administration.

5.0 PATENT COMMITTEE

If there is a question as to the ownership of an invention or patent under the provisions of Section 2.0, the matter shall be referred to a committee of persons from the College community to be named by the President of the College. The Committee shall be chaired by the SVSC Patent Policy Administrator or his/her designee. At least one-half of the Committee members shall be members of the academic faculty of the College selected by the President from a list of names submitted by the SVSC Faculty Association. The list of names submitted by the Faculty Association shall include twice as many names as the total number of academic faculty members that are to be included on the Committee.

The Committee shall make a careful investigation of the circumstances under which the invention was made and shall transmit its findings and recommendations to the President.

Disputes pertaining to the licensing of College-owned patents under Section 3.0 shall also be referred to the Patent Committee. The Committee shall review efforts to license the invention and transmit its findings and recommendations to the President.

Disputes pertaining to the waiver of College patent rights shall be referred to the Patent Committee at the request of the faculty member. The Committee shall review all aspects of the specific disputes and transmit its findings and recommendations to the President.

6.0 OTHER PROVISIONS

6.1 Private Consulting

Consulting activities by employees of Saginaw Valley State College are subject to regulation under existing statutes, contractual agreements and such executive orders and administrative regulations as may be issued to implement existing statutes.

6.2 Waiver of College Patent Rights in Consulting or Temporary Employment Arrangements

The increasing necessity for complex relationships among colleges, private industry and the public sector has heightened national sensitivity to the potential for conflicts of interest which may arise when college personnel are engaged in fee-for-service or equivalent activities with external organizations. Saginaw Valley State College wishes to encourage and promote college-industry linkages and the emergence of new technology-based industries, while simultaneously avoiding real or perceived conflicts of interest which might ultimately impair the College's basic mission and detract from its role in society. As a constitutionally autonomous public institution, Saginaw Valley State College has an obligation to ensure that its officers, faculty, staff and others acting on its behalf avoid ethical, legal, financial, or other actual or perceived conflicts of interest, and to ensure that the activities and interests of such individuals do not conflict with their obligations to the College or its well-being. The guidelines set forth in this Section (6.2) are intended to preserve and

protect the College's mission and social obligations, to maintain institutional independence and integrity, to assure impartiality and to keep the public trust.

Full- and fractional-time faculty who enter into private consulting relationships or temporary employment arrangements with private external organizations which require employee assignment of patent rights to the external organization shall inform the College of this required assignment. The College, upon verifying the appropriateness of the consulting relationship or temporary employment arrangements, will inform the faculty member in writing that the College has no objection to the assignment of patent rights to the external organization in question, except under provisions described in Section 6.3, or where either of the following conditions apply:

1. The faculty member is a stockholder, officer, and/or member of the governing board of that organization (see Section 7.0); or
2. The faculty member is permitted, via contractual agreement, to realize significant financial gain (i.e. monetary return that exceeds a nominal or token amount) as a result of patents assigned to external organizations.

Waiver of College patent rights under conditions described in Section 6.2 (1 and 2) shall be conditional upon a review of the potential for conflict of interest in each individual case, and a determination by College administration that such conflicts do not exist or can be avoided through special arrangements.

All requests for waiver of College patent rights under this subsection shall be approved or disapproved within ten (10) working days following receipt of the request. Disapproval by College administration of a request for waiver of patent rights shall be accompanied by a written explanation. Denial of College patent right waiver under this subsection (6.2) shall be referred to the Patent Committee at the request of the faculty member, for determination as provided for in Section 5.0.

6.3 Waiver of Patent Rights During Consulting While Participating in a Federally Sponsored Research Program

Public Law 96-517. "The Patent and Trademark Amendments of 1980," grants to colleges the right of first refusal to hold title to inventions emerging from federally sponsored research projects (see Section 2.3). Faculty members who receive federal support for research as obligated to protect the public interest in federally sponsored research by honoring the first refusal rights of Saginaw Valley State College. Working with an external organization in the same general research area as work being supported by federal funds and administered through the College does not necessarily constitute a conflict of interest. However, in situations where a faculty member is engaged in federally sponsored research in a specific research problem area and expects to enter into a private consulting arrangement in that same specific research problem area, and where, in the judgment of the faculty member, there is a reasonable likelihood that inventions or ideas which emerge in the course of the federally sponsored project might be "reduced to practice" or otherwise developed during the consulting relationship, it shall be the duty of that faculty member to request a written waiver of College patent rights before assigning patent rights to the private external sponsor of the consulting relationship. Saginaw Valley State College will normally grant such requests for waiver of patent rights provided that the proposed consulting relationship: (1) follows established guidelines for faculty consulting; (2) does not constitute an actual conflict of interest; or (3) does not fall under the provisions of Section 6.2. Requests for waiver of College patent rights described in this subsection will be reviewed and acted upon within ten (10) working days following their receipt by a designated College office.

6.4 Restrictions on the Public Dissemination of Knowledge

Saginaw Valley State College will not enter into sponsored research agreements and/or contracts which include provision for assignment of patent rights to the external sponsor if such agreements totally preclude publication and/or dissemination of research results gathered during the course of the sponsored program. All exceptions to this policy will require prior approval by the Board of Control following the recommendation of College administration.

College administration will have the authority to approve sponsored research agreements and/or contracts which require a reasonable delay in the public dissemination of research results, including a reasonable delay in publication, the delivery of lectures or seminars, and the release of other materials or devices which broadly disseminate information. For purposes of this policy, a reasonable delay is defined as a delay of no more than one year following submission of publishable material to the research sponsor, or six months following termination of the research contract, whichever time period is of shorter duration.

6.5 Administration and Procedures

Administrative systems and procedures to implement this policy shall be issued by the president of the College.

7.0 DEFINITIONS

Application (patent) - complete papers submitted to the United States Patent and Trademark Office seeking a patent,, including specifications, claims, drawings and the filing fee.

Assignment - Written contract that transfers title to and interest in an invention, patent, or patent application. An assignor conveys title, an assignee receives title.

Consulting - See definition in policy establishing the College's consulting policies and executive orders implementing those policies.

Disclosure - Written description explaining the novelty and importance of an invention to another person. The term also refers to the drawings and descriptions furnished with the patent application and found in the patent.

Exclusive License - An agreement granting to one party sole (exclusive) rights to use an issued patent, with the licensor giving up rights to offer or give a license on that patent to any other party.

Fractional-Time Employees - Academic personnel employed fifty percent (50%) time or more at Saginaw Valley State College (but less than one hundred (100%) time are considered to hold fractional-time service positions. " .

Invention (patentable) - A novel and useful solution to a problem, including solutions relating to processes, machines, articles of manufacture or compositions of matter. The invention, which may embody a new idea or the improvement of a pre-existing approach, is generally not obvious to a person skilled in the pertinent art.

License - An agreement granting to another party the right to make, use and sell a patented invention without the transfer of title to the patent. A licensor grants the license; a licensee receives the license.

Net Royalty Income - Gross royalties minus direct costs of patent application, licensing, legal and other expenses related to patent application and licensing.

Non-Salaried Personnel (or other individuals affiliated with the College)- Includes but is not limited to, hourly personnel, part-time, volunteer, adjunct, co-operating and visiting faculty, as well as undergraduate, graduate and postdoctoral students.

Patent - A grant from the U.S. Government giving the owner of an invention the right to exclude all others from making, using, or selling the invention within the United States, its territories or possessions, for 17 years. Patent protection in a foreign country is governed by the individual patent laws of that country.

Practice Plan - An arrangement between an employer and professional personnel which specifies terms and conditions under which those personnel may receive compensation for external consulting activities. Frequently, practice plan arrangements provide some organizational services to support remunerated external activities, in exchange for which professional personnel return some specified portion of their remuneration to the employer.

Private External organization - Private corporations, co-partnerships, unincorporated associations, or trusts.

Publication - Any disclosure in a form which is readily accessible or distributed to the public.

Report of Invention - Written description explaining the general nature of an invention to another person. The report should include the approximate date or time during which the invention was developed, and the general circumstances surrounding the development of the invention.

Royalty - Payment to the owner of an invention for use of that invention, frequently in the form of a stated percentage of sales.

Royalty-Free - A license wherein the licensee is not required to pay royalties to the owner of an invention under specified conditions.

Stockholder - For purposes of this policy, stockholder shall be defined according to guidelines established by the State of Michigan Conflict of Interest Statute, i.e., ownership of more than one percent of the total outstanding stock of any class where such stock is not listed on a stock exchange, or stock with a present total market value in excess of \$25,000 where such stock is listed on a stock exchange.

Unpatentable - An invention not involving sufficient departure from pre-existing knowledge in the art, or that for some reason is not the proper subject matter of a patent, but may nonetheless comprise a valuable trade secret.

PURPOSES OF A PATENT POLICY

1. STIMULATE CAMPUS RESEARCH BY PROVIDING BENEFITS TO FACULTY INVENTORS AND ORIGINATING DEPARTMENTS.
2. CREATE A NEW SOURCE OF REVENUE FOR THE COLLEGE.
3. CREATE AND DISSEMINATE NEW TECHNOLOGY FOR THE BENEFIT OF SOCIETY.

FUNDAMENTAL QUESTIONS IN WRITING
A PATENT POLICY

1. WHAT IS THE INVENTOR/FACULTY BASIS FOR CLAIMING A SHARE OF PATENT REVENUE?
2. WHAT IS SVSC'S BASIS FOR CLAIMING A SHARE OF PATENT REVENUE?
3. WHAT WILL MICHIGAN CLAIM AS THEIR SHARE OF PATENT REVENUE RESULTING FROM WORK FUNDED BY THE STATE?

COMMENTARY

Morton E. Weldy
SVSC Legal Counsel

Page 1, Section 1.0, Paragraph 3

If there is a College Patent Agreement, will individuals be required to sign it? What will be effect of refusal to sign?

Page 2, Section 2.1

Does policy apply to work done during sabbatical leave?

Pages 6 & 7, Section 4.0

How often will royalty sharing payments be made? What will be form of accountability?

Pages 7 & 8, Section 5.0, Paragraphs 2, 3 & 4

Add to the end of each paragraph: The President of SVSC shall make a final decision which shall be binding on all parties.

Page 12, Section 7.0, Fractional-Time Employees

Do employees employed at less than half time have any obligations regarding patents?

Dr. Rod L. Boyes
Vice President, Auxiliary Enterprises
GMI Engineering & Management Institute, Flint

Page 3, Section 2.2, Line 12

"... patent evaluation procedures recommended by the President and approved by the Board of Control."

This modification will reduce the President's responsibility and liability.

Page 6, Section 4.0

The Department Share is a hell of a good idea.

Dr. Henry E. Bredeck
Assistant Vice President for Research
(MSU Patent Policy Administrator)
Michigan State University, Lansing

Page 1, Section 1.0, Paragraph 3

Will this patent policy apply to student assistants, graduate student research, undergraduate student research?

Page 2, Section 2.1, Line 21

Substitute "a reasonable period of time" for "twenty (20) working days."

Page 3, Section 2.2, Line 18

Change "must be rendered within" to "should make a good attempt to render within."

Page 4, Section 2.3, Paragraph 2, Line 5

Change "may require" to "may request." Present language encourages patent assignment to outside sponsors. College should not be so accommodating.

Page 4, Section 2.3, Paragraph 2, Lines 15 through 20

Lines headed by (1), (2) and (3) should have minimum performance language. (See U-M Commentary on this matter.)

Page 5, Section 3.0, Paragraph 4

Twenty-four months is too short.

Dr. Henry E. Bredeck (continued)

Page 6, Section 3.1

End of paragraph is sloppy.

Page 6, Section 4.0, Paragraph 4

Thirty (30) days may be too short. (In general Bredeck likes to avoid most fixed time periods. He feels that they can too easily be a cause for dispute.)

Page 10, Section 6.3, End of Paragraph

Ten (10) working days is far too short. It should be at least twenty working days.

Pages 10 & 11, Section 6.4

MSU will not accept any restrictions on publication at all other than agreeing to delay publication for a brief period to allow patent filing.

Page 11, Section 6.4, Paragraph 2, lines 6 & 7

One year is too long. Ninety days to six months is better depending upon the nature of the technology.

James Dautremont
Patent Counsel
Intellectual Properties Office
University of Michigan, Ann Arbor

Page 4, Section 2.3, Paragraph 3

Provision of patent rights to outside sponsors should be excluded. Present language invites demand for patent ownership by outsiders. Make outside ownership an exception to the written policy which can only be granted by the Board of Control. It's better to negotiate an exclusive license than to give away patent ownership.

In addition, U-M has a public interest clause in their patent policy and in their licensing contracts that stipulates:

Licensors will effectively use its best efforts to make the benefits of the invention available to the public at a reasonable cost.

U-M feels so strongly about this idea that they will cancel a license if they feel that a licensor is not making the benefits of a technology available to the public even if all royalty payments are being made.

Page 5, Section 3.0, Paragraph 4

Twenty-four months is a mistake. Invention may be ahead of its time.

In order to protect the inventor, consider a statement like the following:

If the College has not succeeded in licensing an invention within 24 months after patent has issued, the inventor may apply for reassignment of the patent. Most inventions will be allowed to go, but the College may wish to retain a few. None will be held without good reason.

James Dautremont (continued)

Page 6, Section 3.1, End of Paragraph

"Due diligence" is too vague. Be more specific.

Pages 6 & 7, Section 4.0, Distribution Table

Inventor's share of 35% at the high royalty end is too high. Department share is too low. He recommends:

<u>NET INCOME</u>	<u>INVENTOR</u>	<u>DEPARTMENT</u>	<u>COLLEGE</u>
Up to \$10,000	75%	15%	10%
\$10,000 to \$100,000	50%	15%	35%
\$100,000 to \$200,000	40%	20%	40%
\$200,000 to \$1 million	30%	25%	45%
Over \$1 million	20%	30%	50%

U-M's range for the inventor goes from 50% to 20%. Also, change Department to Originating Unit. This will give more flexibility in rewarding proper unit of the College.

Pages 10-11, Section 6.4

This section seems to invite exceptions to this policy. Make exceptions more special.

Page 11, Section 6.4, Paragraph 2

One year is too long for academic institutions.

James Dautremont (continued)

Question by Herk to Dautremont:

Suppose a patent results from research funded by the State of Michigan, e.g., the Research Excellence Fund, and there are possible licensors in Michigan, but the most efficient potential licensors are outside Michigan. Would you license outside Michigan or favor the less efficient potential licensors in Michigan?

Response:

U-M's policy of serving the greatest public good would prevail here and U-M would go out of state. This public good policy would also prevail over U-M's desire to maximize patent revenues. They would accept lower patent royalties if necessary to license the most efficient user for the greater public good.